



## **LOOKING BEYOND THE 2012 PROGRESS REPORT FOR TURKEY**

One does not need to have very strong analytical skills to claim that the relations between Turkey and the European Union (EU) are at an impasse and there does not seem to be a way out in short term. However it is almost impossible to have a strong insight while looking at the issue from rather the narrow viewpoint of the daily nitty-gritty of the relations. A wider angle is needed and definitely worthwhile.

The European Commission published the 2012 Progress Report for Turkey on 10th of October this year. It is true that the tone of the criticisms in the "Political Criteria" part has been the harshest since late 1990s and early 2000s. In the "Economic Criteria" part there is not any serious criticism with the exception of high informal employment, lack of fiscal transparency and the increased ministerial powers introduced over the independent regulatory authorities which are essential for a rule based market economy. In the "Ability to Take on the Obligation" part, which evaluates Turkey's performance in adopting and implementing the EU acquis, Turkey's considerable progress despite the deadlock in the accession negotiations is fully reflected in the Report.

---

<sup>1</sup> <http://www.tepav.org.tr/en/ekibimiz/s/1139/Nilgun+Arisan+Eralp>

There are two basic reasons for the harsh criticisms in the political criteria part. The first reason is the major shift of emphasis in the “Enlargement Strategy” of the EU starting from 2012. The EU has placed the “rule of law” at the heart of the enlargement process given the challenges faced by the enlargement countries and some relatively new member states including Bulgaria, Romania and Hungary in this area. The second reason stems from the indispensable change in the so called cautious attitude of the European Commission towards Turkey in recent years. In the period between 2007 and 2012, in the Progress Reports for Turkey, The European Commission – making use of its supranational status in the EU- had chosen to adopt a vigilant language mainly because of its concern regarding the political and identity based obstruction of the accession negotiations. Its main motive had been not to strengthen the hands of the categorical anti-Turkey segments in the EU and categorical anti-EU segments in Turkey. In the meantime the Cypriot blockage on Chapters 23 & 24 (Judiciary And Fundamental Rights and Justice, Freedom And Security) which are closely related with political criteria had prevented the Commission to severely criticise the unsatisfactory performance of Turkey in this sphere. However, this year the European Commission could not hold back its criticisms any more, stemmed from its own observations and the pressures coming from Turkish and international civil society and international organisations based on their serious unease regarding the state of fundamental rights and independence and impartiality of judiciary in Turkey.

In recent years, Turkey-EU relations has entered in a vicious circle, where negative developments have been mutually supportive. The “essentialist” rejection of Turkey by political leaders of some EU member states on cultural grounds and political blockage of the accession negotiations led to the weakening of the pro-EU coalition in Turkey. Defending the virtues of EU accession process has almost become politically risky and the process itself has started to suffer from lack of domestic ownership. Accordingly there has been a significant slowdown in the democratic consolidation process of the country. However, in his opening speech in Turkish Parliament on 1<sup>st</sup> of October, President Abdullah GÜL stated that *“it is a fact that, the EU membership perspective has provided the momentum and functioned as a catalyst for a number of reforms through which the Turkish economy and democracy has been strengthened and the living standards of our citizens have been increased”* . Furthermore Turkey owes its “source of inspiration” nature in the Middle East to its EU accession process which enabled the country to establish the core values driving the Arab spring, i. e. “democracy, the rule of law, human rights normalization of civilian –military relations and fight against corruption” to a certain extent.

Hence the importance of EU membership perspective for Turkey is incontestable. As it would be fair to assert that the main responsibility regarding the deterioration of EU-Turkey relations lie on the EU side, it would not be possible to anticipate the future of Turkey-EU relations without analysing the developments in the EU.

### **The Developments in the EU**

The Lisbon Treaty which entered into force on 1 December 2009 aimed at establishing a framework of a stronger European democracy, a more efficient and transparent decision-making mechanism and wider participation by European citizens and also furnishing the EU with the potential for acquiring a political power that would be at par with its economic power in the international arena. However, unfortunately, while the Lisbon Treaty could not be a cure to the existentialist or the identity crisis that the EU

have been going through since 2000s, the Euro crisis has hit the Union and intensified its problems. All these developments have played their part in the worsening of Turkey-EU relations.

Analysing the reasons of the Euro crisis is out of the scope of this paper. In this regard it would suffice to refer to the weak legal and institutional infrastructure of the economic/financial policy monitoring in the Euro countries which have different levels of economic development and different economic structures, whereas Economic and Monetary Union (EMU) legally requires complete transfer of sovereignty in monetary and exchange rate policies to the European Central Bank (ECB).

It also would not be wrong to state that after a period of indecisiveness, the EU has started to take measures to alleviate the factors leading to the Eurocrisis, while working hard to surmount the problems caused by it.

The 25 member states excluding United Kingdom and Czech Republic signed the Fiscal Compact in 2012 in order to remove the basic contradiction in the EMU by providing a sound legal base for coordination in economic and fiscal policies. The economic difficulties faced by the "bail-out" countries, Greece, Ireland and Portugal and the others like Spain and even Italy, forced the EU to take promising measures in its June Summit this year. Despite the initial resistance of Germany, with the difference introduced by the election of François Hollande as French president, supported by Italian prime minister Mario Monti, the EU leaders agreed in principle to create a banking union and to give the troubled countries easier access to euro-zone rescue funds. Subsequently, in the so called "golden month" for the Euro crisis, in September 2012, European Commission put forward a blueprint for the first step to Banking Union, i.e a joint European banking supervision. ECB chief Mario Draghi announced that under certain conditions it would buy unlimited amounts of bonds of troubled Eurozone countries for a reasonable period of time (like 3 years) <sup>2</sup>. Finally, when the German Constitutional Court backed the European Stability Mechanism and its "rescue" activities, the "light at the end of the tunnel" seemed to have appeared for the Eurocrisis. In the meantime, with the results of the Dutch elections heralding a reversal in the current trend of strengthening anti-EU, populist parties in EU member states, a general positive atmosphere has emerged in the EU.

Although the seriousness of the austerity vs growth dilemma still persists, the aforementioned developments has lessened the fears of a possible break-up of the Euro system and the EU and has helped to carry the European integration beyond monetary union for quite a number of EU countries. This seems to prove the argument of a considerable number of EU experts: "*EU, throughout its history of integration, has leapt to further stages of integration (has deepened) via the measures it has taken to surmount the various crises it had confronted and hence executed a type of improvisation rather than moving ahead in line of an integration strategy*"

Nevertheless, this observation should not lead us to disregard the fact that EU is still struggling with serious difficulties and challenges. These can be summarised as follows:

---

<sup>2</sup> Such a proposal was first made by Kemal Derviş, the former Minister of Economy of Turkey and the Vice –President of Brookings Institute in June 2012.

- Even if the EU could come out of the Euro crisis, most probably this would be in the form of a relatively divided EU which would be qualified as two-tier/multi-tier/multi-speed/ variable geometry (at least there would be three groups : Euro group, a non-Euro group which would get into Euro group in time and a permanent non-Euro group);
- The concerns regarding how a single institutional system (especially European Commission and a European Parliament) would serve efficiently to different groups stated above;
- Whether EU would be transformed into a “transfer union” (while France and Italy is supporting such a transformation, Germany is against it);
- The detrimental effects of the Euro crisis on the most successful achievement of the EU, i..e. Single Market (more than half of the enterprises come across barriers) , the concerns regarding the possibility of competitive devaluations of non-Euro countries;
- The emergence of Banking Union with some deficiencies (lack of an euro-wide deposit insurance and a common bank-resolution scheme because of German resistance) and uncertainties (whether all the banks in the Euro system will be supervised or not);
- The growing frustration regarding the sovereignty fixation and hence the semi-detached position of the United Kingdom amid the Euro crisis and the accompanying repatriation demands of the country and the possibility of a referendum that might end up an “UKexit”;
- Concerns regarding the post-election state of the dilemma between price stability and commitment to European integration in Germany;
- Whether a common external trade policy would still be sustainable given the economic discrepancies between countries;
- The impact of the crisis on the international status and the foreign policy of the EU (Can the Euro group have its own foreign policy? Is it possible to talk about an effective foreign policy without UK?);
- The ongoing problem of democratic deficit/democratic legitimacy which is getting even more serious with the Euro crisis.

All these problems and challenges have made the EU focus on its own problems and minimise its interest in the outside world, resulting in a decline in its soft power and international credibility. Consequently the efficiency of its already dubious foreign policy is being further questioned. The gravity of this situation worsens with the emerging multi-tier EU.

### **Crisis and EU Enlargement? Emerging “Multi-Tier” Europe and Enlargement?**

Despite the ongoing crisis in the EU, enlargement does not seem to be dead. Croatia will be a member in mid-2013, accession negotiations with Montenegro has started in late June this year and we know that there are others in the queue. But the reality is that the enlargement process has slowed down sharply.

However the Euro crisis and the accompanying difficulties reincarnates the good old dilemma of deepening vs widening and have had a negative impact on the enlargement process.

Euro crisis might seem to be the main cause of this slowdown, but in fact there were signs of enlargement fatigue even before the financial crisis struck in 2008 and now integration fatigue is threatening enlargement. Some scholars <sup>3</sup>ask the following question( regarding integration fatigue): *“If you have lost that sense between Germany and Greece, then how are you going to have it between Germany and, say, Albania?”*

A lot of EU officials claim that enlargement has become a “luxury” in the current crisis period. If one tries to observe the current stance of the EU vis-à-vis the enlargement, it is easy to notice that the only remaining motive of the EU for enlargement is the need to have stability in its immediate neighbourhood (especially Western Balkans) and to prevent any infiltration of instability and immigration influx into the EU. It is even possible to state that if the EU could have had a more efficient foreign policy instrument than enlargement to reach these aims, it would wilfully forget enlargement as a whole.

Some in the EU allege that the emerging multi-tier Europe might ease the path for enlargement. Countries could be admitted at least into the looser outer circle without full integration in all areas and hence would not have disruptive impact on the functioning of the important policies. Their motto is “two or multi-tier EU is better than no EU at all”.

At this point it is necessary to have a closer look at this attribute of “two-tier” or “multi-tier” EU. It does not seem to be possible to talk about clear-cut tiers, divisions in the EU, although during the Euro crisis, two groups as “Euro group” and “non Euro-group” seem to have emerged. Even in this case, definitely some non-Euro group countries – with the exception of UK- would be transferred to the Euro group in time. Poland would definitely be one of these countries as it is expected to join the Euro group sooner or later with security concerns if not with economic motives. Furthermore, currently in the EU there are tiers other than Euro group and non- Euro group like Schengen, Security and Defense and “Charter of Fundamental Rights”. There are some member states who do not participate in these policies and who might do so if they wish. Besides, there are cross cutting interests among different tiers like the common interest between France in the Euro group and UK in the non-Euro group in Common Foreign and Security Policy as indicated by the Libya crisis last year. Euro group countries can form a joint policy and a joint representation at the International Monetary Fund (IMF). Yet, is it possible to expect the same close cooperation from them in the areas of external trade, environmental and energy policies by excluding other EU member states?

When one analyses the possibility of a “multi-tier EU” and enlargement simultaneously, it should be stated that the EU, in order to attain stability via

---

<sup>3</sup> Dimitar BECHEV, “The periphery of the periphery: The Western Balkans and the euro crisis”, ECFR Policy Brief, August 2012

enlargement should not create a "cast system" that would inevitably negatively affect the enlargement countries.

For enlargement to continue efficiently in a two or multi tier Europe, whatever it is , or it would be the core/avant-garde group must never be exclusive but must be open to all member states and candidate countries should they participate at a certain time as Joska Fisher stated, provided that they accept and fulfil/implement clear and transparent conditions . Otherwise enlargement would not reach its objectives as narrative of convergence would be undermined.

There is the concern in the enlargement region that in a permanent system of two or multi-tier Europe the candidate states would become "periphery of the periphery". They worry of being trapped in the outermost circle and this seems less attractive to prospective members, especially Turkey. Some candidates would be willing to join any club that is going, for fear of being left out. But that does not mean the club will work as an integrating force. EU has already started to lose its transformative power in the so called "enlargement region", regarding democratic consolidation, governance and market reform.

Hence it would be wiser to talk about a multi-speed EU or an EU of variable geometry from the viewpoint of European values and objectives of enlargement.

### **The Reflection of the Crisis and the emergence of a multi-tier Europe on Turkey-EU Relations**

As mentioned above, the Euro crisis has disinclined the EU from enlargement and an introvert EU as a result of the crisis has postponed future enlargements. The accession of Croatia to the EU in mid 2013 is certain, but after that – may be with the exception of Iceland- the other candidate – even Montenegro who has recently initiated accession negotiations with the EU- and potential candidate countries will have to wait for an indefinite time period.

Unfortunately under these circumstances no one in the EU wants to hear about Turkey. There is this general feeling of regret for having given the country the membership perspective. There are three main approaches underlying this negative attitude towards Turkey.

1. Categorical exclusion of Turkey based on "different values and different historical roots"

Such an identity-based approach is not widely accepted in the EU and hardly anyone contests when the contradiction of this approach with European values is reminded. In general such an attitude is adopted by the Christian Democrats, while widely opposed by Socialists, Social Democrats, Liberals and Greens. It is a fact that this rather unethical approach has lost its legal validity after Turkey has been accepted as an official candidate with which accession negotiations have been initiated.

2. The approach based on the argument that Turkey's accession to the EU would have detrimental effects on important EU policies (like common agricultural policy, regional policy, foreign policy, justice, freedom and security)

It is not possible to have a sound discussion on this approach if it can not be substantiated with an impact assessment of Turkey's accession on EU's main policies. The European Commission made a general impact analysis in 2004 published simultaneously with the Progress Report on Turkey and the outcome was by and large positive. However, a technical and detailed impact assessment has to be conducted first, before such an argument can be mutually discussed by Turkey and the EU. When one raises this argument, a limited number of EU officials who have supported Turkey's membership claim that "time is not ripe for such an exercise which should be postponed to post-crisis period in the EU or to "better days".

3. The rejection of Turkey's membership on the grounds of a severe disappointment regarding the state of the democracy and human rights in the country.

Such an approach is adopted by those who strongly supported Turkey's membership conditional on fulfilment of membership conditions. Their support had been very strong and visible while Turkey had been implementing reforms for the consolidation of democracy. One can feel the sense of "being betrayed" in this group, as they are very much concerned especially on the state of fundamental rights. These people also refer to Turkey's "hubris" and "sovereign" attitude in foreign policy, among the factors that made them change their mind. This group is comprised of independent civil society groups, academicians, researchers and MEPs. It is not very difficult to anticipate that 2012 Progress Report on Turkey had been prepared under the influence of this group rather than one country.

It would not be surprising to regain the support of this group if Turkey "reinstates the priority it had been giving to EU reforms" as stated by the President of Turkey and starts to take significant steps towards democratic consolidation, as this group has never opposed to Turkey's membership categorically.

In the meantime, there are some EU officials who had been very active in Turkey-EU relations who claim that Turkey would be obliged to revitalise its EU perspective as a result of its increasing isolation in a very instable and risky region of the world and in order to meet the demands of a significant portion of its society to reinitiate the democratic reforms that would improve the human right conditions in the country. These developments would create a more favourable environment for Turkey-EU relations. These group of people also criticise the discriminatory policy of the EU towards Turkey and claim that "the potential of the EU-Turkey relationship can be fully tapped only within the framework of an active and credible accession process" as reflected in the 2012 Progress Report for Turkey. Hence they propose to give a "steady pace" to the negotiations and to take significant towards visa liberalisation for the citizens of Turkey so that the EU can regain the trust of the citizens of Turkey.

## Conclusion

As can be seen, the Turkey-EU relations is going through yet another problematic period. However it would not be proper to say that all the hopes have faded. There have been such difficult periods in the history of Turkey-EU relations. People thought the relations had come to an end after Turkey's unilateral suspension of the Customs Union process in 1978, followed by a military coup in 1980. There had been the same feeling in 1990 when Turkey's 1987 application for membership was kindly rejected. Turkey, after successfully complementing the Customs Union with the EU in 1996, had expected to be included in the enlargement strategy of the EU. When this has not happened in Luxembourg Summit of the EU in 1997, the country suspended its political dialogue with the EU. After all these dates when the relations between the parties had seemed to come to an end, Turkey has become an official candidate country in 1999 and opened accession negotiations with the EU in 2004. Hence the expectation of improvement in Turkey – EU relations should not be regarded as unrealistic given this historical perspective.

Those who are aware of the role EU has played and can play in the necessary political, economic and social transformation in Turkey, those who believe that a Turkey having fulfilled the membership conditions have a rightful place in the EU and those who can see the dangers of a broken relationship for both sides are waiting for a more favourable environment.

What can Turkey do in this period? First of all the country should give a boost to the reforms consolidating democracy, guaranteeing a rule based sustainable market economy and providing good governance.

Besides there are two technical/scientific exercises whose results can be utilised if and when the relations with the EU improve. This first study, without making concessions on the necessity of transition between different tiers when their conditions are met, might be an analysis of the possible tiers that might emerge, the different EU policies that would be covered by these tiers. Such an exercise might also exhibit in which tier(s) Turkey can be in right now and in medium term. The second study can be an impact assessment, putting forward Turkey's possible impact on the main policies, budget and the decision making mechanism of the EU or in other words an analysis measuring EU's integration capacity vis-à-vis Turkey. If these studies can be conducted by independent academic and/or research institutions or by a consortium made up of them based on a transparent scientific method, the outcome would be more credible and hence function as an important instrument for Turkey.

One of the possible main motives of the Nobel Peace Prize awarded to the EU this year is to show the Union that it actually has the necessary potential to get out of the crisis by reminding that it could be able to sustain peace in the continent under more difficult political and economic conditions. In the meantime we think that Nobel Peace Prize for the EU intends to evoke the basic objective of enlargement process to the EU and to the candidate countries and to prevent the Euro crisis to obstruct this process. Otherwise why would Thorbjorn Jagland, Chairman of the Norwegian Nobel Committee and the Secretary General of the Council of Europe felt the need to remind that "in the past 10 years, the EU membership perspective



has improved the democracy and human rights in Turkey". Was this a warning to both parties?