

# tepav

economic policy research foundation of turkey

## EU-Turkey Relations and the New Political Context



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# A shortened long history...

- 1963: Association Agreement
  - ➔ Establishment of a Customs Union in three phases
  - ➔ Provides full membership perspective (art.28)
  - ➔ Financial assistance
- 1987: Application for full membership
  - ➔ EU Commission's negative opinion endorsed by the Council in 1990
- 1995: Customs Union signed
  - ➔ Abolishing tariff and quantitative restrictions in industrial and processed agricultural goods
  - ➔ Common External Tariff
  - ➔ Progressively adopting EU Commercial Policy
  - ➔ Competition Policy
  - ➔ Intellectual Property Rights
  - ➔ Financial Cooperation

## ... of a complex relationship....

- 1997: Luxembourg “cold shower”
  - ➔ Confirms Turkey’s eligibility for membership, but excludes from enlargement process
- 1999: Helsinki “reversal”
  - ➔ Turkey officially recognized as a candidate country on an equal footing with others
- 2001: Accession Partnership agreed
  - ➔ Turkey adopts National Program for the adoption of EU laws
- 2004: Accession negotiations to begin in Oct 2005, subject to conditions
- 2005: Accession negotiations began

# Enlargement

- A major foreign policy tool
  - ➔ Essence of the EU soft-power
    - Democracy, human rights and stability
    - Economic prosperity and increased competitiveness
  - ➔ EU becoming a stronger international actor
- 6 rounds of enlargement: From EU-6 to EU-27
  - ➔ Widening and deepening
- Candidate countries
  - ➔ Croatia and Turkey (negotiating since October 2005)
  - ➔ FYROM (candidate since December 2005)
- European Neighborhood Policy
  - ➔ No EU membership perspective offered



# EU Enlargement Strategy

## ■ EU enlargement policy based on 3 Cs

### → Consolidation of commitments

- EU to honor its existing commitments towards those countries already in the enlargement process (*pacta sunt servanda*)
- Incentive for continuing reforms

### → Conditionality

#### • **Copenhagen Criteria**

- Stability of institutions guaranteeing democracy, rule of law, human rights and respect for and protection of minorities
- Existence of a functioning market economy, and the capacity to cope with competitive pressure and market forces within the Union
- Acceptance of the Community *acquis*: ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union

#### • **Absorption capacity?**

- A fuzzy concept with institutional, budgetary, cultural and specific policy aspects

### → Communication

- Public support is crucial for a successful enlargement
- Democratic legitimacy
- Some EU member states will hold referenda on accession (France, Austria)

# EU is going through an existentialist crisis

## ■ Internal crisis in the EU

- EU Constitution: Voted down in mid-2005 by the French and Dutch
  - “Period of reflection”, but still no clear consensus
- Budget
  - Difficulties in setting priorities
- Lack of leadership
  - German-French engine is questioned

## ■ Enlargement fatigue

- Need for institutional reform
- Concerns over “unfair” competition
  - Social-dumping

## ■ Turkey’s accession not welcomed by federalists

- With the latest rounds of enlargement that goal is already challenged significantly

# Perceived pros and cons of Turkey's accession

## ■ Pros

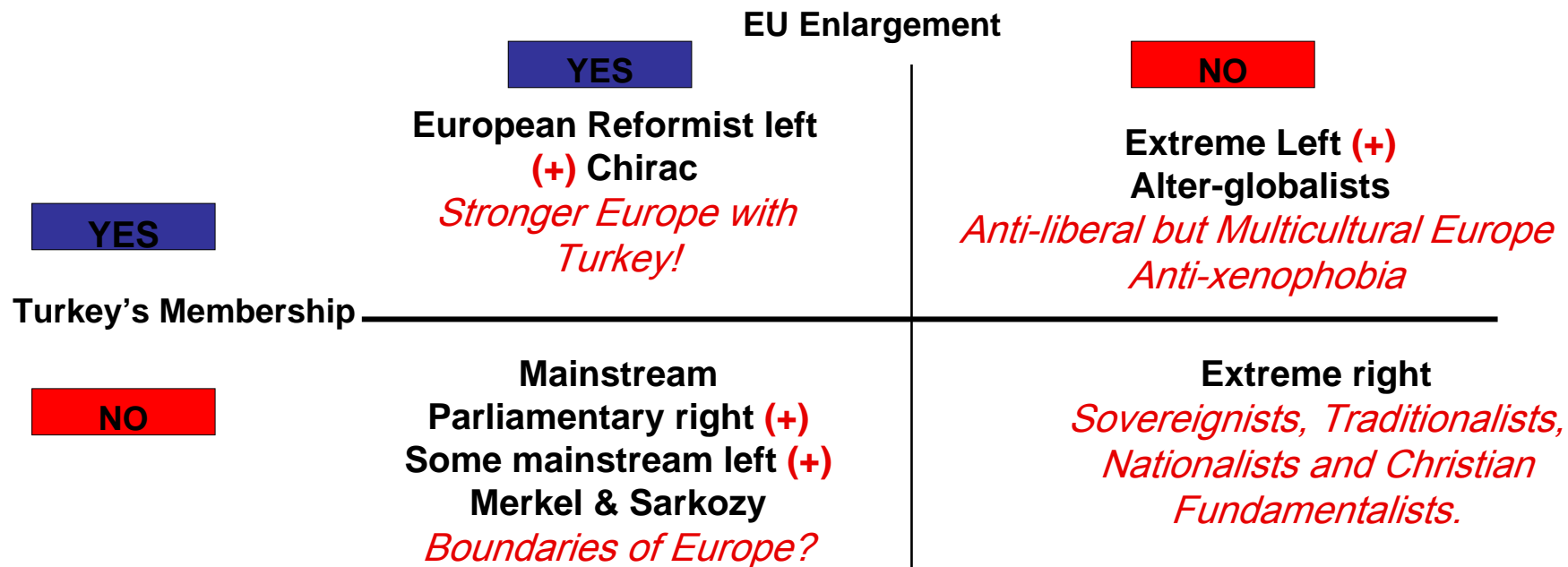
- Demographic window of opportunity
- Size of the market
- Going against the “clash of civilization” argument
- Energy security
- Strengthening EU foreign policy
  - Both hard and soft-power
- Europe as a global actor

## ■ Cons

- Level of economic development
  - Budgetary issues
- “European” identity
- Islamism
- Geographic location
- Democratic and human rights track-record
- Fear of migration waves

# Not all in the EU opposed to Turkish membership but...

## Fragmentation of Europe Regarding Turkey's accession



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Source: Speech delivered by Kalypso Nicolaidis at St Antony's College, Oxford University Nicolaidis, 2.6.05



# EU reform process and Turkey's metamorphosis

- Democracy and rule of law
  - ➔ Civil-military relations
  - ➔ Increased transparency and accountability
    - Anti-corruption measures
  - ➔ Judicial reform
- Progress in the field of human rights
  - ➔ Abolition of death penalty
  - ➔ Freedom of expression
    - Article 301?
- Cultural and minority rights
  - ➔ Education and broadcasting in mother tongue

# Coalition of Transformation: Orchestrating the reform process

- The Coalition
  - ➔ Government
  - ➔ Segments of bureaucracy and military
  - ➔ Business circles
  - ➔ Mass media
- By virtue of the legitimacy obtained through coalition building, AK Party could succeed in:
  - ① Ambitious reform packages
  - ② Accession negotiations with the EU
  - ③ Shifting policy in Cyprus
  - ④ Strong fiscal discipline and strict macroeconomic program
    - High growth and stability
- Major opposition party CHP also supported tacitly, or at least not opposed the EU reform packages

## It was good while it lasted...The coalition falls apart

- Change in domestic power structures
  - ➔ Winners and losers
  - ➔ Vested interests challenged
- AK Party fails to become mainstream
  - ➔ Change of heart towards EU accession
- Mismanagement of presidential election
  - ➔ Mass pro-secular demonstrations
  - ➔ Military's e-ultimatum against Minister Gül's nomination
  - ➔ Decision of the Constitutional Court
- Polarization in Turkish politics
- An Islamist party led the reform process, thus nationalism and militarism continue to be a major political outlet
- EU cold shoulder sparks disenchantment in Turkey

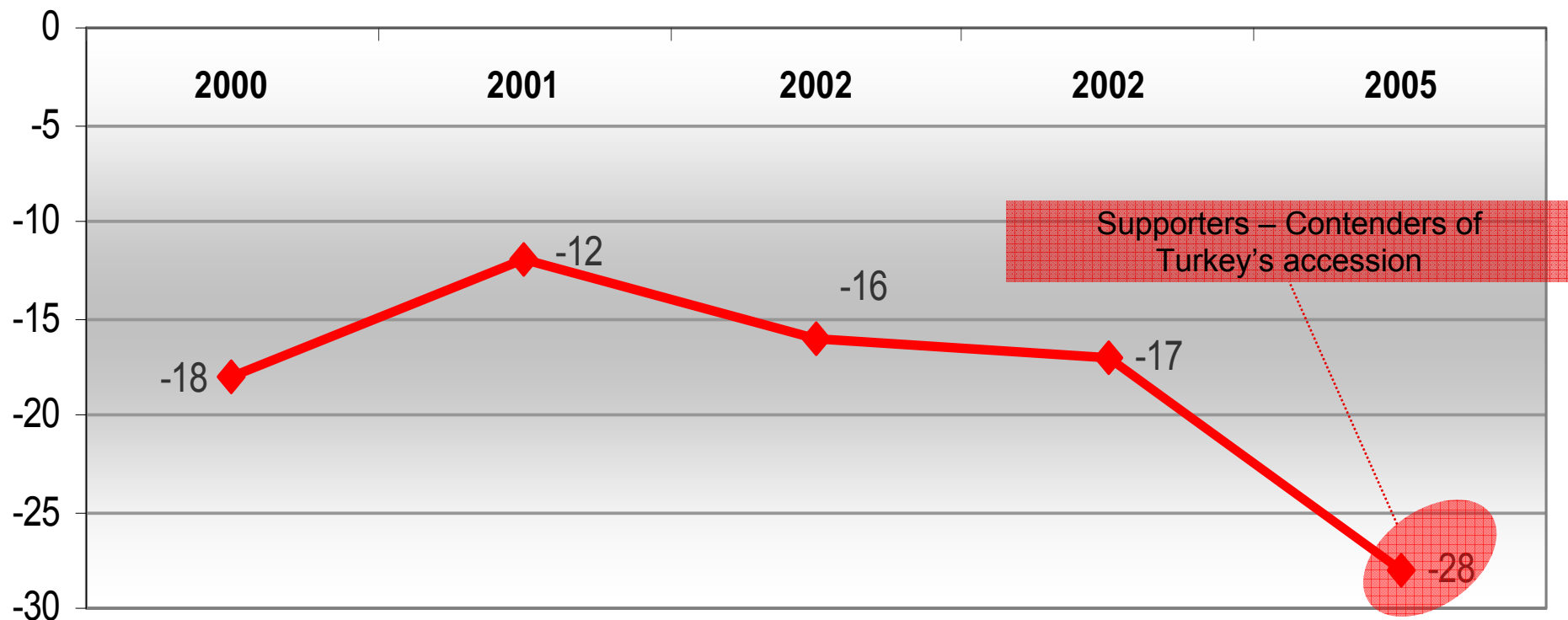
## Disappointment with the EU process

- The EU capitals and institutions are fragmented against Turkey
- The change of governments in Germany & France to Turco-sceptic ones
  - ➔ Privileged partnership
  - ➔ Mediterranean Union
- “*Pacta Sunt Servanda*”
  - ➔ The EU held hostage by Greek Cypriot government
    - Suspension of 8 negotiation chapters
- “YES, BUT” attitude
  - ➔ Overemphasis on the open-ended nature of the negotiations
  - ➔ Permanent derogations, safeguard clauses
    - Free movement of labor
    - Common Agricultural Policy
  - ➔ Absorption capacity argument



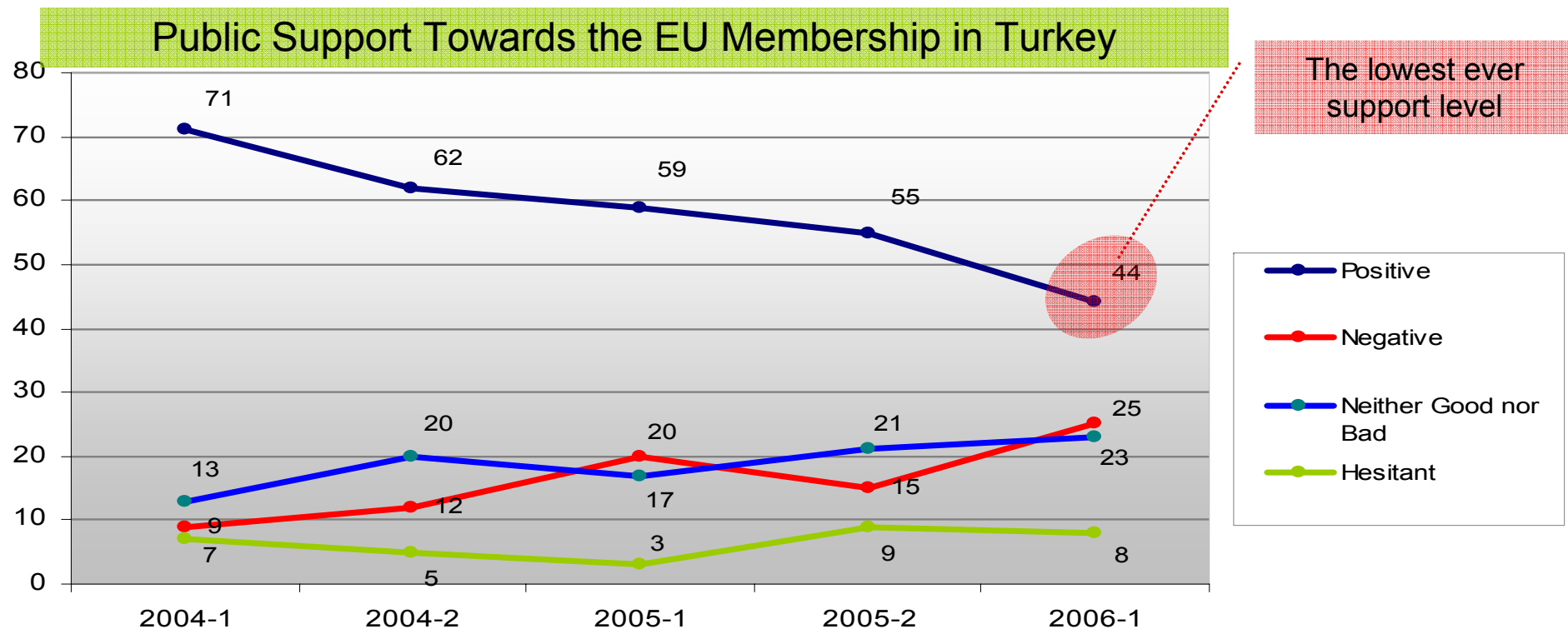
## Declining public support towards Turkey's accession in Europe

Net Support for Turkey's Membership (EU-15)



## Declining Public Support for the EU Membership

- The public support towards the EU membership decreased drastically from 71% in 2004 to 44 % in 2006.
- The opposition towards the EU membership increased from 9 % in 2004 to 25 % in 2006.



\*Source: Eurobarometer

## Future of Turkey's Accession Process: It takes two to tango

- Time for damage control both in Turkey and in the EU
  - ➔ See the long term perspective
    - Not let short term concerns dominate
  - ➔ Focus on the progress
- Strengthen the EU anchor after the general elections
- More effective communication strategy
  - ➔ Improve public support
- EU commitment on both Turkish and the EU side
  - ➔ Make sure it is irreversible
  - ➔ Strong political will