

Turkey's Accession to the European Union: Problems and Prospects

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CERTIFICATE

Certified that the Dissertation entitled "Turkey's Accession to the European Union: Problems and Prospects", submitted by Janaki Srinivasan, in partial fulfillment of the requirements for the award of the degree of Master of Philosophy of this University. This dissertation has not been submitted for any other degree of this University, or any other University.

We recommend that this dissertation be placed before the examiner for evaluation.


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PREFACE

Enlargement has always been a part of the EC/EU's augmentation process. Despite the strains imposed on both the Union and its new members, the queue of applicants stretching, from the southern Mediterranean, through Central and Eastern Europe, into the former Soviet Union, is proof of its attractiveness. If properly prepared, the enlarged EU could bring increased security, stability and prosperity to Europe. But, at the same time the Union must seek to ensure that further enlargement lives up to the expectations, which it has aroused. While, on the one hand, candidates must be in a position to accept and implement all the rights and obligations which enlargement involves, on the other, the Union must also be a position to absorb new members, while maintaining its sense of purpose.

Turkey's membership of the European Union is a live issue that has attracted much attention in recent times. The question raised was, whether Turkey, an associate member of the European Economic Community, and as such deemed officially eligible for full membership, should be included in the list of candidates for enlargement? In this context, there is need to reassess current policies and relationship between Turkey and the EU, which are largely rooted in the past, and develop alternate visions for their future relationship. Turkey has had links with Europe ever since the Ottoman Empire. Since the time the republic came into existence in 1923, under its founder Mustafa Kemal Ataturk, Turkey attempted to move towards westernization in general, and Europeanization in particular. Yet, EU has shown reluctance to accept Turkey as European. After decades of

standing in the queue, it is the only country, with a current membership application, against which the EU door has been shut. The EU has cited economic and political reasons for not accepting Turkey into its fold. It has expressed reservations against Turkey's backwardness in the economic field, with role of military in its politics, Turkey's problem with Greece over Cyprus, human rights violations, and so on. But much more than these stated reasons, it appears that so far there is no will is lacking in Brussels to embrace Turkey into the EU fold since that country is viewed as 'the Other' in Europe's cultural map.

The objective of this study is to trace Turkey's historical connection with Europe and analyse the reasons why Turkey is kept waiting for so long for membership in the EU. The credibility of the EU's arguments is questioned because it seems to treat Turkey and the other applicant countries differently. While the problems of Central and East European countries are addressed jointly, Turkey is asked solve its own problems first, for the EU to reconsider its quest for membership. Turkey has a feeling that despite its European credentials, its Islamic link stands in the way of its EU membership, although the EU is not explicit about it.

The study is divided into four chapters. The first Chapter, traces the roots of Turkey's relationship with the EU.

The second chapter, deals with different facets of Turkey's relationship with the EC- economic, political and foreign policy. In the economic field, Turkey's involvement

with the EU is more pronounced, and even while the overall relationship between the two has not been smooth throughout, yet, it further ties Turkey close to the EU.

The third chapter, analyses the reasons, which the EU has cited to decline Turkey's request for membership. The EU has clear stipulations for admitting any new country to its fold: democracy, market economy, and ability to adapt the community's *acquis communautaire*.

The final chapter is conclusions. Clearly Turkey's inclusion in the EU is important not only for itself, but also for the security in the Balkans, the Middle East, Caucasus and Central Asia. Though membership in the EU is not an illusion, yet Turkey seems to be waiting forever. It is therefore necessary for both sides to understand each other's compulsions and act accordingly to make Turkey's membership in to the EU swift and easy.

This work has been made possible with help and encouragement, from many. I am indebted to them for directly and indirectly, being there and offer their support, in whichever way they could.

I would first like to thank my supervisor, **Prof. Vivekanandan**, for his patience in correcting my drafts. Without his guidance and encouragement, I could not have finished my work well ahead of others.

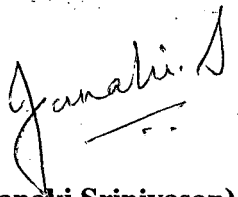
I have written this dissertation with the help of primary and secondary source material collected from various libraries in Delhi. In this connection I would like to acknowledge the assistance I received from the Jawaharlal Nehru University Library, Nehru Memorial Museum and Library, Institute of Defense Studies and Analysis Library, British Council Library, and the Library of the EU Delegation in the New Delhi. I am thankful to the staff of all these libraries for their cooperation and support.

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(**Janaki Srinivasan**)

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Chapter- 1

HISTORICAL BACKGROUND:

TURKEY'S RELATIONSHIP WITH THE EUROPEAN COMMUNITY COUNTRIES FROM 1945 TILL ITS APPLICATION FOR EC MEMBERSHIP

Sooner or later, Turkey will take its rightful place in the European integration process without making any concessions from its national rights.

The 56th Government's programme presented to the Turkish Grand National Assembly by Prime Minister Bulent Ecevit on 12 January 1999.

Turkey is a leading state in Europe, but also in the whole world and fit enough to be part of the European homeland of peoples whose cultures and religions vary, but which are all animated by the same conception of civilization¹. Yet, Turkey's European identity has always been a matter of controversy not only among scholars, politicians and ordinary people in Europe, but also among those in Turkey as well. No state of comparable size or strategic importance in today's world offers greater promise than what Turkey does of successful and continued development in the twenty-first century. Ever since its coming into being in 1923, Turkey has been undergoing immense transformation in terms of both its domestic as well as foreign policies. These changes have their roots in the efforts made

¹ Andrew Mango, "Progress and Disorder: 75 Years of Turkish Republic", *Middle Eastern Studies* (London), Vol. 35(3), July 1999, p. 157.

by the 18th and 19th century Ottoman reformers and were aimed at restoring to it the power and the glory it once commanded. At its height in the 16th century, the Ottoman Empire had been a great power and enjoyed a level of civilization surpassing, perhaps, even Western Europe. It, however, did not participate in the industrial revolution that greatly transformed Europe, and, therefore, fell behind in the fields of technology, military power, economic progress, social organization and political developments.²

Turkey's relationship with Europe is not of a recent origin, but dates back to the time when it was under the Ottoman Empire. Therefore, it is important to trace back the historical links between the two since then, to have a better understanding of the development of relations ever since. The empire had a dual economy composed of a large subsistence sector and a relatively small commercial sector linked closely to the European markets. Besides the British, French and German investors built railroads to access the coastal valleys where various varieties of cash crops were grown. The financing of this foreign trade was in the hands of the European banks and many of the existing mines and factories were owned by the Europeans.³

The position of the Europeans was safeguarded by the capitulations, i.e. a series of agreements concluded between the Sultans and the European powers by which the former voluntarily renounced jurisdiction over the Europeans in the empire and granted them extra-territorial rights. Besides, European domination over the Ottoman Empire could be

² Edward J. Cohn, *Turkish Economic, Social and Political Change: The Development of a More Prosperous Society* (New York: Praeger Publishers, 1970), p.4.

³ Ibid.

noticed in the form of Ottoman debt.⁴ Costly military failures and extravagant lifestyle of the Sultans led to expenses far exceeding the tax revenues. To cover them up, they borrowed heavily from the Europeans, which led them to a situation of bankruptcy. Then, to obtain further loans, the Sultans had to place the administration of the Ottoman debt in the hands of a Council, which was given the right to collect public revenues to be transferred to the European creditors. Attempts towards modernization in the Ottoman Empire was also done with the assistance offered by the Europeans. Even civilian education, introduced on a limited scale to train the bureaucracy, was done in the French pattern. Besides, the first instruction in medicine, mathematics and engineering was offered in military schools, which were established with French assistance. It was this, that enabled them to familiarize themselves with the ideas of the French revolution and they took a lead in demanding constitutional reform in the Ottoman Empire.

Thus, we see that the European influence on Turkey was not a recent development, but has its roots in the past. In fact, there was no period of concentrated reforms in Turkey “which did not begin with one or more specific stimuli from abroad.”⁵ The empire had been in a state of decline for several centuries, unable to keep up with the industrial and scientific developments. As the Ottoman Empire crumbled following its defeat in the First World War, the Turkish Empire rose up in a war of liberation from the invading powers. It was successful and this resulted in the Laussane Peace Treaty of 24 July 1923 which established the status and boundaries of the new state.⁶ The Turkish Republic was created

⁴ Ibid.

⁵ Andrew Mango, “Turkey: The Urge to Reform”, *Middle Eastern Studies*, Vol. 37(1), January 2001, p.198.

⁶ Edward J. Cohn, *Turkish Economic, Social and Political Change: The Development of a More Prosperous Society*, n.2, p. 4.

on 29 October 1923 and, thus, it set an example to many nations of Asia and Africa, which were struggling, for independence. From the moment he created Turkey from the ashes of the Ottoman Empire, Mustafa Kemal Atatürk, the father of the Turkish republic, set on to defining the nature of the Turkish State. Atatürk is the very personification of the modern Turkish state and Turkey is one of the few countries whose national ideology (Kemalism) derives from a single individual. He wanted it to be independent, modern, industrialized, Europe oriented and secular. And in an attempt to realize these, he introduced far-reaching reforms in the republic. The base was already there for him to bring about the modernization in Turkey that he dreamt about. He valued and respected all trains of thought provided it was stated earnestly and within the laws. Republicanism was, to him, “in the Turkish nation and in the consciousness of its armed forces.”⁷ He ruled like an autocrat for most part of his reign and few statesmen of the third world can aspire to such a legacy. Today Turkey stands as a monument to his success. He brought in, for the first time, innovations to bring Turkey in conformity with the Western standards. He abolished the Sultanate and later the Caliphate, closed the religious schools and courts, suppressed the monastic orders and took away their lands. New political institutions were created and elections were held regularly. A new constitution was adopted in 1924. Legal courts based on the Swiss civil code, the Italian Penal code and the German commercial code were introduced replacing the Islamic legal system. Education was facilitated by the expansion of the school system and in 1928, Latin alphabet was adopted in place of the Arabic script. Other innovations brought in were: adoption of the international clock and calendar, introduction of the metric system, designation of Sunday as a holiday and assumption of last names. The fez (traditional hat) was replaced by the European cap and donning of

⁷ *The Indian Express* (New Delhi), 24 October 1981.

European clothes was encouraged. Besides, people were urged to listen to Western music. Moreover, the position of women in the society was improved, polygamy was made illegal and voting rights were extended to women. Also, they were encouraged to attend schools and practice professions. In the economic sphere, special privileges to Europeans under capitulations and Ottoman debt were scraped off. However, one important point to be observed in these innovations was that it had an influence only on the urban population. Rural areas were less exposed to Kemalism and thus the gap between the villages and towns were widened.⁸ However, these reforms showed that Ataturk was determined to lead the country towards Westernization. It was, indeed, extraordinary how he was able to face the challenges and adversities of his time and lead a social movement steering the country towards modernization.⁹

Thus, it is evident that Turkey is not just a Mediterranean country but has inherited from its founding father, a profound inspiration to be a part of the European civilization. The problem that Turkish state faces today is the unthinking perpetuation of Kemalism as a static set of values. What needs to be understood is that the period and time when Ataturk functioned no longer exists, and some key tenets of Kemalism needs to be reinterpreted according to the changing times.

⁸ Edward J. Cohn, *Turkish Economic, Social and Political Change: The Development of a More Prosperous Society*, n.2, pp. 8-9.

⁹ Ibid.

Development of EC-Turkey Relations in the Post-Second World War Period

There were delays, set backs and counter-currents under Ataturk's successors. But, the basic trend of Turkish-European relations continued. The European Community was considered as the economic axis of the Western alliance by Turkish policy makers. It was also felt that Westernization and modernization could not be achieved, unless in co-operation with the US and Europe. However, in contrast, the members of the EC showed little interest and were prepared for limited investment in terms of closeness in their relations with Turkey to the extent it would ensure that interest. They did not show an inclination towards irreversible integration of Turkey in the EC.

By the end of the Second World War, Turkey had already experienced two decades of growth resulting in increased development levels. However, between 1940 and 1945, under the economic effects of the external environment, it faced severe commodity shortages, black market and high inflation. It led to a significant income decline and thus it came under the Marshall Aid Programme of the US in 1948. The specific aim of this programme was to increase production so that food and raw materials could be supplied to Western Europe. Turkey was thus a founding member of the Organization for European Economic Cooperation (OEEC) which was set up in 1948 to implement the Marshall plan.¹⁰

¹⁰ Resat Kasaba, and Bozdogan, Sibel, "Turkey at the Crossroad", *Journal of International Affairs (New York)*; Vol. 54(1), Fall 2000, p. 4.

Turkey was also one of the first member nations to appoint a permanent representative to the Council of Europe. In December 1949, the Turkish Parliament ratified the statutes of the Council of Europe making it retroactive from 8 August 1950. Apart from ratifying the statutes, Turkey signed twenty other European agreements and conventions on the Protection of Human Rights and Basic Freedoms and the European Cultural agreements.¹¹

In February 1952, three years after joining the Council of Europe, Turkey became a member of the North Atlantic Treaty Organization (NATO). This was done as a precaution against potential threat from the Soviet Union, which was acutely felt in Turkey. The country's integration in the multilateral alliance was not questioned. This was because Turkey's contribution to the Western defence alliance has never been doubted by the US or its European allies, but rather always been praised and Turkey used this as an argument to demand its integration with the EC. The then foreign minister of Turkey, Vahit Halefoglu, underlined the importance of viewing Turkey's relation with Europe as a whole and said that it was "not possible to regard it as a mere outpost of NATO."¹² He emphasized that apart from military cooperation, Turkey must become part of the European integration process. He also added that Turkey's participation in the European integration process would benefit Europe in all respects because, it is impossible to conceive of Turkey outside Europe whose borders would extend up to the Mediterranean. Moreover, with the accession of Spain and Portugal, Turkey, with the exception of Norway and Iceland, is the only

¹¹ Dietrich Schegel, "Turkish- European Pragmatism", *Aussen Politik* (Hamburg), Vol. 37(3), 1986, pp. 285-286.

¹² *Ibid.*, p. 286.

European NATO member that is not the member of the EC.¹³ Also, policy makers in Turkey were concerned about two major benefits to be incurred from being included in the Western alliance.

Firstly, they felt that Turkey could not survive the cold war alone and hence, alliance with the west was deemed essential. When we think of the cold war, we frame a mental picture of the world literally divided into two blocs - west and east. In this picture, Turkey was undoubtedly placed in the west because of its location. During those days questions relating to its eastern inclination, Ottoman and Islamic past were not raised as long as it fulfilled the function as the southern bastion against Soviet expansionism. Thus, the cold war presented Turkey with an opportunity to be regarded as a European State although necessary elements were still absent in it. Its place in Europe was granted although reluctantly. But, the illusory nature of this perception was revealed after the end of the cold war, when Turkey suddenly found its Western credentials challenged.

Next was the economic concern. Membership in the Western Alliance, they felt, would ensure inflow of aid and machinery that would promote Turkey's economic development.¹⁴

Thus, Turkey was among the first countries in the post-second world war period joining all the movements of European integration. In August 1959, only two years after signing the Treaty of Rome, it presented its request to the EEC for a special associate status

¹³ Cannan Balkir and Allan M. Williams (eds.), *Turkey and Europe* (London and New York: Pinter Publishers Ltd., 1993), p. 9.

¹⁴ *Ibid.*, p.28.

in it with the eventual goal of full membership in the Community. The closeness with which Turkish association with Western European states has progressed over the years is clear from the fact that no EEC member state has raised an eyebrow over the issue that only European countries, ready to uphold their cultural heritage and common history, can become members in various European institutions as is clearly stated as necessary preconditions in their statutes. The negotiations between Turkey and European Community for full membership began on 28 September 1959. The EEC's response to this application was to suggest establishment of an association until circumstance in Turkey permitted it to join. The ensuing negotiations resulted in the Ankara Agreement (12 September 1963), creating an association between the Republic of Turkey and the EEC. On this occasion, Walter Hallstein, then president of the EC Commission made a profound statement that, "*Turkey is a part of Europe.*"¹⁵ The delay in Turkey's association was caused by prolonged negotiations that took place between the signatories after the military coup in Turkey, which for about eighteen months suspended parliamentary politics. Although European Community has had Association Agreement with Cyprus and Malta, with respect to Turkey and Greece special clauses were included in the agreement, which envisaged full membership for the two countries in future, the exact dates for which were not specified.¹⁶ Thus, on the basis of this, accession to the European Community has been seen by Turkey and Greece as a legitimate right.

¹⁵ Atila Eralp, "Turkey and the EC in the Changing Post War International System" in Cannan Balkir and Allan Williams (eds.), *Turkey and Europe* (London and New York: Pinter Publishers Ltd., 1993), p.32.

¹⁶ Ibid.

Ankara's demands under the agreement included free access for its agricultural and industrial exports, \$500 million on loan and a written guarantee for full membership at the end of 22 years. The Agreement finally came into force on 1 December 1964 and included the following objectives. It provided that after a preparatory period lasting at least five years, a Customs Union between the European Community and Turkey should be created during a transitional period. This would then be followed by a final period, which should lead to a stronger coordination of economic policies between the two. However the duration of the final period is indeterminate.¹⁷

Article 12 of the accord states that: "*Once Turkey reaches a point where conformity with Treaty of Rome rules is possible, then the two sides will consider the idea of Turkey's accession to the EC.*"¹⁸

Article 28 of the Association Agreement of Ankara envisages Turkish accession to the European Community once the country is in a position to take over the resulting obligations. This indicates that both sides are at least committed to conduct relations in such a way that this target can be reached.¹⁹ In 1963, the Community, by giving Turkey an option to enter, has made it clear that Western Europe viewed Turkey, at least politically, as being European. This is further laid down in a clause of Article 237 of the EC treaty that allows entry for only European countries. Hence, it is obvious that both Turkey and the EC

¹⁷ "The European Community's Relations with Turkey", Memo 46, Brussels, 27 September 1991.

¹⁸ Turkey, Ministry of Foreign Affairs, Mehmet Ogutchu, "Turkey's Place In the New Architecture of Europe", <http://www.mfa.gov.tr>.

¹⁹ Heinz Karamer, "Turkey and EC's Southern Enlargements", *Aussen Politik*, Vol.35 (1), 1984, p.101.

were of the opinion that their relationship would not stop at the level of the Customs Union, but should eventually culminate in Turkey's membership in the EC.

Before discussing about the Ankara Agreement, it is imperative to understand the potential benefits a Customs Union would offer for the European Community as well as for Turkey.

Benefits of the Customs Union

The Customs Union, as brought about by the Ankara Agreement, had benefits for both Turkey and the European Community. It is thus important to have a brief overview of its advantages, before proceeding on to discuss the other aspects of the agreement.

Economic and Political Benefits for the EU

The Customs Union would open and consolidate the Turkish market for the Community producers and all tariff and non-tariff barriers would be eliminated. Community exporters would thus have preferential access to the non-saturated European Community market. Turkey was already the country with which the European Community had largest trade surplus. With the completion of the Customs Union, Community firms were expected to increase their market share in Turkey, which in turn would have a positive impact on employment in the Community. With the completion of the Customs Union Turkey's economic legislation would be in harmony with that of the Community. As a result, doing business in Turkey would become substantially similar to those existing in

the Community. Moreover EU firms operating in Turkey would enjoy increased legal certainty on par with its member states. Community firms would gain a new competitive edge provided they take advantage of the investment and production opportunity offered by Turkey. Besides, they would be able to use Turkey as an export base for the Middle East, Black Sea Region and the Central Asia. Improved opportunity of cooperation with Turkish firms would enable them to operate in their markets. Among the political benefits, the Customs Union would firmly anchor Turkey to the West in general and the European Community in particular and it would send an important message to the Islamic world by demonstrating that religious differences are not barriers to integration.²⁰

Economic and Political Benefits for Turkey

The Customs Union would help Turkey's integration with world economy, besides modernizing its economic structure. Besides, The opening of the European market would raise Turkey's exports to the European Community and enable Turkish industries to reach economies of scale. Increased production would also improve the international competitiveness of Turkish firms. Customs Union would also increase inflow of foreign direct investment (FDI) which would modernize production facilities and bring in international know how. That would enable Turkey to take part in globalization. Again, the resumption of financial cooperation with Turkey would promote its economic restructuring and facilitate improvement of her infrastructure. It would also enable more effective

²⁰ Turkey , Ministry of Foreign Affairs, "EU-Turkey Customs Union- Questions and Answers", <http://www.mfa.gov.tr>

cooperation between the two through joint Community programmes. These benefits in the medium and long run would thus promote increased employment in Turkey and improve the country's socioeconomic situation by reducing migratory pressures. Further it would help Turkey redress her macro economic imbalances. Among the political benefits for Turkey, Customs Union would consolidate Western values in Turkey. By encouraging attempts at liberalizing the constitutional and legal system, it would help Turkey in her efforts to upgrade her democracy and ultimately would lead to its accession to the European Community. Also, It would set Turkey firmly on the course of integration with Western Europe. As such it would provide a concrete foreign policy objective and undermine the influence of those who stand against such a policy. In this way, increased economic interdependence with Western Europe would, through the strengthening of civil society, contribute to the development of healthier democracy in Turkey.²¹

The Ankara Agreement and its Implementation

During the negotiations of the Ankara Agreement, Turkey tried in vain to insist that the transition from preparatory to the transition phase should be automatic. This was because, it feared that France and Italy might use the opportunity to create problems, the former on Turkey's European credentials and the latter on agricultural concessions. To begin with, the European Community agreed to lift quotas on imports of Turkish tobacco, raisins, nuts and dry figs, but at the same time imposed restrictions on other agricultural

²¹Ibid.

products. Some progress was made in the preparatory stage, yet both sides had to alter the timetable for the transitional stage.²²

On 16 May 1967, Turkey lodged its application for negotiations upon entering into the transitional phase. This led to the signing of the Supplementary Protocol under the Ankara Agreement, which came into effect from 1 January 1973. It defined rules for:

- Bringing about the Customs Union over a 22 year period from the coming into effect of the protocol;
- Free circulation of goods besides, it contains in Article 36, implementation of provisions for the freedom of movement, as stated in Article 12 (This article reads, “the freedom of movement of workers between the member states of the Community and Turkey will be established under the principles of Article 12 of the Association Treaty between the end of the 12th and the end of the 22nd year following the coming into force of the said treaty. The Association Council is to lay down the necessary rules.”) of the Ankara Agreement, which has become a critical issue between Turkish-European and Turkish-German relations; and
- Harmonization of Turkish legislation with that of the European Community in economic matters.²³

²² Heinz Karamer, “Turkey and EC’s Southern Enlargements”, n.19, p.107.

²³ “The European Community’s Relations with Turkey”, n.17.

The decision 1/80, taken by the Association Council in September 1980, revitalized association which: (a) defined the timetable and other conditions for elimination of duties on Primary agricultural products by the Community by January 1, 1987; (b) laid down guidelines for employment, free movement and social rights of Turkish workers and their families; and (c) described objectives for economic, technical and financial cooperation.²⁴

The additional protocol lays down a new schedule for the Community to dismantle tariffs and quantitative restrictions on non-agricultural goods from Turkey other than textiles and petroleum products on which special restrictions were agreed upon. Turkey on its part gradually started abolishing import tariffs on industrial goods from the European Community over a twelve-year period. Among these for about 45 percent of the products, the transitional phase was to be twenty- two years so as not to tamper with the development of certain industries in Turkey.

To aid economic and social development of Turkey, the EC provided for the inclusion of financial aid to Turkey in the Ankara Agreement and in subsequent financial protocols. In the course of three consecutive financial protocols, each lasting over a period of five years, the Community granted Turkey loans on favourable conditions (30-year term and maximum interest rate of 4.5 per cent). The loans were given for the development of infrastructure. However, one drawback noticed in the allocation of funds was the total neglect of projects in the backward regions of east and southeast Turkey. In addition it received from the EC members since late 1950s in the framework of bilateral agreements,

²⁴ Ibid.

considerable amount as development aid. Indeed Turkey occupies prime position among the recipients of Western European aid.

The EU's Financial Support to Turkey before the Completion of the Customs Union²⁵

FINANCIAL PROTOCOL	PERIOD	MILLION EUROS
Financial Protocol-1	1964-1969	175
Financial Protocol-2	1973-1977	220
Supplementary Protocol	1973-1977	47
Financial Protocol-3	1977-1981	310
Special Co-operation Fund	1980-1982	75
Financial Protocol-4	1982-1986	600
TOTAL		1,427
DISBURSED		827

But since 1980, the EC has failed to continue its financial assistance towards Turkey. This was attributed to military intervention in Turkey and subsequent suspension

²⁵ Turkey, Ministry of Foreign Affairs, "The EU's Financial support To Turkey", <http://www.mfa.gov.tr>.

of basic democratic rights and veto by Greece. Turkish people feel that this behaviour is aimed at jeopardizing Turkey's long sought membership into the EC.

Regarding the issue of freedom of movement, the government in Germany, around the beginning of 1973, announced a ban on hiring Turkish guest workers, which was later followed by other EC member countries.²⁶ This measure further aggravated Turkey's woes since this would now create problems related to employment and current account imbalance, as it proposed that, only when member of a family was working and legally settled in a member state could a Turk join him. Hence at the Association Council meeting held on 20 January 1976, they demanded better and far reaching provisions on the issue and also that Bonn should lift the hiring ban. The compromise reached provided consolidation of the legal position of Turks working and residing in Germany during the first phase. Besides, Turkish workers were given only second priority, meaning that in case of a job vacancy, which could not be filled with a European Community worker, Turkish workers would receive priority over others from non-European Community countries. Finally, in 1986, the Community proposed a solution to the question of freedom of movement by offering a suspension of immigration of new members for the duration of the Association Agreement.

Previously smooth relations between the European Community and Turkey took a turn in the early 1970s as the latter began to view the association with the former in terms

²⁶ On 1st January 1973, there were about 648, 000 Turkish foreign workers employed in the Federal Republic of Germany, which was only 100, 000 less than the whole of the European Community.

of economic development. Businessmen became increasingly worried over the possible negative impact the European Community membership might have on Turkish industries. With the 1973 oil crisis, the balance of payment difficulties increased, and with that industrialists and businessmen began to complain that the transition period specified in the Protocol was too short to restructure Turkish industry. They even went to the extent of asking the government to seek alternative ways of association with the European Community, abandoning totally the idea of the Customs Union.²⁷

Witnessing the difficulties involved in implementing tariff reductions, the then Prime Minister Bulent Ecevit in order to gain time decided to freeze the terms of the Association Agreement in October 1978. Besides, policy makers in Turkey argued that the value preferences given to Turkey by the Association Agreement had been undermined by the European Community's Global Mediterranean Policy which extended similar concessions to other Mediterranean countries. They even complained that the level of Community aid extended to Turkey was not adequate for the latter to implement Customs Union.²⁸ Hence the Ecevit government presented a plan to revise the terms of the Association Agreement. He proposed a five-year moratorium on trade provisions. The Community extended it to agriculture and free movement of labour. However, a closer look into the European Community-Turkish relations reveals that more than trying to finalize Turkey's application, Prime Minister Ecevit's Primary concern then was to secure foreign credit to the Turkish economy which was then ailing under the US imposed arms embargo.

²⁷ Atila Eralp, "Turkey and the EC in the Changing Post War International System" in Cannan Balkir and Allan Williams (eds.), n.15, p.29.

²⁸ Mary Strong and Arlene Redmond (eds.), *Turkey and the European Community* (Palais de Congres, Brussels, 1991), p. 65.

Turkey's inability to deal effectively with the Cyprus problem was used by the European Community as an excuse for not granting the \$ 8 million aid package requested by Ecevit's government and ratification of the Fourth Financial Protocol was stopped.²⁹ Hence a close examination of the EC-Turkish relations during that time indicates that both sides were not interested in pursuing mutual interests. Turkey was hesitant, due to internal turmoil, and hence lost a good opportunity to enhance its membership prospect in the European Community before Greece could apply for membership.

1980 saw two contrasting but simultaneous events of significance for relations between Turkey and European Community. The Turkish government under Prime Minister Suleyman Demiral issued new guidelines for a market economy in January 1980. The Bonn government introduced visa requirements for Turkish citizens to become effective from 5 October 1980. Turkey argued that this led them to be branded as second class Europeans.³⁰

Yet these two didn't improve the economic crisis faced by Turkey. Instead inflation increased and foreign trade was on the verge of collapse. This led to a severe strain in European Community-Turkish relations.

Analysis of the Association Agreement

²⁹ Atila Eralp, "Turkey and the EC in the Changing Post War International System" in Cannan Balkir and Allan Williams (eds.) See n.15, p.31.

³⁰ Dietrich Schegel, "Turkish- European Pragmatism", n.11, p. 290.

Thus, up on analysis of the Association Agreement, which has been discussed so far, the following drawbacks are revealed:

Association ties have had disappointing results, with neither side interested in achieving the aims of the agreement. Successive Turkish governments, instead of taking up measures to strengthen economy during the preparatory period, followed the principle of *Laissez faire*. Besides, there was no debate in the media, or public discussion or meaningful research by business circles that should have been the most concerned. On the other side, the European Community established trade restrictions in those sectors in which Turkey was in a strong position to compete in the European market, e.g., textiles and farm products.³¹ Turkey refused to agree to voluntary export restrictions until the Community had unilaterally imposed import quotas. Turkey's point is that, if the European Community contravenes the Association Agreement in this respect, it has to at least make sure that Turkey is treated as a special partner compared to other non-European Community countries.³² Besides, the Turks have complained that their preferential status has been eroded to a great extent by treaties and agreements of the European Community and third countries and also with the introduction of general system of preferences. Moreover European Community enlargement to include Britain, Ireland and Denmark made Turkey just another Mediterranean country with no special status. The EC was so preoccupied with its internal structural and economic problems that its special relation with Turkey was overshadowed. The new Mediterranean policy formulated by the European Community

³¹ Meltem Muftuler-Bac, "The Never Ending Story: Turkey and the European Union", *Middle Eastern Studies*, 34(4), October 1998, p.255.


³² *Ibid.*, p256.



further upset the balance. The Additional protocol signed in 1970, besides improving the economic terms of Turkey's association with the European Community, also included provisions for political consultations under Clause 56 by which the then nine member countries of the EC promised to keep Turkey informed of their political discussions when these were of direct interest to Turkey. However, Turkish proposal for taking part in the EPC meetings on questions related to the Cyprus issue, though supported by Britain was opposed by ministers of other EC member countries as they felt it would create problems and thus Turkish involvement should require further study. Added to this was the military intervention, in 1974, in Cyprus. Global developments taking place in the early 70s reduced Brussels' interest in Turkey. With Germany's labour market undergoing fundamental change, it had become an opponent of entry into force of the Community commitment.

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From the early 1960s Turkey's development plans have been inward looking, irreconcilable with the logic of setting up full Customs Union and accession to the Community finally. However, in practice it was observed that the establishment of the Customs Union could not be finalized in the scheduled period of time because at that time, neither Turkey was in a position to keep up its commitment of phased reduction of the custom duties vis-a-vis third countries, nor could it adapt to the Community's common external tariffs vis-à-vis third countries. A negligible reduction in custom duties for EC products started only from 1973 and 1976 by which time reduction of quantitative restrictions on imports from EC was also stopped. Only by 1988 January, in order to meet the 1996 deadline, did Turkey begin its obligation to reduce custom duties. Hence since the late 1970s, the Customs Union has been one way because the Community had almost completely opened its market for import of Turkish industrial goods. The Community has

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also voiced criticism against the establishment of fund levies on imports introduced by Turkey in the 1980s. This was to raise money for extra-budgetary funds like financing large-scale infrastructure projects, state subsidized housing projects and establishment of Turkey's defence industry. However, the EC considered them to be against the terms of the Association Agreement, which forbids invention of non-tariff barriers to replace lowered or abolished custom duties. Hence, soon after the signing of the 1970 Additional Protocol the European Community-Turkish relations had started to deteriorate due to irreconcilable mutual differences.³³ The advantages that they had expected from each other proved to be illusory.

Consequences of the Southern Enlargement

Turkey began to regard the European Community merely as an organization to meet its economic needs. As a result, the European Community adopted a lukewarm approach towards it. In the mean time, Europe, in order to boost its economic strength vis-a-vis the US and Japan, began to open up to its southern neighbours. The Global Mediterranean Policy and Lomé conventions indicate Europe's attempts to find new markets and investment outlets. Since these policies failed to bring about the desired impact, Europe began to consider the inclusion of Mediterranean countries within the Community structure. The move towards the south was prompted by the idea of promoting democracy in the region. A glaring example of this point is the granting of membership to Greece in January 1981. The same idea guided European responses to Spanish and Portuguese

³³ Heinz Kramer, "EC-Turkish Relations: Unfinished Forever?", In Peter Ludlow (ed.), *Europe and the Mediterranean* (Brussels: Brassey's for Center for European Policy Studies), 1994, pp.206-208.

applications as well. Thus, the focus was now shifted from the Economic to political issues. Greece took advantage of this shift in focus and forged ahead in a bid for full membership. The 1980 military intervention further complicated Turkey's bid for incorporation in Europe.

Thus the southern enlargement brought forward problems for Turkey.

The southern enlargement brought forth-irrevocable economic and political changes that affected the balance in the eastern Mediterranean and Turkey's own relations with the European Community. In the economic context there was deterioration of their trade relations in the agricultural and industrial sectors and hampered freedom of labour. Also was the problem of reduced financial aid from the Community. In the political context, they were almost left out from participation in West European politics, which in turn had an impact on the security policy situation.

With Europe's bid for southern enlargement, Turkey now found itself in competition with the new members, especially with respect to Mediterranean produce such as citrus fruits, vegetables and grapes, though it did not face competition with respect to traditional exports like hazelnuts, cotton and dried figs. However, with respect to other products, Turkey had the potential to export them, yet as the produce of new members had

unlimited access to the Community market, there was the potential for a displacement of produce, particularly by Spain, at least by the end of the transition period.³⁴

In the industrial sectors, competition from Spain, Portugal and Greece was felt. Spanish exports, unlike those from Turkey faced import restrictions from the EC, but in the industrial sector it was more competitive. Moreover, Turkish efforts for industrialization were concentrated on those goods with which the new members hoped to make an export headway. So, it was perceived that the member countries might lengthen the list of sensitive products, which needed protection from non-EC competition. Hence Turkey apprehended that it might face problems in connection with textiles, foodstuffs, chemicals, glass, ceramics, cement and petrochemical products. Also in the metal goods sector, Spain had the potential to make it difficult for Turkey to export its products to Western Europe.³⁵

Though the markets of the new member countries opened for the Turkish exports, yet, increase of Turkish exports to the southern Mediterranean was hampered by the low level of international competitiveness of the Turkish market with respect to production.

However, trade was not the only sector in which Turkey suffered with the Southern enlargement of the European Community. It will also faced problems in terms of exporting labour. Of the new member countries, Portugal and to a limited extent Greece and Spain exported manpower to other Community countries. Hence free movement of labour was not extended to Turkish workers before 1995, the deadline for the completion of the

³⁴ Heinz Kramer, "Turkey and EC's Southern Enlargement", n.19, pp.109-112.

³⁵ Ibid.

Customs Union. Therefore pressure from the Turkish market was not eased and this led to deterioration of balance of payments resulting from remittances.

Also, chances for Turkey to earn compensation for the decline in earnings through financial co-operation looked bleak. Enlarged Community needed to invest lots of funds to solve its domestic problems, despite increase in the VAT and financial reform. Hence Turkey could no longer expect aid from the European Community except under emergency situations like domestic instability or bankruptcy.

Though Turkey was concerned about the negative impacts resulting from the southern enlargement of the European Community in various sectors, its main concern was the problem with Greece which has existed since 1959. They were concerned with the fact that with the entry of Greece, it had a direct say in matters related to Turkey's membership into the European Community. And since Greece, never supported Turkey's membership, it only increased the restraint already exhibited by the Community. In fact some Turks went on to the extent to say that Greece applied for membership to the EC primarily to put Turkey at a disadvantage. They even thought that Greece has succeeded to a large extent in persuading public opinion in Western Europe to adopt anti-Turkish viewpoint. This was also strengthened by the fact that Greece was represented in all Community bodies. The European Community could no longer claim to an impartial stand on issues related to eastern Mediterranean. Yet, Turkey in an attempt to put an end to the deteriorating condition, signaled in the September 1986 Association Council Meeting that it would go ahead with its dream of membership, which has opened a new chapter in relations between the two.

Development in the 1980s

Efforts to reactivate Turkey-EC relationship was taken up in early 1980 when both sides agreed to launch a series of efforts to improve their stagnant relationship. During the 80s Turkey decided to shift the orientation of its economy integrating it to the world markets. As a result, Turkey's trade with Europe began to dwindle significantly. This was accompanied by similar reduction in financial assistance that Europe provided to Turkey. However, in the meantime, a serious rift emerged between the European Community and Turkey. Europe's attention turned from Turkey's geopolitical considerations to democracy and foreign policy issues. As the military intervention created a problem of democracy, rapprochement with the US created a rift in foreign policy between the two, which led to the increasing distance between Turkey and the European Community.

Immediately after the military intervention, the European Community adopted a wait and watch attitude towards Turkey. The European Council's Parliamentary Assembly suspended Turkey's membership and refused to invite Turkish Parliamentarians to join its sessions.

However, it didn't expel Turkey from its Committee of Ministers. It was only on 19 June 1981 that the Fourth financial Protocol was ratified. The Community's attitude towards Turkey began to harden in the autumn of that year following the National Security Council's decree dissolving all political parties. The mission to Turkey in March 1982 by

Belgium foreign minister Tindemans, as President of EC Council of Ministers, produced a critical report regarding Turkey's record of Human Rights.³⁶ Further, the European Parliament had already passed resolution in January 1982 suspending the Joint Community-Turkey Parliamentary Committee. Even the 1983 elections in EC didn't bring about change in its attitude towards Turkey. Nevertheless, the Council of Europe resumed relations with the Turkish Parliament in spring 1984. Europe's insistence on democracy, and maintenance of human rights record was interpreted by Turkey as unnecessary interference in its internal affairs. This was another dispute between the two. While Europe regarded democracy as a prime factor necessary for membership, Turkey regarded it as an internal problem. Besides, taking in to account unfavourable developments in the realm of trade relations, financial aid and movement of labour, the Turkish leadership realized that merely sticking to the Association Agreement would no longer ensure strong EC-Turkish relations. They also felt that they were being unfairly treated by the EC. So, now it was felt that Turkey should make provisions for accession to the Community to provide a solution to its problems.

Turkey's Application for Full Membership

The Ozal government came to power in Turkey in 1983 and attempted to normalize relations between Turkey and the EC. Yet, several issues continued to strain the EC-Turkey dialogue.³⁷ They included human rights issues, volume of Turkish textile exports to the

³⁶ Atila Eralp, "Turkey and the EC in the Changing Post War International System", n.15, p.32.

³⁷ Turkey, Ministry of Foreign Affairs, Mehmet Ogutchu, "Turkey's Place In the New Architecture of Europe", <http://www.mfa.gov.tr>.

Community, free movement of Turkish workers in the Community, besides obstruction by the Greek lobby, which was already a full member of the Community.

Despite this, the European Community reversed its earlier stance and reactivated the Association Agreement. However, no compromise was allowed on the question of democracy.

On 17 February 1986, the EC foreign ministers agreed to convene a special meeting of the EC-Turkey Association Council eventually held on 16 September 1986. This brought in normalization of relations between the two. Under these circumstances, when normalization of Turkey-European Community relations was still under discussion Prime Minister Ozal decided to apply for full membership of the Community in 1987.³⁸ This surprised many observers both within and outside Turkey. In the following months, the Turkish government, with the help of its business Community and supported by large parties, undertook a political campaign to convince the EC member states of the advantages of Turkey's EC membership. Administrative units dealing with EC relations were established and extended to almost every ministry and governmental agency. Side by side, it also tried to align its legislation according to the Community law. Yet, it should be mentioned that Turkey, to a large extent, was responsible along with the Europeans for the non-development of mutual relations for long. Instead Turkey kept demanding one sided aid and advances to overcome its underdevelopment to ensure its entry into the European Community. Turkey's interest in Westernization contributed greatly to its application for

³⁸ Meltem Muftuler- Bac, "The Never Ending Story: Turkey and the European Union", n.31, p.258.

full membership. Its commitment to Westernization is no longer a simple act of will. Besides, it also seemed to have realized that Greece would be at an advantage over it in furthering its policies towards Cyprus by being inside the Community.

Undoubtedly that the application for full membership in the European Community was a well-calculated risk on the part of Turkey. Turkey knew well that its economy was in a terrible shape and was far from fulfilling the requirement of the Treaty of Rome, single market and the Community's goal of economic and monetary union. Yet, it made a beginning in the long drawn process. Today, Turkey stands in the hope of full membership, being the first country to have registered an application. Such a big move could pressurize the evasive Community to give a serious thought to fulfill Turkish expectations. From the statements made by Turkish leaders, it is obvious that it was not expecting an immediate positive response. It just wanted to send a signal to the European Community to embrace its oldest associate partner in to its fold. It views its membership in the EC as a natural extension of its historic orientation towards Europe. Full membership would, from Turkey's perspective confirm and reinvigorate the Western looking, Kemalist tradition giving boost to the democratic process in Turkey. With Turkish application for membership, its relation with European Community continued further on a steady track. Former Turkish ambassador to EC summarized the Turkish motives as follows, "We felt it necessary to remove the general uncertainty surrounding the EC-Turkish relations and reinforce consensus about becoming fully European, in order that our political, economic and social policies might move forward. The opening of membership negotiations represents to the Turkish people, the first step in an irreversible chain of events leading to

the full EC membership.”³⁹ It is, however, natural that the debate will resurface time and again so long as Turkey’s admission is high on the European agenda. The next chapter will look at the developments following the Turkish application for accession to the EC.

³⁹ Turkey, Ministry of Foreign Affairs, Mehmet Ogutcu, “Turkey’s Place In the New Architecture of Europe”, <http://www.mfa.gov.tr>.

Chapter-2

TURKEY'S RELATIONS WITH THE EC SINCE ITS APPLICATION FOR MEMBERSHIP IN 1987

Critically though observers might view Turkey in the late 1980s, few can fail to observe some prominent changes that had taken place in the second half of 1980s. These changes were notable in two major areas:

- (i) Economic liberalization in the domestic front and the opening up of the economy to the outside world; and
- (ii) A new self-confidence in pursuing an active role in domestic as well as in international politics.¹

To a casual observer the Turco-European Community relations may appear one sided, but actually it is based on mutual dependence. And one should be guided by the fact that they share a common destiny, as history has rightly demonstrated. Turkey's relationship with European Community can be looked under the following broad headings - Economic (which includes trade and investment), Political and foreign affairs.

Following the military take over in 1980, and allegations of wide spread human rights abuses, EC-Turkey relations went into deep freeze. The EC continued to

¹ Udo Steinbach, "Turkey's Third Representation", *Aussenpolitik* (Hamburg), Vol.37(3), 1998,p.234

implement trade provision of the association agreement, but financial assistance to Turkey was suspended. However, the return of the Civilian Government in 1986 allowed, rebuilding of the broken relations between the two.

Economic Relations:

Turgut Ozal, the Prime Minister of Turkey from 1983-1989 and President from 1989-1993 summarized Turkey's motives behind economic reforms carried out in the '80s as: "The aim of the economic liberalization programme and our reforms was to facilitate our integration into the European Community as a full member."² Before focusing on the economic relations, it is pertinent to look into functioning of the Customs Union, which was discussed at length in the previous chapter.

Functioning of the Customs Union:

Turkey's application for membership in the EC though, did not enable it to attain its basic objective, revived Turkey-European Community relations. The Association's political and technical mechanisms began meeting once again and measures were resumed to complete the Customs Union in time. Talks, which began in 1994, were finalized on 6 March 1995 at the Turkey-EC Association Council. On that day, it adopted its decision 1/95 on the completion of the Customs Union between Turkey and EU in industrial and processed agricultural goods by 31 December 1995. Thus, with this

² Meltem Muftuler, "Turkey's Economic Liberalization and European Integration", *Middle Eastern Studies* (London), Vol. 31(1), January 1995, p.85.

decision, Turkey completed the transitional phase in its integration with the EC and entered the final phase. On the same day, another resolution on accompanying measures was adopted and the EU made a declaration on financial co-operation with Turkey as part of the Customs Union package. After the transitory period of 22 years during which efforts were taken towards trade liberalization and greater reliance on market forces, both Turkey and the EU felt that conditions for the functioning of the Customs Union were fulfilled and thus the Customs Union entered into force from 1 January 1996 as per the deadline set up by the Association Agreement of 1963. It thus demonstrates that despite contradictions, the Turkish economy, on the contrary, was able to withstand the EU competition.

As already mentioned Customs Union covers only industrial and processed agricultural products. Regarding the latter, both the parties have agreed for the establishment of a system in which Turkey would differentiate between the agricultural and industrial component of duties applied on the products, similar to the method followed in the EU. By 1988 Turkey was able to make 10 percent reductions in 12 and 22 years lists of the Additional Protocol with the EC, and by 1 January 1989, Turkey was able to make 20 percent reduction in an attempt to adjust to the Community's common customs tariff. In 1994, the Turkish government enacted 60 percent of the tariff reductions on the 12-year list and 50 per cent on the 22-year list. These measures enabled Turkey to open its economy to the European market and, in the long run to allow integration in the European Community.³

³ Udo Steinbac, "Turkey's Third Representation", n. 1, p.235.

Since then it has been functioning satisfactorily. Customs duties and changes have been abolished along with quantitative restrictions. Besides, the textile voluntary restraint applied by Turkey's exporters to the Community have also been abolished to the extent that there was no longer any quantitative restrictions or import export duties in the industrial sector in trade with Turkey. Negotiations are also underway regarding exchange of mutual advantages on concessions on agricultural products.⁴ The Institutional arrangements provided for in the agreement have also been met with. In accordance with this, the Joint Customs Union committee has been set up which met several times and found solutions to the problems raised. The problems used to arise because though Turkey had adopted common customs tariff, it had not yet concluded comparable trade agreements to those which the EC has with the East European and Mediterranean countries. Also, it had not adopted the Community's general system of preferences. Hence, the problem that cropped up in certain cases was that, while EC importers could obtain supplies of certain products by paying no duty at all, their Turkish counterparts had to pay the common customs tariff for the same. This would diminish as Turkey adopts the Community's preferential policy as a whole, for which it still has time.⁵

Turkey also made efforts to harmonize its legislation with that of the EU in several other areas. In commercial matters, this included monitoring and safeguarding

⁴ EC Commission, *Report on Developments in Relations with Turkey Since the Entry into Force of the Customs Union*, Brussels, 30.10.96, COM (96) 491 Final.

⁵ Ibid.

measures on imports both from EU and non-EU countries, management of quantitative restrictions and tariff quotas, prevention of dumped and subsidized imports. Subsidies from state resources in any form which distorts competition, it was decided would be banned. To check this, a special Competition Authority was set up and progress has been made with the entry in to force of laws on protection of competition and consumers as well as decree laws on patents, copyrights, trademark and industrial designs. However, it was decided that assistance would be provided to boost economic development in Turkey's less developed regions and promote conservation of cultural heritage, which do not affect competition. Turkey is also gradually adjusting its legislation regarding state monopolies of commercial nature so as to make sure that no discrimination exists in conditions under which goods are produced and marketed between people of Turkey and EU member states. Also efforts have been taken to harmonize laws in Turkey with those of the EU to eliminate technical barriers to trade during the transitional period which was to last for five years, as envisaged in the Customs Union. This included co-operation between the two in the fields of standardization, quality testing and certification. Harmonization between Turkey and the EU has also been realized on intellectual, industrial and commercial property. Both parties are now banned from using internal taxes as protection mechanisms, and tax rebates as export subsidies.⁶

Statistical data of mutual trade in 1996 revealed that EU exports to Turkey rose sharply at the beginning of 1996 compared to Turkey's exports to the EU. Turkey's

⁶ Turkey, Ministry of Foreign Affairs, "Relations between Turkey and European Union", <http://www.mfa.gov.tr>.

calculations put the country's trade deficit at about \$ 13.2 billion for the year 1995. But this might not be due to Customs Union alone.⁷

Third countries have benefited from the low rates in the common customs tariff when they exported to Turkey. This is because protection was as low as 5.6 percent, which further declined to 3.5 percent due to the reduction of tariff brought about in the Uruguay Round. The only exception to the application of common customs tariff to industrial imports from third countries was on a number of sensitive products like motor vehicles, motorcycles, bicycles, leather products, footwear, furniture, Chinaware, ceramic goods, bags for cements and fertilizers.⁸ This, it was decided, would be eliminated within five years. Thus, in case of non-EU countries, Turkey's average import duties for industrial products were reduced to 5.8 percent in 1996 and further to 5.12 percent in 1999. Turkey is close to making efforts to harmonize legislation, related to free movement of capital in conformity with the EU.⁹

Industrial goods enjoyed duty free treatment in imports from EU or EFTA countries. For agricultural goods, protection through individual Turkey's rates of duty continued. Freedom of movement for agricultural products was one of the fundamental aims of the Ankara Agreement. With this in mind, negotiations were held for better market access and a bilateral agreement to improve the level of the liberalization of

⁷ Udo Steinbac, "Turkey's Third Representation", See n. 1. P.238

⁸ Turkey, Ministry of Foreign Affairs, "Customs Union between Turkey and European Union", <http://www.mfa.gov.tr>

⁹ Turkey Business Directory, "Customs Union with the European Union", <http://www.onlineturkey.net>

agricultural trade was concluded and entered into force on 1 January 1998.¹⁰ Besides, a free trade agreement on European coal and steel products was signed between the EU and Turkey in 1996. Also, Turkey has concluded free trade agreements with a number of countries in Central and Eastern Europe, North Africa and the Middle East.¹¹

Regarding the question of textile quotas, Turkey applied these quotas imposed by the EU in a liberal manner. If the exporting country agreed to a bilateral understanding, quota quantities were balanced according to the needs. However, no restriction applied to import of textile products to be processed in Turkey for exporting to third countries outside the EU.¹²

Thus, what is important in the context of the Customs Union is that, Turkey is the first country that has achieved Customs Union with the EU without being a member. Moreover, the Customs Union along, with the Uruguay Round, is the major detriment shaping Turkey's foreign trade policy. Customs Union incorporates Turkey into the single European market by extending most of EU's trade and competition conventions to Turkey's industry. In doing so, it provides a boost for the already competitive Turkish industry, especially in the export sector. Besides it also has a positive impact on the sociopolitical structure. A stronger economy, along with the positive impact of the EU, would help in consolidating its democracy.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

Trade

The economic history of modern Turkey has been an attempt to catch up with the rest of Europe. Substantial reforms have taken place in Turkey's economy since 1980 which were undertaken with an intention to be a part of the European Community rather than being a mere onlooker of the European integration process. Burdened with staggering inflation and problems related to Balance of payment (BOP), Turkish Government introduced in January 1980, a Stabilization and Liberalization Programme under the guidance of the International Monetary Fund (IMF).¹³ These reforms were aimed at Turkey's attempt to prepare for the Customs Union. Besides, Turkey even adopted value-added tax (VAT) prior to many EC countries, and VAT legislation was prepared with respective laws and practice in the EC, though Turkey was not a full member. It is necessary to mention here that measures have been taken to reform the state economic enterprises, financial and banking sectors.¹⁴

To illustrate the growing interdependence between Turkey and the European Community there is need to look at the statistics.

¹³Its objectives were: (i) coping with immediate pressures on balance of payments; (ii) Eliminating disequilibrium in major markets; (iii) Reducing inflation and attaining price stability; (iv) Privatizing state enterprise; and (v) Liberalizing foreign trade and payments

¹⁴ Banks were allowed to determine exchange rate or their commercial, non-commercial and inter-bank transactions. Residents of Turkey were allowed to open foreign currency accounts to bring the Turkish Banks closer to European Community standards.

- Between 1980 and 1990, the EC's total import from Turkey rose from ECU 1 billion to nearly ECU 6 billions.
- During the same period, Turkey's position as EC's trading partner also improved – from 48th in 1980, to 18th in 1990 as an exporter, and as a market for EC exports it improved from 27th in 1980 to 12th in 1990.
- In 1990, the EC imported 53 percent of Turkey's goods and exported 42.5 percent to Turkey.
- Trade between the two increased from \$4 billion to \$16 billion between 1980 and 1990.

The EC also undertook other actions to support economic development in Turkey.

For example:

- The EC agreed to extend to Turkey the business cooperation network;
- There has been increasing contacts in the field of telecommunications; and the
- EC decided to institute regular meetings for exchange of views on transport policy.¹⁵

Since 1980, Turkey embarked upon a series of reforms to remove price controls, reduce subsidies, lessen the role of public sector in the economy, improve growth in

¹⁵ Mary Strong and Arlene Redmond (eds.), *Turkey and the European Community*, Brussels: Palais de Congress, 1991, p.74.

industrial and service sectors, encourage private investment and savings, liberalize trade and encourage foreign investment. Its exchange rate system has been liberalized and it now follows an independent floating exchange rate policy. Due to this liberalization, Turkey experienced a period of high growth. Foreign trade improved and agriculture products were replaced by industrial ones in exports.¹⁶

In March 1989, the European Parliament accused Turkey of unfair trade competition because of its export promotion incentives. As a response, Turkey eliminated export subsidies and tax rebates on exports. However, exchange rate reforms were undertaken to prepare the Turkish lira for the newly emerging European monetary system. This included the devaluation of the lira leading to depreciation of the exchange rate against convertible currencies to offset relative price developments and to ensure its competitiveness.¹⁷

On 17 October 1991, Turkey signed an agreement with European Free Trade Association (EFTA) countries with the aim of including Turkey into the European Economic Area. To align itself to the EU's commercial policy towards third countries, it entered into free trade agreements with Israel, Romania, Czech and Slovak republics, Hungary, Slovenia, Estonia, Lithuania, Latvia and Bulgaria.¹⁸

¹⁶ Turkey, Ministry of Foreign Affairs, "Foreign Trade Policy", <http://www.mfa.gov.tr>

¹⁷ Meltem Muftuler, "Turkish Economic Liberalization and European Integration", n. 2 , p.83

¹⁸ Ibid.

In 1994, the government introduced an economic stabilization and Structural Adjustment Programme that was aimed at reducing inflation and restoring stability in the foreign market. This helped to boost up the growth rate at 8 percent in 1995.¹⁹

The EC is a major trade bloc and access to its market is imperative for economic growth for countries surrounding it. Turkey had realized that it would be isolated if it kept itself away from the European trading bloc. Keeping that in mind, Turkey had sought to create a new economic order since the late 80's through structural changes like development of infrastructure, economic liberalization and trade reforms. These can be seen as an attempt of Turkey to adapt to the newly emerging system in Europe.

Inflation in Turkey was brought about by economic development and infrastructural investment. Support from the Community was absent and Turkey had to finance her own development. Portugal, for example, was able to bring down her inflation level from 30 to 10 per cent after joining the EC because of Community support and inflow of foreign capital. Hence, for the purpose of attracting foreign investment, Turkey insists on being allowed to join the EC.²⁰

Regarding the question of Turkey's GNP, four factors are to be kept in mind.

1) Turkey's GNP is underestimated it is estimated not according to the President of Turkey's National Statistical Institute, but according to the OECD's Review of Economic Studies.

¹⁹ Turkey, Ministry of Foreign Affairs, "Foreign Trade Policy", <http://www.mfa.gov.tr>

²⁰ Mary Strong and Arlene Redmond (eds.), *Turkey and the European Community*, n. 15, p.76

2) There is an invisible economy in Turkey, which represents more than 25 per cent of the GNP.

3) There is also on an unofficial economy in Turkey which, though very important, is not accounted for.

4) For many companies, Turkey is a significant market, related to the defense sector. In areas of tourism, construction, agriculture, and manufacturing, Turkey promotes collaboration with the EC.²¹

High inflation and volatile growth have characterized Turkish economy - which is the second largest among candidate countries of the EC only behind Poland during the 1990s. As other candidate countries, Turkey also suffered from the effects of the Russian and the Asian financial crisis. The Asian crisis of 1997 had an impact on Turkey's exports since those countries are important competitors for Turkish products, particularly in the OECD market. Devaluation in the Asian countries gave them a clear competitive advantage, thereby having a negative impact on Turkey's exports. Also, the Russian Federation was an important partner for Turkey. Devaluation of currency in Russia posed a serious threat, and due to lack of proper measures, exports to the Russian markets was lost. Thus, foreign trade was affected due to the deterioration of the external environment and this together with the decline in the domestic demand led to a decline in imports

²¹ Ibid, p.80

between 1997- 1998. However, though Turkey's export figures expanded significantly between 1980-1998, the product composition of exports changed as well during this time. While in 1980, the share of agricultural products was at 56.7 percent, the share of industrial products was merely 36.3 percent. Mining and quarrying products took a share of 6.8 percent of total share in Turkey's exports. Thus exports of agricultural products increased by 0.4 percent compared to the previous year, while in mining and quarrying products, there was a decrease in 10 percent. Edible fruits, which were the chief among agricultural products, had an export value of US\$866 million in 1998.²²

Imports remained stable until 1992 but doubled to around ECU 43 billion in 1997. Exports also on the other hand increased steadily throughout the '90's doubling to ECU 24 billion in 1998. Turkish-EU trade was stable over the past ten years accounting for approximately half of Turkey's imports and exports. The Turkish trade deficit with the EU increased sharply between 1994 and 1997, then improved in 1998. Overall, Turkey imported goods worth ECU 41 billion while it roughly exported goods worth ECU 24 billion in 1998. Imports represented roughly 23 percent of the GDP while exports 14 percent. This was less than some of the top exporting nations among the emerging economies of the Central and Europe such as Estonia, Hungary and the Czech Republic.²³

²² Turkey Business Directory, "Customs Union With Turkey", <http://www.onlineturkey.net>

²³ European Union on the Net, "Turkey and the EU", <http://www.europa.eu.int>

Thus the basic aims of Turkish imports since 1980's can be summarized as follows:

- Reduction of protectionist measures in conformity with the GATT rules;
- Reduction of bureaucratic measures; and
- Securing the supply of raw materials at reasonable price and quality standards.²⁴

Among the major sectors, the share of agriculture and mining products was 12.9 percent in 1998 while significant increases were observed in the imports of cereal, flour, milk products, preparations of vegetables, etc. Among the industrial products the imports of electrical machinery and equipment, chemical products, optical, pharmaceutical products and plastic products rose in 1998.²⁵

In 1998, seven EU member states were Turkey's top trading partners, of which Germany was the most important (absorbing around two fifths of its exports into the EU and making around a third of the EU exports), followed by Italy, France and the UK. Turkey however, exported more than Greece and Portugal in 1998, but less than other EU member states. In terms of imports its trade figures were higher than Greece, Ireland, Finland and Portugal. Again, reports available from the EU stated that mutual trade between Turkey and the EU rose in 1997-1998 while exports fell marginally. Turkey also had negative trade balance vis-a-vis the EU. While the EU imported consumer goods

²⁴ Turkey Business Directory, "Customs Union With Turkey", <http://www.onlineturkey.net>

²⁵ Ibid.

from Turkey, its exports included mainly equipment. In 2000, Turkish export reached US\$27.3 billion, recording an increase of 2.8 percent compared to 1999. Imports increased by 32.7 percent reaching US \$54 billion. This was due to overvaluing of Turkish lira, fall in interest rate, and increasing domestic demand. Import/ Export ratio fell from 65.3 percent in 1999 to 50.6 percent in 2000. Foreign trade balance gave a deficit of US\$ 26.7 billion registering an increase of 89.1 percent compared to 1999.²⁶

Thus in considering relations between Turkey and the EC, attention must be paid towards the economic importance of Turkey for Europe. Europe is by far the best place from where Turkey can get the necessary know-how, equipment and machinery needed for its development. Besides, in terms of accession to the Community, Turkey is already on the road towards reform in economic policies to adapt to the EU pattern, so that becoming a member of the EU family will not become strenuous.

²⁶Turkey, Ministry of Foreign Affairs, "Foreign Trade Policy", <http://www.mfa.gov.tr>

Trade by Product classified by type of use 1998

Product groups	Imports 1998	Share In Total	Variation 1996/1998	Exports 1998	Share in Total	Variation 1996/1998
	Million ECU	%		Million ECU	%	
Agricultural Products	959	7.1	4.8	193	0.9	-16.6
Food Products	925	6.8	6.7	667	3.1	4.3
Consumer goods	4790	35.4	19.4	2299	10.7	19.6
Automobile	482	3.6	8.2	3062	14.3	22.8
Equipment goods	1047	7.7	10.5	7097	33.2	6.2
Intermediary goods	5214	38.5	19.9	7452	34.8	8.8
Energy	79	0.6	-19.2	269	1.3	10.3
Miscellaneous Products	52	0.4	-7.6	366	1.7	-19.7

Source: Turkey, Ministry of Foreign Affairs, <http://www.mfa.gov.tr>

Investment

Since the early 1950s Turkey had very liberal investment laws to enable foreign investment. Yet, during the 1960s and the 1970s investment realized was rather limited.

This can be attributed to the following reasons.

- EC investment in Turkey rose from \$80 million in 1980 to \$1.25 billion in 1990. This is because, Turkey has a modern network of communications, transportation facilities and organized industrial zones. It allows foreign firms to invest directly in large-scale infrastructure projects like dams, airports, power stations, railways, etc. In 1997 there were nearly 2000 foreign companies in Turkey's markets with EC companies operating in areas like agriculture, forestry, textiles, leather, metal goods, electronics, fertilizers, chemicals, etc;
- Turkish lira was overvalued and this discouraged exports;
- the domestic market was highly protected and even the domestic competition was not very intensive. Turkey's industrial exports were also very low; and
- actually, Turkey wanted to attain self-sufficiency and this it wanted by contribution through investment of capital and foreign investment without increasing its dependence outside. Besides, economic policies were inward looking and introduction of advanced technology was not felt important, hence foreign capital was not encouraged. Thus, incoming foreign capital was limited and whatever came in was domestic market oriented and did not encourage exports. Thus by 1970s Turkish economy had to face problems of inflation and balance of payment difficulties.²⁷

It was only in the 1980's that Turkey made an effort to introduce economic stabilization and liberalization programme, which brought life back to its stagnant

²⁷ Turkey, Ministry of Foreign Affairs, Mehmet Ogutcu, "Turkey's Place in the New Architecture of Europe: an Updated Assessment", <http://www.mfa.gov.tr>

economy and made it responsive to market forces. Gradually, export opportunities were pursued by companies. With this, companies gave attention to quality and standard of production, as now they had to compete in world markets. They had to strengthen competitive position in their existing business by investing in improving production, efficiency in distribution networks and effective marketing. They also entered into partnership with foreign firms since they felt the need for capital and technology. Besides, Turkish regulation, related to foreign investment, provided foreign capital with the same obligations as the local capital. Foreign exchange controls had been relaxed. In fact foreign investment presently is considered to play a pivotal role in integrating Turkish economy with the world economy. The foreign investment realized in the 1960s and 70s was quite limited. Total cumulative foreign capital that entered Turkey between 1954- 1979 was merely \$228 million. This was because during that time industrialization strategy in Turkey was import based. However, this led to rising inflation and balance of payment problems. In the late '80s Turgut Ozal launched the idea of "Build-Operate-Transfer" (BOT) schemes to allow foreign companies to invest in improving infrastructure in Turkey. But very few came forward to invest in Turkey.²⁸

Gradually in the 80s Turkey's economy became more responsive to market forces and export began to rise. Turkey now had to compete with imported goods in the domestic market. Foreign exchange controls were then relaxed and foreign investments were viewed as a means to integrate the Turkish economy with the world economy. The community's share of foreign investment also rose by half as much during that period

²⁸ Andrew Mango, "Testing Time in Turkey", *The Washington Quarterly*, Vol.20(1), 1995, p.12.

from 46.5 percent to 70 percent.²⁹ This has made it clear that EC businessmen were aware of and taking notice of the fact that in Turkey, during this period, foreign investment was encouraged.³⁰ And, in certain branches like agro-industry, foreign investment acted as an engine for growth. In this field there were 35 firms of EC origin by the end of 1990. In the textile and garment sector, co-operation was at the bare minimum, but, in the electronics sector, Grundig, Phillips, Telefunken and Imperial were the most favoured brand names in production. One half of electronic items came from EC. The defence industry had even concluded several contracts with companies in the EC. Investment in the energy sectors was made possible through credit provided by EC countries. In the service sector, the EC has investment in tourism, banking and insurance.³¹

The amount of foreign capital that was approved as foreign investment between 1980 and 1991 reached US\$ 6.2 billion from US \$ 228 million between 1951- 1971. Yet inflow of foreign capital was low compared to the capacity that Turkey possessed. In the 1990s investment was directed more towards the private sector (54 percent) than the public sector (46 percent).³² In 1995, only 6 percent of the state budget was spent on investment. Lack of funds has delayed the Southeast Anatolia Project, which absorbs

²⁹ Mary Strong and Arlene Redmond (eds.), *Turkey and the European Community*, n. 15, p.86

³⁰ Foreign Companies were allowed to repatriate fees, profits and royalties amounting to approx. 20 percent of the investment, no limit to equity participation, no restriction employing foreign staff and incentives to foreign and domestic investors available as they are in the Community.

³¹ Cannan Balkir, "Turkey and the European Community, Foreign Trade and Direct Foreign Investment, in the '80's," in Cannan Balkir and Allan Williams (eds.), *Turkey and Europe*, London: Pinter Publishers, 1993, pp.125-125.

³² Mary Strong and Arlene Redmond (eds.), *Turkey and the European Community*, See n. 15, P.82.

most of the public investment. Besides, upgrading of roads and railways has demanded investment.³³

Among the biggest investors in terms of capital by country are UK (31%), Germany (20%), the Netherlands and Italy (15% each), France (13%). In terms of firms established in Turkey, Germany with a total investment of \$ 109 million has 332, while Britain with a greater value of investment at \$ 178 million has only 135.³⁴ All this goes to prove that the base of foreign investment in Turkey has improved due to the right policies applied. However, more investment goes to the private sector and the net Foreign Investment in Turkey is 0.6% of its GNP compared to 1.5 in the US. The overall investment envisaged in Turkey which is illustrated by gross domestic investment as a percent of the GDP can be compared with the middle income countries like Greece (18 percent) and Ireland (21 percent).³⁵

Hence the picture is encouraging but it can be made better. It requires political and economic stability, and economic management, good growth record, trade links with the EU and the EFTA, combating high inflation, expanding the domestic markets and ending discriminatory practices in banking and pharmaceutical sectors. Besides, more investment in Turkey, based on efforts by both sides, will promote peace, stability and prosperity in the region. Thus trade relationship between Turkey and the European Community did not follow a strictly linear pattern. Since the 80s it implemented a wide

³³ Andrew Mango, "Testing Time in Turkey", *The Washington Quarterly*, Vol.20 (1), p.12.

³⁴ Mary Strong and Arlene Redmond (eds.), *Turkey and the European Community*, See n 15, p.82.

³⁵ Ibid.

range of reforms like liberalization of international trade, relaxation of tariff system and deregulation of financial sector. All this is expected to enhance its position related to the accession in the European Community.³⁶

Aid

In order to facilitate Turkey's economic and social development, the European Community provided for the inclusion of financial aid to Turkey in the Ankara Agreement (1963) and in the subsequent financial protocols. Thus, the financial cooperation between Turkey and the EU can be chronicled into four periods³⁷:

1964-1995-Prior to the Customs Union:

Within the framework of the four Financial Protocols, the Supplementary Protocol and the Special Aid Package, Turkey received a total of ECU 1.5 billion from the EU, 78 million as grants and 927 million as low-interest credits.

This money had been used largely for industrial and infrastructure development. After the 1980 military takeover in Turkey, financial assistance was stopped for some time and resumed once again in 1987. It was committed for the following projects.

- An EC-Turkey business week, held in Istanbul in September 1988(0.5 million ECU)

³⁶ Ibid.

³⁷ Turkey , Ministry of Foreign Affairs, "Turkey-EU Financial Cooperation", July 2001, <http://www.mfa.gov.tr>

- An anti malaria campaign (1.5 million ECU)
- Geo- thermal energy exploration project (8 million ECU)
- Programmes through various University institutions for a better understanding of the European Community, and initial aid for the establishment of EC-Turkey business Council (3,600,000 ECU)
- Establishment of a regional center in Istanbul for local government training for the eastern Mediterranean and the Middle East (1,400,000ECU)
- Actions to control environmental pollution (2,80,00ECU)
- Improvements in Turkey's health care services (5,800,000ECU)
- Vocational training in Coal mining and tourism (5,400,000ECU)³⁸

Financing agreements for all but the last programme has been signed. However, none of these could strengthen Turkey's economy per se. The EC's objective behind the geo-thermal energy exploration is not clear. The ultimate beneficiaries could be the EC countries themselves.

1996-1999-In the framework of the Customs Union:

The EU committed a total of ECU 557 million to be realized in credit, 340 million of which was given in the framework of the New Mediterranean Policy, 205 million in the framework of Europe-Mediterranean Process (MEDA-I) and 12 million as risk capital. In

³⁸ EC Commission, "The European Community's Relations With Turkey", Memo 46, Brussels, 27th September 1991.

the same period, the EU's commitment as grants totaled ECU 393 million, 376 million of which came from MEDA-I, 3 million from Administrative Cooperation, and 14 million from various individual projects on the environment, the fight against drugs and AIDS. These grants are still being disbursed on project basis.

Through the unilateral declaration it made in 1995, the EU pledged to provide Turkey with an additional ECU 375 million as budgetary grants, and ECU 750 million as EIB (European Investment Bank) credits. However, none of these pledges could materialize at the time due to the veto of a Member State. In the post-Helsinki period, the EU took the initiative to make available a portion, if not all, of the above-mentioned 750 million. In this context, on 4 December 2000, the EU General Affairs Council adopted the Regulation on the allocation to Turkey of EUR 450 million EIB credits between 2000 and 2004.

As for the 375 million-worth grants, the EU Commission prepared two regulations of 15 and 135 million respectively, the process for the adoption of which has been completed. The regulations have also been promulgated in the Official Journal of the European Communities.³⁹

³⁹ Ibid.

Financial Aid to Turkey from EC/EU in the framework of the Customs Union

Financial Instrument	Type Of Assistance	Period	Planned (In million ECU)	Committed (In million ECU)	Disbursed (In million ECU)
Budgetary	Grant	1996-2000	375	3752	Not used
Administrative Cooperation	Grant	1996-2000	3	3	3
Various Projects*	Grant	1992-1999	-	-	14
New MED. Policy	Credit	1992-1996	400	340	340
Macro Economic Assistance	Credit	If required	200	-	-

*Fight against drugs, AIDS etc.

Source: Turkey, Ministry of Foreign Affairs, "Turkey EU Financial Cooperation July 2001",

<http://www.mfa.gov.tr>

1999 Earthquake Assistance:

The EU's earthquake assistance to Turkey is independent from the resources explained above, and consists of EUR 35 million grant aid, and EUR 600 million credits named TERRA (Turkey Earthquake Relief and Rehabilitation Aid). Agreements concerning the release of EUR 375 million credits out of this fund has been signed.⁴⁰

⁴⁰ Ibid.

Earthquake assistance to Turkey from the EU

Financial Instrument	Type Of Assistance	Period	Planned (In million Euro/ECU)	Committed (In million Euro/ECU)	Disbursed (In million Euro/ECU)
Emergency Aid	Grant	1999	30	30	30
Rehabilitation	Grant	1999	1	1	1
Humanitarian Aid	Grant	1999	4	4	4
TERRA-1	Credit	2000	450	3,001	
TERRA-2	Credit	2000	150	751	

Source: Turkey, Ministry of Foreign Affairs, "Turkey EU Financial Cooperation July 2001", <http://www.mfa.gov.tr>

Post-Helsinki Period (2000-2006)

Between 2000-2006, the EU is planning to grant a total of EUR 889 million under MEDA-II, and provide EUR 1,470 billion as EIB credits. The EU Commission has recently decided on a lump sum allocation of the MEDA-II grants (EUR 150 million) to support Turkey's structural and sectoral reforms that are being carried out in collaboration with the IMF and the World Bank. In principle, Turkey benefited from the Pre-Accession Facility, which offered a total of EUR 8.5 billion EIB credits to all the candidates during 2000-2003. Private sector projects, as well as those of the public sector, are eligible to be financed through the Pre-Accession Facility. The Pre-Accession Facility

is generally administered on a “first come-first serve” basis; i.e. the available budget is not apportioned among the possible beneficiaries, and the allocations are determined case-by-case upon the presentation of projects and without any pre-set “quotas” for the candidate countries. The legal basis to enable Turkey to benefit from the Pre-Accession Facility was completed by the European Investment Bank on 15 May 2001. Yet, taking into account the prerequisite credit ratings mentioned above and the recent economic developments in Turkey, it stands practically ineligible to use the Pre-Accession Facility, unless an exceptional arrangement can be developed.⁴¹

The difference in aid thus received by Turkey and other Mediterranean countries is striking. Between 1964-1992 as an associate member, Turkey received ECU 827 million as financial aid from the Community whereas other Mediterranean countries which had signed only commercial agreements with the EC received much more. EC's share to GDP of Turkey has been 0.10 percent whereas for former Yugoslavia and Tunisia it was 1.25 percent and 0.40 percent respectively, for Portugal 3.2 percent and Greece it was 2.7 percent. Besides, no Mediterranean country except Turkey had been asked to establish full Customs Union with the EC without financial aid. Then Why Turkey – that is the Question?⁴²

⁴¹ Ibid.

⁴² Cannan Balkir, “Turkey and the European Community, Foreign Trade and Direct Foreign Investment, the 80's”, n. 31, p.129.

Political Cooperation

The issues of human rights and democratization have emerged in recent years as important aspects of Turkey-EU relations. This can be viewed as a change in the traditional pattern of their relations that, in the 60s and the 70s used to centre around economic matters. However, this has not been the choice of Turkish side, which describes raising of these questions by the EU as excuses to prevent the former accession to the latter.

Turkey has a history of military intervention and transition to democracy. This recurrence of intervention and transition to democracy seems to justify the view that the military is committed to a democratic form of government. The Turkish military embodies two conflicting political traditions. Firstly, there is a deep-rooted tradition of intervention in domestic politics since the military regards itself as the guardian of the state, not the ruler. Secondly, the military performed the role of modernizer and committed itself to a western democratic style of government. This forces them to reassert their commitment to democracy and rapid return to civilian government, while distrust for political parties leads to an intervention in political life and safeguard the principles of the Republic.⁴³

⁴³ Ishan D. Dagi, "Democratic Transition in Turkey, 1980-83: The Impact of European Diplomacy", *Survival* (London), Vol.32 (2), 1996,p.124.

The aims of the coup were expressed in the first communiqué as “to preserve the integrity of the country, to restore national union and togetherness, to avert a possible civil war, to re-establish the authority of the state and to eliminate all factors that prevent the normal functioning of the democratic order.” In his first press conference General Everen, Chairman of the National Security Council (NSC) added one more item to the above existing aims - to establish a civilian government in a reasonable time.⁴⁴

However, all the three military interventions in Turkey (in 1960,1970 and 1980) were attempts to clear away the mess created by the politicians and to re-assert democracy. In fact, Germany, after the US, has always been the second biggest supplier of military and economic assistance to Turkey.⁴⁵ Hence it was very vital for Turkey to maintain good relations with Germany. Following the 1980 military coup, many political activists fled to East Germany and requested them for political asylum. From here, they began to force European states to take up strong measures against the military regime in Turkey. They also became the source for information related to human rights violations and torture allegations in Turkey. Basing on this, the Bundestag Committee blocked the delivery of West German aid under the 1981 OECD consortium. This was a serious development as far as Turkey was concerned, since West Germany was the biggest contributor, apart from the US, to the OECD aid package and was also the Coordinator of the consortium. West Germany was acting in response to the pressure from various political parties, parliamentarians and pressure groups to reduce aid to Turkey, as the

⁴⁴ Ibid., p.125.

⁴⁵ Ibid., p.126.

latter also made no effort to return to democracy. France expressed its displeasure against the military regime by lodging a complaint to the Human Rights Commission against Turkey. Even the British government, in bilateral talks with the military regime, took up and discussed the issue of democracy and human rights violations. Moreover the Scandinavian countries remained critical of the military regime right from the beginning. They strongly condemned the coup when it took place in September 1980 and took up the issue to the European Organizations. Thus, the issues of democracy and human rights violations were expressed repeatedly by the West European states in their bilateral dealings with Turkey. This led to a strain in Turkey's relations with Europe. However, the US, in a bid to restore democracy in Turkey, granted economic and military aid to Turkey, besides helping it secure an IMF credit of \$92 million in 1980⁴⁶. While bilateral relations were not alarming for Turkey following the military coup, what was important was its place in a democratic Europe. Since the late 20th century, Turkey's presence in the European Community has been considered as a sign of its westernization. Hence, in this context, military regimes in Turkey appeared to be a major hurdle preventing its integration into the European Community. But, concern for democracy was repeatedly expressed, publicly and privately, by West-European states in their bilateral relations with Turkey. Hence, despite restoration of civil governments, Turkey's frozen relations with the community did not start moving. EU also passed tough resolutions on human rights violations in Turkey. This meant that Turkey needed to prove its commitment to the observation of human rights to improve relations with the EU. It also showed that the

⁴⁶ Ibid., p.127.

concern of EU transcended the establishment of democracy to promotion of human rights.

With the application in 1987 for full membership in the EU, the Turkish government moved into the sphere of Community's influence and became vulnerable to external pressures originating from the EC and its member states on issues of human rights. On the day the 1980 coup took place, the European Commission issued a statement that it was closely observing the course of events in Turkey and expressed hope that human rights would be respected and democratic institutions would be restored. However, the EC approach towards Turkey was soft, as it did not want to push it away from its sphere of influence. It gradually began to appear that Turkey- European Community relations would not be much affected after all. But such a situation was short-lived. In its April session, under pressure from sociologists and liberals, the European Parliament approved a resolution calling on Turkey to restore democratic institutions in two months or face the consequences. Yet, despite this, a month later, the Association Council agreed on the draft of the Fourth EEC-Turkey financial protocol. Thus, it appeared that situation was not that bad after all. Turkey tried its best to put its house in order and demonstrated that it was determined to stay in the Western economic, political and military blocs. It also realised that democracy was a necessary condition for integration in the EC. Under these circumstances the European Parliament (EP) complained that Turkey's policy towards the Kurds, Greece and Cyprus were obstacles to its consideration for accession.⁴⁷

⁴⁷ Ibid., p.129.

The Kurdish Issue

Ethnicity was an alien concept during the Ottoman Empire. The only distinction that was made among the subjects was Muslim and non-Muslim. Jews and Christians were well protected and were granted cultural rights. And since Kurds were Muslims, they formed the backbone of the Ottoman society and polity and sometimes even occupied highest posts in government. During Ataturk's period, the word Turkish did not denote ethnicity but included people of all ethnic and religious groups who resided in Turkey. Gradually, Turkish citizens of Kurdish origin settled in the prosperous western and northwestern parts of Turkey and occupied highest political offices alongside the Turks of the Republic. Hence when the Kurdish rebellion erupted, the government felt it was encouraged by religion triggered by secularist policies of the government.⁴⁸

Until recently, the Turkish government outrightly denied the very existence of the Kurdish issue. Publications in Kurdish was banned, writing and speaking the language was prohibited and the government treated them as separatists. But gradually, the intensification of the PKK (Kurdistan Workers Party) revolts led the government to relax some of the restrictions on the Kurds. The ban on the speaking of the language was lifted, but even then political speeches were not allowed. Some politicians have even felt the need of starting regional television broadcasts in Kurdish. In the Kurdish revolt which began in 1984, about 20,000 people were believed to have been killed and there was an

⁴⁸ Metin Heper, "The Ottoman Legacy and Turkish Politics", *Journal of International Affairs* (New York), Vol. 54(1), Fall 2000, pp.75-76.

exodus of some 2 million people. Indeed, thirty percent of Turkey's military was involved in the conflict, taking up a third of the country's military budget. Ankara is spending around \$5 to 7 billion annually in anti-terrorist operations.⁴⁹ Thus the scale of the operation is such that unless it is curbed effectively, Turkey will be crippled. The solution to this problem perhaps lies in the economic development of the region, as felt by Prime Minister of Turkey, Bulent Ecevit. Also it is felt that the Southeast Anatolia Project, a massive dam project would increase the amount of arable land (as it would tap the waters of Tigris- Euphrates rivers) and reduce poverty in the region and would thus help bring down Kurdish insurrection.⁵⁰ Residents of a heavily Kurdish south western Turkey, when asked, in a 1998 survey conducted by family Study Group of the Prime Ministry as to what they would do to solve the problem if they were the Prime Minister, 5.6 percent said they would introduce education in Kurdish, 5.1 percent maintained bringing in better education, 7.1 percent maintained removing unemployment, 7.2 percent putting an end to terror and 60.2 percent more investment in the region. In 1999, in a nation wide survey it was found that merely 1.4 percent of Turkish citizens identified themselves as Kurds.⁵¹

The Cyprus Issue

As regards the Cyprus issue, the major cause for the deterioration of relations between Greece and Turkey has been the rise in tension over the occupation of Cyprus.

⁴⁹ Dov Waxman, "Turkey's Identity Crisis: Domestic Discord and Foreign Policy", *Conflict Studies(UK)*, April 1998, p.17.

⁵⁰ Henri J.Barkey, "Turkey's Kurdish Dilemma", *Survival*, Vol.35 (4), Winter, 1993, pp.55-56.

⁵¹ Metin Heper, "The Ottoman Legacy and Turkish Politics", n. 48, pp.75-76.

There has been continuous violence along the UN monitored Green line which divides the republic of Cyprus from the self declared Turkish Republic of Northern Cyprus. Hence to promote peace in the Balkans and the Mediterranean, solution for the Cyprus issue is imperative. Otherwise, as a member, Greece would make use of the opportunity to veto the entry of Turkey in the EU.

Human Rights and Democratization

In fact, France, Netherlands, Denmark, Norway and Sweden, under Article 24 of the European Convention of Human Rights which permits for inter-state complaints, individually lodged a complaint against Turkey in the European Commission of Human Rights in July 1982. This in fact gave birth to a feeling of resentment among Turks against the European States.⁵² Along with this, of late the EU is also trying to persuade Turkey to totally revamp its constitution, which, they complain, institutionalize the army's dominant role in domestic politics and, through its laws, undermines basic freedoms and human rights. Even while the preparation of the constitution was in progress, the Assembly made it clear that Turkey must conform with the statute of the Council of Europe and the European Convention of Human Rights. Even after the constitution was broadly approved, the Council of Europe expressed concern regarding some provisions restricting human rights, the process of referendum, the use of a single vote to elect the president as well as for the approval of the constitution. In the summer of 2000, Sami Selcuk, the Chief Justice of Turkey's highest court of appeal, declared that as many as 90

⁵² Ishan D. Dagi, "Democratic Transition in Turkey, 1980-83: The Impact of European Diplomacy," n. 43, p.133.

articles of the constitution should be cancelled or amended so as to promote democratization in Turkey.⁵³ The EU has been suggesting this to Turkey of late through a series of reports for more than a decade.

Among the various articles in the constitution, which seems to make EU unhappy, are Articles 118 and 130.⁵⁴ The former deals with the establishment of the National Security Council (NSC), a form of shadow government through which the military rulers can impose themselves upon the Parliament and the government. The Council is empowered to examine the affairs of the state related to domestic and foreign policy. In this body, the military enjoys qualitative superiority to ensure that the consensus, required to take decisions, is maintained. Their deliberations are never made public and even when decisions are announced, they are presented as recommendations of the government. The EU has not suggested that the NSC be abolished completely, but only that it be transformed into an informal and extra-constitutional body, having a civilian majority. Besides Article 118, military's superiority is guaranteed by a number of other articles in the constitution. The chief of staff has more power than the defense minister, he has more authority in most sensitive matters of the state; though, in order of protocol, he comes next to the prime minister, he formulates defense policy and enjoys autonomy in judicial matters. He is responsible for the country's internal and external security, including intelligence agencies. He even decides on nominations and promotions in armed forces. Criticism of the military could lead one behind bars for a maximum period of six years.

⁵³ Eric Rouleau, "Turkey Dream of Democracy", *Foreign Affairs* (New York), Nov.-Dec.,2000,p.105

⁵⁴ *Ibid.*,pp.105-108

In the constitution the terms pointing at freedoms are vague and makes thoughts and opinions as punishable as acts and hence are subject to abuse.⁵⁵

Article 130 of the constitution stipulates that scientific research and publication that do not conform with the values mentioned in the preamble of the constitution should be banned by the rectors of Universities. The Turkish Council of Higher Education, created by the 1982 constitution, can remove any professor suspected of ideological dissidence. Again, Article 312 of the penal code penalizes views expressed, contrary to ethnic and religious harmony.⁵⁶ This article was applied to imprison Prime Minister Erbakan for one-year, for a campaign speech he gave in 1995. Similarly, an arrest warrant was issued against Fethullah Gülen, a Muslim cleric, and he was later indicted for planning to establish a theocratic dictatorship. Also, Ismail Besikci, an ethnic Turk and well-known sociologist was subject to imprisonment for several years for expressing pro-Kurdish separatist statements in his works.⁵⁷ These are some among the various laws, which the EU has objected to.

Besides the constitution and the penal codes, the European Council also complained that the way in which political parties were set up was undemocratic. It has

⁵⁵ The preamble of the Constitution reads- "No protection will be extended to thoughts or opinions contrary to Turkish national interests, the principle of indivisibility of Turkey... (Or) to Turkish historical and moral values..."

⁵⁶ Eric Rouleau, "Turkey Dream of Democracy", n. 53, p.108

⁵⁷ Ibid.

also objected to a number of laws restricting basic rights, formation of political parties, professional associations and unions, restricting status of civil servants, and so on. Yet, one thing to be noted is that, it was complaints received from European quarters that helped Turkey to be careful in its affairs with Europe. Europe's role in giving shape to the military regime's goal in setting up democratic form of government cannot be ignored. With respect to Turkey's application for full membership, Agenda 2000, adopted on 15 July 1997, laid down that Turkey should resolve problems in the region and try to settle its problem with Greece related to Cyprus⁵⁸. The presence of Turkey's long standing European linkages and Turkey's determination to maintain them were the basis for European influence on it. The Community also felt that it had the right to interfere in the domestic politics of Turkey because in a state attached to the Community with an Association Agreement, and exhibiting its intention for full membership, the restoration of democracy could not be left entirely in the hands of the ruling generals.

Foreign Policy

In the realm of foreign affairs, nothing much can be elaborated regarding the relationship between Turkey and the European Union. Turkey acts as a positive and constructive factor in a region which is vital for the security and prosperity of Europe. This was evident from the role Ankara played during the cold war against Soviet threat not only to Europe but also in the Gulf. The cold war thus provided Turkey with a special role to play in international affairs. Its geo-political situation was its greatest asset; it had

⁵⁸ Regular Report 1998 from the Commission on Turkey's Progress towards Accession, *Bulletin of the European Union*, Supplement 16/98.

a long border with the Soviet Union and the oil-rich middle east. This anchored it firmly with the west and satisfied some of its aspirations to be part of the western community. Even before the cold war, Turkey was sensitive to the danger of Soviet expansionism and thus its foreign policy was shaped accordingly to meet with it. With the end of the cold war, the potential military threat from the north has disappeared and has enabled Turkey to redefine its military role. Turkey joined the NATO and now its foreign policy is more assertive and independent rather than passive. But it has brought in a new problem for Turkey at the same time. Now, Turkey finds itself competing with the east-European countries to join the EU club, on the pretext of having stronger historical and cultural links with the EU. EU on the other hand is quiet reluctant of admitting a relatively underdeveloped country with a large Christian workforce, since it will strain its already overstretched budget for regional development. In order to prove its ability, Turkey has tried to make its presence felt in regional arrangements where it can play an important role. There is need to mention here about the Black Sea Economic Cooperation Zone, signed in June, 1992, which includes eleven countries (even some such as Armenia, Albania and Greece which do not border the black Sea) and places Turkey at the center of an economic trade zone, that will not only facilitate commercial relations, but, but will also help stabilize the region.⁵⁹

Since the early 60s the EC-Turkey Association Council has been the forum for discussion between the two sides on major foreign policy issues of common interest. On 30 October 1995, it laid down, among others, a resolution providing for EU-Turkey

⁵⁹ Henri J.Barkey, "Turkey's Kurdish Dilemma", n.50, pp.62-63.

expert level consultations in certain CFSP working parties. Turkey has made effective use of this machinery to have several meetings at troika and expert level on issues relating to OSCE, Eastern Europe, Security, etc. At the Luxembourg European Council (December; 97), Turkey was invited to take part in a European conference to step up foreign and security policy cooperation between the EU and applicant countries.⁶⁰

There are a number of contentious issues in the Aegean area between Turkey and an EU member state, Greece. The boundaries of the territorial waters and airspace on both sides are also problematic. Otherwise it does not have problems with any other neighboring country. At the same time it is also haunted by the Kurdish issue and growing threat of Islamic fundamentalism. Besides these, Turkey and the EU share similar views on a number of foreign policy issues. However, unlike the Central and East European countries, it has not wished to associate itself with the EU's CFSP initiatives.

Thus it is obvious that Turkey's relationship with EU was more prominent in the economic sphere than in other areas. Though the relationship had its ups and downs yet it attracted much attention when the question was raised whether Turkey should be included in the list of candidates for EU enlargement. With the end of the Cold War Turkey has been playing a new and major role in international politics. As Graham Fuller writes, the Turks 'may now come to see themselves once again at the centre of a world emerging round them rather than at the tail-end of a European world that is increasingly uncertain about whether or not it sees Turkey as a part of itself.'⁶¹ Turkey has already

⁶⁰ Eric Rouleau, "Turkey's Dream Of Democracy", n.53, p. 110.

⁶¹ Dov Waxman, "Turkey's Identity Crisis: Domestic Discord and Foreign Policy", n.49, p.9.

taken the first step by applying for membership in the EC, and both sides are aware of the need for each other. Yet, Turkey on its part has to fulfill the obligations of membership in the EC in the first place, to enhance further development of relations between the two. Turkey definitely wants to join the EC as a worthy and equal partner, and does not intend to add to the burden of the EC and the response of the EC to Turkey's application for membership is the main focus of the next chapter.

Chapter-3

EU'S ATTITUDE TOWARDS TURKEY'S MEMBERSHIP QUESTION

This chapter looks into the EU response to Turkey's in 1987 for full membership of the Union. That is to say, why Turkey is eager to get into the EU and what are the reasons EU cites to keep Turkey away from its fold for as long as possible. The political and business elites of Turkey regarded relations with the European Community very significant. According to them, it meant that Turkey was being recognized as a member of the West and a confirmation of the fact that it met with accepted standards of western civilization, which would imply success of the Kemalist ideology. However, to the question why Turkey wants to be a part of the EU, the answer is in the following advantages that Turkey hopes to have, as a member of the European Community.

- 1.The 1987 bid for accession was aimed towards assured access to the European market. Historically, Turkey has been a part of the European economic system and its main trading partner. With this in mind, resentful of EC's growing protectionism in textiles, steel and agricultural products, Turkey's powerful financial and business groups feel that integration with the EC market should be made swift. Turkey's 60 percent of the trade is with the EC and 70 percent of its foreign investment also has its source therein.

- 2.The next important reason is the Greek factor. Its application for membership was mainly a response to the fear that since Greece was already a member of the EC,

Greece would have an advantage over Turkey in making its decision heard with respect to policies in the Cyprus and the Aegean. Also, Turkey realized that Greece, as a member of the Community, was a recipient of the funds from the Community's regional and social policies, which it did not want to be deprived of. Besides, Turkey also wanted to ensure that it enjoyed the same status as Greece in its relations with third countries.

3. Turkey's trade difficulties in the European market is further complicated by the accession of Spain and Portugal to the EC since they are exporters of broadly similar agricultural products as Turkey. Besides, accession of countries that are exporters of textiles to the EC prevents Turkey's chances of having the quotas imposed by the EC on its textile export reduced. Under these circumstances, Turkish policy makers believe that full membership in the Community is the only way to secure export capability to Europe.¹

4. Turkey realized that mere association with the EC would no longer be meaningful since it merely provided economic burden without any real advantage. This, Turkey realized through experiences drawn from Greece, Spain and Portugal. Greece had opted for full membership following Association status due to the same reason. The same had prompted Spain and Portugal to negotiate directly for full membership. Historically, Turkey has been a part of the European Economic System. Its major trading partner has traditionally been European. Hence, what is important for Turkey

¹ Cannan Balkir and Allan M Williams (eds.), *Turkey and Europe*, (London and New York: Pinter Publishers Ltd., 1993), p.35.

more than accession to the European Community, is its assured access to the European market. Moreover, towards the late 80s Turkey had to face problems related to inflation and debt. The economic profile of Turkey saturated making it appear weak. Hence, the Ozal government looked for alternate sources of aid and credit. It was realized that EC membership would enable inflow of funds that might pull out Turkey from its crippling economic problems.²

5. Turkey also suffered from the problem of isolation in the international Community mainly because of military intervention in its politics on several occasions and its problem with Greece relating to its claim on Cyprus. This isolation pushed Turkey to dependence towards American political and financial backing. This was mainly due to the question mark that was put on the functioning of democracy in Turkey as well as the uneven functioning of its economy. However, after mid 1980s the US too became indifferent towards Turkey and chose to alter its pro-Turkish attitude. This was exhibited by the decline in military assistance to Turkey and consideration of Cyprus problem to provide financial aid to Turkey by the US. Perhaps, to counterbalance this, forging links with the EC was felt imperative by Turkey.

6. What was more important was the guarantee of a constant and high inflow of FDI from West European firms. This would promote access to modern know-how and technology that Turkey needs for the modernization of its economy.

² Ibid., p.37.

Thus, on the whole, Turkish policy makers believed that accession to the EC would ensure its political and economic reforms and would provide it the desired stability and international recognition. On the desirability of membership, there was broad-based consensus in Turkey excepting a few fundamentalists who were opposed to the idea of submitting to the west. Turkey was aware that it had ignited the trigger of a long drawn out process. However, Turkey understands the EC's dilemma of being reluctant to its immediate acceptance. It knows that despite progress made in the last decade, its economic condition is still way behind in fulfilling the criteria required under the Treaty of Rome, Single European Act (SEA) and the Community's Economic and Monetary Union. Yet it thought that full membership in the EC would re-invigorate its Atatürkist tradition and enable it to make attempts to tune itself with the EC criteria for membership.³ However, it wants to get a green signal to further strengthen its historical links with Europe, giving a boost to its efforts towards democratization. Former Turkish ambassador to the EC, Mr.Ozdem Sanberk, summarized the Turkish motives in the following words: "We felt it was necessary to remove the general uncertainty surrounding the EC-Turkish relations and reinforce the consensus about becoming fully European, in order that our political economic and social policies might move forward. The opening of the membership negotiations represents, to the Turkish people, the first step in an irreversible chain of events leading to the full EC membership."⁴

³ Ibid.,p.35.

⁴ Turkey, Ministry of Foreign Affairs, Mehmet Ogutcu, "Turkey's Place in the New Architecture of Europe: An Updated Assessment", January 1998, <http://www.mfa.gov.tr>.

Community's Reaction to Turkey's Application

When Turkey submitted its application for membership, some member states of the EC even conducted extensive lobbying through their representatives in Ankara to prevent this. When the letter of request for accession was handed over to the president-in-office of the EC, Leo Tindemans, the reaction from Brussels was cool. As per the usual procedure, foreign ministers of member states decided, 11 to 1 (Greece), to refer it to the Commission. However, it was felt that the EC should first resolve its internal problems before opting for further enlargement. Member states suggested negotiation of better association agreements with Turkey rather than complete membership for the time being.⁵ It took the EC Commission two and half years to prepare its opinion on the Turkish application. However, when the Commission finally published its opinion on 18 December 1989, it did not come as a surprise to anybody. It expressed that it was not appropriate for the Community to accept new applications for membership, given its changing shape. The Community was aware that any position it took regarding future enlargement would be much different than those adopted in the past, since, with the entry into force of the Single European Act (SEA), it had entered into a new stage of development. The success of this would help it achieve the completion of Single Market, and Economic and Monetary Union that ultimately would lead to a political union. Only when the objective assessment of this stage is done would the Community be able to embark on the road towards future enlargement. Hence, it realised that further negotiations for new entrants must be kept at bay for some time unless under exceptional

⁵ Cannan Balkir and Allan M Williams (eds.), *Turkey and Europe*, n.1.

circumstances. Yet it reaffirmed the principle enshrined in the Association Agreement that Turkey was eligible for membership. It expressed doubts that despite recent positive developments in Turkey, it would face adjustment problems if it were to accede to the Community.⁶

The commission basically stressed on four problems that led to its decision on Turkey:

- major structural disparities in terms of agriculture and industry;
- macro economic imbalances;
- high level of industrial protectionism; and
- low level of social protection.⁷

The working method adopted by the Commission was the setting up of inter-directorates-general working group, which met at the technical level. It gathered all documents on Turkey prepared by reliable national, international, public and private institutions. Besides, it invited experts on Turkey and sent fact-finding teams to Turkey. However, the Commission's draft report did not contain any proper interpretation and the Turkish side was unhappy with the way it was handled. In October 1989, a Commission report, classified as "Secret" and negative on Turkey's application, was leaked purposely

⁶ Turkey, Ministry of Foreign Affairs, Mehmet Ogutcu, "Turkey's Place in the New Architecture of Europe: An Updated Assessment", January 1998, <http://www.mfa.gov.tr>.

⁷ Heniz Karmar, "EC-Turkish Relations: Unfinished Forever?", in Peter Ludlow (ed.), *Europe and the Mediterranean* (Brussels: Brassey's Centre for European Policy Studies, 1994), p.213.

to the press to reduce Turkey's expectation of membership. The Rhein Report, as it was called, stated the following: "If Turkey is granted accession to the Community, progress towards the Single Market will be seriously hampered. The goals of the EMU and the EPU will also lose their momentum. Decision making process will seriously suffer. Most of the Community's resources will be channelled towards rectifying Turkey's difficulties...". This report had shown what the actual opinion of the EC would look like.⁸ Moreover, the Commission stated that with problems existing, it would be difficult for Turkey to take an obligation resulting from the Community's economic and social policies. It also added that with Turkey's accession, economic and social burden to be shouldered by the EC would increase along with rising expenditure for structural funds. Besides, it also expressed concern regarding issues of democratic deficiency, human rights violation, Greek-Turkish problem related to Cyprus and negative impact of Turkish workers on unemployment, which further prevented Turkish accession to the EC.⁹

The Commission was aware that its opinion would create resentment among the public and the Turkish government. Hence, it suggested reactivation of the Association Agreement, which, without casting doubts on its eligibility for membership, would enable both the partners to embark on a journey towards revitalization of mutual relations. These measures focussed on 4 important aspects.

- a. completion of Customs Union;

⁸Turkey, Ministry of Foreign Affairs, Mehmet Ogutcu, "Turkey's Place in the New Architecture of Europe: An Updated Assessment", January 1998, <http://www.mfa.gov.tr>.

⁹ Turkey, Ministry of Foreign Affairs, "Commission Opinion on Turkey's Request For Accession To The Community", <http://www.mfa.gov.tr>

- b. the resumption and intensification of financial cooperation;
- c. the promotion of industrial and technological cooperation; and
- d. the strengthening of political and cultural links.¹⁰

The Commission's report led to mixed interpretation in Turkey. Controversy arose over whether or not Turkey was eligible for membership. Though the Commission's proposal to initiate cooperation led to some optimism, yet, since no official date for the same was specified, it led to dismay among the officials. They felt that at least mentioning of a specific date to begin negotiations would have been consoling. Yet, one thing that was obvious was the awareness that the EC was not serious towards integration of Turkey into the Community. The Turkish government was not ready to accept the Commission's arguments for postponing eventual accession negotiations to an unspecified date. However, at the EC Council session on 5 February 1990, member states approved the Commission's opinion without many changes, which implied the Community's strong interests in improving relations with Turkey on the existing basis. Yet, apart from the problems related to the functioning of the institutions as a result of enlargement, the Community was worried about the political changes in its eastern frontier. The uncertain political situation in Eastern Europe increased reservations of member countries with respect to taking in to the Union a new and large country.¹¹

¹⁰ Heniz Karmer, "EC-Turkish Relations: Unfinished Forever?", in Peter Ludlow (ed.), *Europe and the Mediterranean*, n.6, p.214.

¹¹ Cannan Balkir and Allan M Williams (eds.), *Turkey and Europe*, n.1, p.38.

On 12 June 1990, the Commission presented to the Council what is known as the Matutes package, where it offered proposals for measures in the four areas of cooperation (already discussed before) and expressed its opinion.¹² In course of negotiations, divergent interpretations of this package was made by the Community. While Turkey thought of it as part of a comprehensive programme leading to full membership, Community officials viewed it as measures to enhance cooperation between the Turkey and the EC, not a commitment to membership.

- With respect to finalization of Customs Union, its proposals included keeping the deadline already agreed upon in the Association Agreement, i.e. 1995 for industrial products, including coal, iron and steel. This would mean that Turkey had to catch up with the schedule laid down in the Additional Protocol and abolish, by then, the measures introduced during the 1980s, for example, the system of special levies for funds brought in during the time of Özal to enhance economic modernization. In return, the Community had to put an end to export restraints on Turkey's textile exports. It was also envisaged to find ways and means to include agricultural produce in the Customs Union but it was felt that it could not be completed by 1995. Attempt was also made to align Turkish law with that of EC to bring down legal barriers that could prevent the effective functioning of the Customs Union.

¹² Heniz Karner, "EC-Turkish Relations: Unfinished Forever?", in Peter Ludlow (ed.), *Europe and the Mediterranean*, n.7, p.215.

- As regards intensification of industrial and technological cooperation, proposals suggested measures in fields like monetary policy, transport, financial services, telecommunication, energy, environmental issues, science and technology, tourism, culture, education, etc. That is to say that the Commission aimed to incorporate all those activities in its mutual relationships mentioned in the Ankara agreement but, for some reason or the other, neglected. The Commission in its proposals also took note of the progress made by Turkey in these fields since the 1980s. For this purpose the Commission proposed conclusions of the Fourth Financial Protocol (originally initiated in 1981, worth 600 million ECU over five years, but did not work out.) Unless this would be concluded Turkey would remain the only Mediterranean country with which the Community would not be able to engage in economic and technical cooperation due to lack of funds.
- Finally, the Commission proposed intensification of political dialogue, which till then had been conducted irregularly at ministerial and political committee level with the troika of foreign ministers. Had this programme been implemented, there could have been a positive development in EC-Turkish relationship. If not much, at least it could have upgraded the relations to the level as embodied in the Ankara Agreement.¹³

However, the Matutes package could not be implemented, because Greece was not ready to lift its veto to promote EC-Turkey relations unless progress was made regarding

¹³ Turkey, Ministry of Foreign Affairs, Mehmet Ogutchu, "Turkey's Place in the New Architecture of Europe: An Updated Assessment", January 1998, <http://www.mfa.gov.tr>

the Cyprus issue. Besides, other EC members have not been able to find means to overcome Greek resistance. The Association Committee tried to establish measures for EC-Turkish cooperation outside the Association framework. Hence, the British proposal for implementation of Matutes package was not accepted by Greece. Yet, it could not prevent restarting of technical relations between the two. Since the establishment of a coalition government in Turkey in 1991, the Association Committee resumed its regular meetings with Turkey and made attempts to activate EC-Turkish cooperation even outside the Association framework. It established a group of experts to prepare an inventory of possible measures to be taken in the field, which was approved by ministers at a meeting of Association Council in November 1992. Besides, under the Community's redirected policy, Turkish intellectuals became the recipients of funds from the Community in areas like the environmental protection, scientific cooperation, urban affairs, etc. However, what is important to be remembered is that, cooperation at the technical level between Turkey and the EC could not help overcome the political blockade for Turkish membership in the EC. All that it could do, perhaps, was to improve further the relations between the two. Some progress was made at the technical level but it was not of a momentum enough to generate full-fledged relationship between the two.¹⁴

A former EC Commission vice-president, Martin Bageman, during a visit to Turkey in 1992, expressed the hope of Turkey's membership in the EC. According to him, it was impossible to think of an EC without Turkey. He was criticized by Greek ministers for deviating from the established EC position vis-à-vis Turkey. Similarly, Raymond Dury,

¹⁴ Ibid.

the Belgian socialist MEP (Member of the European Parliament), during her visit to Turkey in 1992, stated that she could see a transformed Turkey since her previous visit in 1991. Former foreign minister of Turkey, Hikmet Cetin, at the same time said that though Turkey's membership would take some time, Turkey would pursue its objective to become a part of Europe, and to be included in all its institutions.¹⁵

At another meeting in Portugal in May 1992, EC foreign ministers decided to launch a new approach to deal with Turkey's request for membership. At this meeting, Douglas Hurd, the British Foreign Secretary, was entrusted with the task of preparation of a discussion document on the issue. He put forward the Global Community Policy for Turkey, which included the same measures as the Matutes package, namely:

- development of political dialogue;
- development of economic relations; and
- development of security relations.

This was based on his observation that Turkey was a growing power in a region of insecurity.¹⁶

Therefore, it is imperative to look into some of the important factors that have affected the development of relations between Turkey and the EC. But, before doing that, it is important to know the essential criteria stipulated for membership in the EU. The

¹⁵ Ibid.

¹⁶ Ibid.

European Council meet at Copenhagen in June 1993, laid down the political criteria for EU membership as: stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities; while the economic conditions as; functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union. Besides, it was also necessary that the country is able to take the obligation of membership, including adherence to the areas of political, economic and monetary union. While linking enlargement to institutional reforms, the Council added a further criteria that the Union's capacity to absorb new members, while maintaining the momentum of European integration, is also to be kept in mind in the interest of the Union and the candidate countries.¹⁷

Now, it is necessary to examine both the political and economic criteria drawn up in the Turkish context, which would determine whether, and how, the relationship between the EC and Turkey is going to develop.

The following is the report of the European Commission published in 1998 on the areas where Turkey has not been able to fulfill the Copenhagen Criteria.

Evaluation of Political Criteria for Turkey's Membership in the EU

The December 1989 Commission opinion on Turkey's application for membership to the Community had already examined the political situation of Turkey. It

¹⁷ Turkey, Ministry of Foreign Affairs, Zeynep Postalcioglu, "An Earthquake in Turkish-EU Relations", <http://www.mfa.gov.tr>

noted that although there had been developments in the areas of human rights and respect for the rights of minorities, yet it had not reached the level of the requirement of democracy. Yet, it is not entirely true as Turkey is seen to make continuous efforts to improve its image and bring itself in line with the European standards to improve its prospects for inclusion in the European Community.

In its Agenda 2000 document, the Commission noted that although Turkey had a government and parliament resulting from multiparty democratic elections, Turkey's record of upholding the rights of the individual and freedom of expression fell short of standards in the EU. In combating terrorism in south-east, it noted that Turkey needed to exercise restraint and take efforts to find a civil and not a military solution. Persistent cases of disappearance, torture and extra-judicial executions, despite repeated official statements of the government's ending such practices, put into question the extent to which the authorities were able to monitor and control the activities of security forces. Besides, the EU in its Association Council meetings also had repeatedly expressed concern on the situation in southeast Turkey.¹⁸

The Commission further noted that in the past few years, the political situation in Turkey had been relatively unstable. Though parts of the constitution had been amended in 1995, the legislative follow-up of these changes had not been completed. It was already confirmed that the constitution functioned in a satisfactory manner, yet there were cases of corruption and favouritism. Of the 9,000 magistrate posts in Turkey, only

¹⁸ Turkey, Ministry of Foreign Affairs, "Enlargement: Preparation for Accession, Turkey's Pre-accession Strategy", <http://www.mfa.gov.tr>.

7,000 were filled due to budgetary difficulties. The excessive workload in the judiciary undermined efficiency. Also, a matter of concern was the dependency of judges on the Supreme Council decisions and political interference in the work of judges and public prosecutors by the minister for justice. Amendments to facilitate the efficient functioning of the judiciary are still pending.¹⁹

In the field of human rights and protection of minorities, the Commission observed that the freedom of expression was not fully assured and was subject to restrictions. The effort of the Turkish authorities towards reform in the field of democracy had not been seriously pursued. The Commission stressed on the repeated cases of torture, especially during detention. Cases of harassment and police violence against journalists, politicians and human rights activists were regularly reported. Though freedom of press was guaranteed, yet sometimes newspapers had been censored during the printing stage. Especially important was the fact that objective reporting of the Kurdish issue was not possible. Even the condition of prisons in Turkey did not meet the European standards. Limitations were expressed in the freedom of association and assembly too. In the economic, social and cultural rights, the Commission observed that, despite ratification of ILO Conventions, changes had not been brought about in the labour laws in Turkey. Also there was no unemployment benefit in Turkey, nor had child labour been eradicated. Islam was subject to restrictions, both practical and bureaucratic, affecting ownership of premises and expansion of activities.²⁰

¹⁹ "Regular Report 1998 from the Commission on Turkey's Progress Towards Accession", *Bulletin of the European Union*, Supplement 16/98, pp.12-13.

²⁰ *Ibid.*, p.16.

Then comes the most serious problem related to minorities (the Kurdish issue), and the problem with Greece relating to the Cyprus issue. Kurdish population in Turkey is estimated between 8-15 million. The constitution does not recognise Kurds as a national, racial or ethnic minority. Kurds who publicly assert their ethnic identity risked harassment and prosecution. Most of the Kurdish population occupies southeast of the country where the Kurdish Workers Party (PKK) is engaged in an armed conflict with the Turkish people demanding a separate state of Kurdistan. This has resulted in large-scale human rights abuse, including evacuation and destruction of villages. Besides, Turkey does not recognise the right of asylum for refugees from outside Europe.²¹

Then comes the question of the occupation of Cyprus. Turkey occupied Cyprus in 1974. And in 1983, it proclaimed the part it occupied as a republic, though it was not recognised by the international Community. A number of UN declarations have condemned the occupation of northern Cyprus by Turkey in violation of treaties that set up the republic of Cyprus, and hence the *status quo* has been judged unacceptable. Efforts taken by the international Community to unite Cyprus thus removing the Greek-Turkish problem have been a failure. The Commission notes that just and fair settlement to the issue has to be brought about in accordance with the UN conventions.²²

²¹ The Europa World YearBook 2001, Vol.2, London: Europa Publication Ltd., p.3917.

²² Turkey, Ministry of Foreign Affairs, "Cyprus Issue Threatens to Derail Turkey-EU Relations", <http://www.mfa.gov.tr>.

Keeping these findings in view, the Commission feels that Turkey has still a long way to go to join the EU. Though the reform process is on, yet far reaching changes have to be brought in to make Turkey's dream of accession to the Community a reality.

As against this, as mentioned earlier, Turkey is on the road to continuous progress and its position is quite strong as compared to the other applicant countries. Though it cannot claim to be perfect, yet wherever deficiencies exist, Turkey is always trying to come over it. It is therefore necessary to have a critical look at the findings of the EC Commission.

Soon after the proclamation of the Republic in 1923, Turkey embarked on an ambitious programme of reforms aimed at building Western institutions, which would be the foundation of a modern nation state. Multi-party democratic elections have been held for the last fifty years, a record of democratic longevity that far surpasses not only that of the formerly communist countries, but also of the relative EU newcomers from Southern Europe- Spain, Portugal and Greece. The government has been continuously making efforts to deepen and strengthen democracy. Regular, free and fair elections are well established in Turkey. The parliamentary elections of 24 December 1995 was the thirteenth consecutive free multi-party national elections that Turkey held since 1946, not to mention a similar number of local elections and by-elections. The Constitution of 1982 (Art. 67) provided that elections should be conducted on the basis of free, equal, secret, direct, and universal suffrage and that the counting and sorting of ballots should be carried out in public. The originality of the Turkish system lies in the fact that not only

the supervision, but also the conduct of elections is under the sole responsibility of the judiciary. This system of independent judicial supervision has proven effective in ensuring the fair and orderly conduct of elections. The Constitution of 1982, further established a parliamentary system under which the Council of Ministers, and individual ministers are made responsible to the Parliament. In the 1995 parliamentary elections, eleven independent and freely organized political parties competed, representing a full-range of views of the left and right, which also included one party Halkin Demokrasi Partisi (HADEP) that claimed to represent Turkish citizens of Kurdish origin. The 1982 Constitution also restricted participation of various private organizations in the political process. To rectify this situation, the Parliament passed several Constitutional amendments in 1995 that removed these restrictions and allowed full political participation of labour unions, student and academic organizations, and business and professional associations. The voting age was also reduced to 18 to encourage broader involvement by young people. Implementation of these amendments, now underway, represents an important step in the maturing of Turkey's political process.²³

In 1993, the government ended the state monopoly over radio and television broadcasting and became one of the first European nations to broadly privatize the electronic media. The results have been dramatic. There are now 16 national private TV networks, more than in any other European nation. Many of these networks and stations provide extensive news and public affairs coverage that allow ordinary citizens, as well as political, business and civic leaders, to express totally divergent views and to debate

²³ Turkey, Ministry of Foreign Affairs, "The New Enlargement of the European Union: Turkey and other Applicants", <http://www.byegm.gov.tr>

public issues. The media is, of course, totally free to criticize government policies and officials, and does so with great vigour. The media today plays an essential role in bringing to light, allegations of abuse of power and investigating cases of alleged public and private wrongdoing.²⁴

Besides, Turkey's political culture is largely shaped by the nature of its multi-party parliamentary system. As in other Western European nations with similar systems, elections often fail to produce an electoral or parliamentary majority so that coalition governments are necessitated. Turkey moved on to pluralist democracy over 50 years ago. During these 50 years, Turkey's democracy has witnessed three interruptions with the military take over. However, on each occasion, the military kept its promise of restoring democracy back. While other nations have experienced similar interruptions, in none has the military adhered so rigorously to a schedule of withdrawal from political dominance and restoration of democracy once security and stability is ensured. Also, Turkey has contributed effectively to the preservation of stability at the regional and international levels. In Europe, as a staunch NATO ally for 45 years, Turkey defended the Alliance's vital southern flank as the only NATO member, which directly bordered the former Soviet Union. Turkey still continues to provide Western Europe with NATO's second largest military force (after the United States).²⁵

²⁴ Ibid.

²⁵ The European Commission, "Interim Report Concerning Turkey", July 1995.

In the judicial field, Turkey has a well-established, independent judiciary and highly developed training for judges, prosecutors, lawyers and other persons involved in the judicial process. The Turkish legal system is solidly secular and is based on those of Continental Europe. It has adopted the European and most of the major U.N. Human Rights Conventions, which have now become part of the its domestic legal system and have the effect of law. Turkish courts, including the Constitutional Court, have started to rely on these documents and to cite them as governing principles. It has played a vital role in protecting the rule of law whenever Western Europe's security and stability have been threatened, most recently with active participation in multi-national efforts in Bosnia and Albania.²⁶

With respect to human rights too, Turkey has some positive records to show despite constant criticism against it. The Constitution of 1982 recognized all basic rights, commonly found in liberal democratic societies, including freedom of speech, press, religion, association, assembly, travel and communications, due process of law, right to privacy, freedom from arbitrary arrests and property rights. Similarly, Article 15 of the Constitution established a core area of basic rights and freedoms that cannot be interfered with even in emergency and martial law situations. Under Article 10 of the Constitution, all individuals were declared equal without any discrimination before the law, irrespective of language, race, colour, sex, political opinion, philosophical belief, religion and sect, or any such consideration. Turkey has a particularly distinguished record in the

²⁶ The Europa World YearBook 2001, n.21, p.3933.

historical evolution of the rights of women, who enjoy full equality with men in all respects. Indeed, it should not be forgotten that Turkey granted full suffrage and eligibility to parliament to women in 1934, earlier than most other European countries.²⁷

Turkey's domestic situation has been complicated by the violent attacks of a terrorist organization PKK (Kurdish Workers Party) for more than a decade on Turkey's civilian population and security forces. Some 20,000 people have been killed as a result of this PKK campaign, including many innocent villagers, mostly of Kurdish origin. As in other Western nations that have faced similar domestic terrorist campaigns of murder, Turkey enacted special anti-terrorism laws in 1991. However, as often happens, the application of these laws by, sometimes, over-zealous prosecutors, or their interpretation by the courts may have exceeded what was originally reasonably intended. This has produced some situations of apparent human rights abuses, which have attracted widespread criticism. But this must not be understood as Turkey's neglect in this field. Other efforts in this field include publishing of Kurdish newspapers and local television stations, currently broadcasting programs in Kurdish. Citizens of Kurdish origin participate fully and without any barrier in all aspects of the life of the nation, and at all levels of government, including service as members of Parliament and in high ministerial posts. Large sections of territory, which were once the scene of intense terrorist activity, have now been restored to order and security. Villagers, who were once compelled to relocate, are now being provided with assistance to return to their traditional homes. Hundreds of schools, once closed under the threat of PKK murder, have now been re-

²⁷ Turkey, Ministry of Foreign Affairs, "The New Enlargement of the European Union: Turkey and other Applicants", <http://www.byegm.gov.tr>

opened and operate under conditions of normalcy. Several provinces that were once under Emergency Rule have now been returned to normal political life.²⁸

Since 1995, the Turkish Parliament has taken several important steps to further improve democracy in the country which included, among others, adoption of constitutional amendments, changes in Article 8 of the Anti-Terrorism Law to limit its coverage and reduce the penalties for violations to the area subject to the state of emergency. As these reforms were being implemented, it became apparent that several problem areas still existed, either because of actual deficiencies or the perception of impropriety, so that additional initiatives would be required. The government has also developed a specific series of reform measures, some of which have already been adopted and implemented.²⁹

Nothing is more harmful to the credibility of Turkey's security forces and the State itself than serious allegations of torture. The governments' programme focuses primarily on steps to reduce the opportunity for mistreatment and to create increased vigilance against potentially troublesome situations. In March 1997 Parliament adopted a law to reduce significantly detention periods to reach acceptable European levels. At the same time, the Parliament expanded the access to lawyers of suspects awaiting trial, to shorten the potential period of unobserved police custody. The Interior Minister has initiated a programme of random unannounced inspections of police facilities to ensure compliance with proper procedures, to observe the condition of prisoners, and to check

²⁸ Henry J. Barkey, "Turkey's Kurdish Dilemma", *Survival* (London), Vol.35(4), Winter 1993, pp.66-67.

²⁹ The European Commission, "Interim Report Concerning Turkey", July 1995.

for any inappropriate devices or equipment that may be used in interrogations. The most effective way to control and influence police behavior, and to prevent acts of individual misconduct, is through the intense monitoring by police supervisory officers. Nonetheless, to ensure that allegations from credible sources are properly investigated, the Interior Minister has been reviewing the procedures for receiving and investigating complaints of misconduct to ensure the rigor and integrity of the process.³⁰

Thus, the picture is not that depressing after all. It only appears that the EU authorities are perhaps deliberately ignoring the brighter side and are still dwelling on to highlight the defects of Turkey to keep it away from the EU membership as long as possible.

Evaluation of Economic Criteria for Turkey's Membership in the EU

After examining the political criteria, the Commission went on to examine the economic criteria for assessing Turkey's eligibility to be included in the EU. The following is the Commission's report on its findings.

Turkey has a population of over 62 million, with an annual growth rate of 1.6 percent continuing the downward trend evident in recent years. According to the World Bank estimates, Turkey's GNP was US\$ 382.5 billion (1996), equivalent to 5 percent that of the EU. Per capita GNP is merely about one-third of the Community average.

³⁰ Turkey, Ministry of Foreign Affairs, "The Turkish National Programme for the Adaptation of the Acquis-Introduction and Political Criteria", <http://www.byegm.gov.tr>

Despite changes in the Turkish economy, the Commission observed that it still suffered from certain weaknesses. This was due to a large and inefficient agricultural sector, a weak financial sector, chronic monetary instability and a number of socioeconomic shortcomings. Socioeconomic indications show that Turkey is behind not only EU, but also other countries with comparable per capita income.³¹

Public spending on health and education in Turkey accounted for merely 6 percent of GNP in 1996, which was very low. Added to this was the problem of inflation. As far as public finance was concerned, the public sector-borrowing requirement had risen from 5.8 percent of GNP to 11.6 percent between 1995-1997. Tax revenue had risen 20 percent of GNP in 1997. Unemployment rate had grown to 8 percent after the 1994 budget. The rapid economic growth had gone hand in hand with a significant expansion of foreign trade. The government also embarked on a stabilization programme in an effort to bring down inflation in the country. The Commission observed in its report that, Turkey had not attained the degree of macro-economic stability required for participating in internal market obstructing its smooth functioning. Efforts to bring about macro-economic stability had failed. This may be because of political instability and lack of consensus on economic strategy among the political, economic and social forces.³²

With respect to industry, the report said, there had been a major shift in exports since the late 90s. Though the Customs Union was working smoothly, yet the

³¹ "Regular Report 1998 from the Commission on Turkey's Progress Towards Accession", *Bulletin of the European Union*, n.19, p.19

³² *Ibid.* p.21

Commission argued that problems had arisen in trade between the two. (This included Turkey's ban on import of beef and live animals, its import monopoly on tobacco and alcohol, EU's ban on fishery products for health reasons, and so on.)

Foreign Direct Investment had been fairly low in Turkey since 1990s according to the Commission's findings. The financial sector had a number of weaknesses, that could cause major problem once this sector would open to competition to the Community. The important role of state in banking and cross-shareholding between the financial sector and large industrial concerns was another major handicap. The concentration of banking activity on the management of portfolios, largely made up of government bonds, weakened banks and stopped them from performing their role as intermediaries. Given these circumstances, the Commission observed that the macro-economic stability could endanger the sector, as it would reduce existing opportunities. The weakness of Turkish banks in these areas made it less competitive than the Community banks.³³

The Commission report also observed that Turkey lagged behind in human development. The shortcomings of public health and education system had a direct impact on the quality of human capital. Although Turkey had made progress in the development of science and infrastructure, yet, its investment in research and development was quite low.³⁴

³³ Ibid. p.24

³⁴ Ibid.

Thus on the economic front, Turkey had most of the hallmark of a market economy. Yet, however, to be able to run its economy efficiently and make the most of its advantages, there was need to establish a credible, durable, framework of macro-economic stability and a climate in which financial sector could genuinely act as an intermediary. The gap between the regional development disparities had to be bridged.

As in the case of the political criteria, the findings of the EC Commission on the economic criteria also need to be examined critically. Since the late 1990s, in this field too Turkey has shown willingness to improve and has also come a long way towards development since the Commission's observation in 1989.

The Turkish economy has dramatically shifted its orientation following the structural adjustment programme launched in 1980. This programme, which was supported by liberalization reforms, re-modelled Turkey's economic system and made it more outward looking. As a result, market mechanisms began to play the key role in the allocation of resources, and free market principles were adopted. The establishment of money and capital markets, the liberalisation of exchange and interest rates and other prices, as well as capital and current accounts have altered the effectiveness of monetary, fiscal and income policies. As a result, continuous rapid economic growth has been accompanied by a drastic change in the composition of the GNP, the share of industry, and more particularly services. Moreover, foreign trade has assumed a preponderant role in the economy, with the share of external economy reaching 40 percent.³⁵

³⁵ Turkey, Ministry of Foreign Affairs, "The New Enlargement of the European Union: Turkey and other Applicants", <http://www.byegm.gov.tr>

Turkey has been following an outward-oriented economic strategy since 1980. In this area, it has made important strides to integrate its economy with that of the outside world. More particularly, its efforts at liberalizing its trade regime have been in line with EU norms. This point has been further accentuated with the entry into force of the Turkey-EU Customs Union, whereby Turkey has adapted its trade regime and other relevant legislation to that of the EU. In this context, Turkey has abolished its tariff and non-tariff protection against the EU for all goods covered by the Customs Union. But if the East European countries are examined from this angle, it may be found that the tariff and non-tariff obstacles to free trade that are maintained by them are of a very significant nature. For example, Hungary subjects its imports not only to customs, but also to other duties. Poland maintains a similar regime that is aggravated by an obligatory import certificate for certain products. In the Czech Republic, export licenses are still in use, as is an import deposit scheme.³⁶

The majority of consumer prices are liberalized in Turkey. It has adjusted regulated prices in almost all commodities and services. Even State Economic Enterprises have begun to set their prices according to commercial principles and the prevailing market forces. It is not surprising that the stock of financial assets has consistently grown in both real terms and in relation to GNP since 1980. The value of stocks and shares traded in stock markets in Turkey was, in 1995, equivalent to 31.2 percent of GDP while it was only 8.1 percent in the Czech Republic, 2.4 percent in Poland and 0.8 percent in Hungary. The Istanbul Stock Exchange is rapidly developing to become one of

³⁶ Ibid.

international order. The World Bank, which had included Turkey among the twelve emerging markets, has now qualified Turkey as one of the growing giants. Turkey underwent a very serious economic crisis in 1994, but next year the Turkish economy grew by a spectacular 8.1 percent. One year later, in 1996, Turkey opened its markets to EU competition by abolishing its trade protection through a Customs Union, but did not receive any of the promised financial assistance from the EU. Despite all these factors, the Turkish economy continued to grow by an amazing 7.9 percent rate. When comparing all the candidate countries in terms of real GDP growth during the period 1991-1995, it has been found that only Turkey and Poland had achieved positive results, with Turkey visibly ahead of Poland.³⁷

With the entry into force of the Customs Union in 1995, Turkish imports have increased by 32.5 percent compared to the previous year, while its exports rose by 3.7 percent only. It is also noteworthy that the composition of Turkey's exports has changed dramatically over the years. The share of industrial goods in total exports rose from 36.0 percent in 1980 to 87.0 percent in 1996. In terms of general competitiveness with the outside world, Turkey is one of the best performers among all candidate countries. According to the 1994-1996 competitiveness ranking made by the World Economic Forum, Turkey has been better not only than Poland and Hungary, but also than Greece, an EU member. In the same vein, the European Roundtable of Industrialists have

³⁷ Ibid.

included Turkey among the emerging countries opening up most rapidly to foreign competition since 1993.³⁸

Also within the Customs Union framework, Turkey progressively aligned itself to the EU's preferential trade system through bilateral Free Trade Agreements with the relevant third countries. In this framework, Turkey has already signed Free Trade Agreements with EFTA, Israel, Hungary and Romania.³⁹

In the agricultural sector, Turkey's different agro-economic conditions enable her production to be much more diversified. In this connection, it should be mentioned that the composition of Turkey's agricultural production is similar to that of the Southern Member States of the EU whose production does not fully satisfy the aggregate EU demand for these products. Also, Turkey's relevant commitments under the WTO do not act as an obstacle whatsoever to its alignment to the Common Agricultural Policy. Besides, there are many reasons putting Turkey in a more advantageous position in connection with integration to the Common Agricultural Policy: Prices are very close to those in the EU and the protection against foreign competition in agricultural products is generally very similar in Turkey and the EU. Besides, Turkey's agricultural production pattern is complementary to that of the EU. Hence, the cost of Turkey's integration to the Common Agricultural Policy is expected to be low. Added to this is the fact that the

³⁸ Ibid.

³⁹ European Commission, Report on Developments in Relations with Turkey Since the Entry into Force of the Customs Union, COM (96) 491 Final, Brussels, 1996.

Turkish public and private sector both know the EU's Common Agricultural Policy well, and are closely following its evolution.⁴⁰

Turkey's industry is highly diversified from complex electronics to cement and manufacturing. This very high degree of diversification in the Turkish economy prevents any possibility of wide-scale damage to the overall economy in case the market situation changes or the Turkish producers lose their competitive edge in any given product. Needless to mention, this is a very important factor in maintaining economic stability.

Thus, up on balance, it is evident that Turkey is trying its best to come up to European Union standards. Hence it deserves a chance to prove its ability through its membership in the EU.

However, apart from European Community's refusal to accept Turkey as a full member as per the Copenhagen Criteria, there are other factors too for the EU to keep Turkey at bay. These factors are as follows:

- a) First is the question of Turkey's identity. Whether Turkey is European or not? It is almost impossible to categorize Turkey either being as part of Christian Europe or as part of a Muslim, Arab or Middle Eastern culture. Though, in the nineteenth century, there was diplomatic and legal acceptance of Turkey to the European ranks following

⁴⁰ Turkey, Ministry of Foreign Affairs, "Adoption of the Common Agricultural Policy of the EU", <http://www.mfa.gov.tr>

the 1856 Paris Conference, yet, throughout history, the country has never been classified as European.⁴¹

- b) EU has serious problems with the role of military in Turkey's domestic politics. Till date, Turkey has had three military interventions, though their main aim was to act as the guardian of the Turkish State and not to establish military dictatorship. The 1990s have witnessed the integration of Turkish military into everyday political affairs through the National Security Council (NSC). EU is not ready to accept the supervisory role of the NSC, since in liberal democracies, the military should be under the control of civilian power and not in a position to guide the civilian authority. Based on military presence in politics, EU feels that Turkish democracy is far behind the European standard.
- c) The growing strength of Islamic fundamentalism is cited as another example by the European Union for not granting membership to Turkey. In the 1995 elections, the pro-Islamic Welfare Party (WP) received 21.4 percent of the national votes. It emerged as the leading party and its leader, Erbakan, became the Prime Minister of Turkey in 1996. Throughout 1996 and 1997, the WP engaged in a number of acts which demonstrated that they were not committed to the preservation of democracy in Turkey.⁴²

⁴¹ Meltem Muftuler- Bac, "The Never Ending Story: Turkey and the European Union", *Middle Eastern Studies* (London), Vol.34 (4), October 1998, p.242.

⁴² Dietrich Schelegal, "Turkish-European Pragmatism", *Aussen Politik* (Hamburg), Vol.37 (3), 1986, p.249.

- d) Turkey's accession to the European Union will naturally result in the free movement of people within the Union. Already there are 2.5 million Turkish workers residing in the EU member countries, and so the latter is not ready to accept fresh migration of foreign workers given the comparatively high unemployment, slow growth, and anti-immigrant movements across Europe.
- e) Finally is the issue of religious bias. Though the EU claims to be secular, the principal political parties of the member countries feel otherwise. Representatives of Christian Democratic Party, in March 1997, declared that, "The European Union is a civilization project and within this civilization project, Turkey has no place".⁴³ Even former German Chancellor Helmut Kohl claimed: "European Union is based on Christian principles and cannot accommodate countries that do not share this identity".⁴⁴ The issue of Turkey's inclusion into the EU is determined by the European perception that Turkey is alien. Thus, it, proves that Europe is defining itself in terms of Christian heritage and is emphasizing sharply the distinction between itself and the world of Islam. It feels that this Christian heritage would not create problem of social assimilation of East-Europeans in the Community where as that of the Turks would.

However, though the above arguments emphasize EU's skepticism about Turkey's membership, policy makers in Turkey tend to regard the EU as the ultimate manifestation

⁴³Meltem Muftuler- Bac, "The Never Ending Story: Turkey and the European Union", n.41, p240.

⁴⁴ Ibid.

of European identity. They perceive EU membership as a stamp of approval of Turkey's Europeanness.

Turkish Elite Perception of the Issue of Turkey's Accession to the EU: A Survey Report

Lauren M. McLaren from the Bilkent University (Ankara) conducted a survey to evaluate the perceptions of elites in Turkey regarding the Turkish-EU relations. Respondents were mostly male, well educated and quite wealthy by Turkish standards. Among them 58 percent were educated in Turkey, 27 percent in US or Canada and 15 percent in Europe. The interviews were conducted in March 1999 and respondents included journalists, academicians, businessmen and government officials i.e. those sections of the society that would be most affected by the development or otherwise of the EU-Turkish relations. The following were the responses obtained and they offer an interesting study.⁴⁵

Only 46 percent of the elite agreed that prior to Turkish admission into the EU, it must mend its relations with Greece. Similarly 43 percent disagree to this. Also 72 percent agreed that Greece was the main EU member state opposing Turkey's full membership, followed by Germany. When questioned about the problems related to Turkish application, respondents pointed mainly to economic, social and structural problems. These together formed 28 percent of the total respondents. Other problems

⁴⁵ Lauren M. McLaren, "Turkey's Eventual Membership of the EU: Turkish Elite Perspectives on the Issue", *Journal of Common Market Studies* (Oxford), Vol. 38(1), March 2000, pp. 117-129.

were cited as-demographic issues, Turkey's size related to the issue of freedom of movement within the EU, political problems, human rights violation, and religious and cultural issues.

32 percent were strongly in favour of Turkey joining the EU, 54 percent were in favour, while 12 percent were opposed. On the question of the time frame within which accession should be complete, responses varied. While most of them wanted to see Turkey as a full member soon, others felt that it was quite unlikely.

In response to how Turkey would benefit from EU membership, the elites gave the following reasons for support, viz, westernization, enhancement of Turkey's prestige, disappearance of regional differences, increase in standard and development in areas like education and health, establishment of European credentials and so on. Few referred to democratization and development of legal system in Turkey. This is indeed surprising considering the fact that the EU gives utmost priority to democracy and rule of law.

When questioned on the drawbacks of Turkey's accession to the EU, the most frequent response was 'hardly any', followed by concerns on economic difficulties (most of them feared that they cannot catch up with the technological development of the EU), a small minority expressed concern over the loss of national sovereignty, deterioration of traditional values and norms. Some even feared loss of cultural values.

Finally, on the question whether EU membership is vital for Turkey, only a minority said, "Yes". While 23 percent gave mixed response, 60 percent said "No". Thus, on the basis of the survey, it is assumed that:

- Many individuals interviewed displayed positive attitudes towards Turkey joining the EU; in fact many were hopeful that this would work out very soon.
- Many appear to hold the view that major economic and political problems have to be resolved before Turkey seriously considers the question of accession. In fact it is some of these issues, which are difficult to resolve, like the religious issue for instance, are keeping Turkey out of the EU for long. Many respondents believe that EU is a Christian club, which feels that Turkey's culture is incompatible with that of the EU. However, this notion has to be changed.
- Next is the issue of Cyprus and the resulting Greek opposition. Initially, it was the failure of the international community to respond to the poor treatment of Turks in the region, followed by coup in Greece in 1974, and now it is the Greek obstinacy, which perpetuates the problem. Resolution of this problem is crucial in allowing Turkey's accession.

Again, surprising is the fact that the respondents did not give much importance to the political problem such as the role of military in Turkey's politics, though the EC Commission has problems with the power in the hands of the military. This is a crucial

problem cited by the Commission, though most educated elite in Turkey fail to understand the seriousness of the problem.⁴⁶

Thus, though the survey throws some light on the Turkish elite perceptions on the issue of Turkey's accession to the EU, yet some of the responses show lack of information on some very vital issues. Nevertheless, these responses cannot be overlooked keeping in mind the fact that the respondents are among those most affected by the way the relationship between the two take a turn.

EU Member Countries' Opinion on Turkey's Place in Europe

It is important to examine how major EU member countries view Turkey's position in the EU. Besides Greece, which appears to be the strongest opponent, other member countries also harbour serious reservations.

The chief opponent is Germany. It already has problems with the right wing xenophobia that it does not want to contemplate even more Turkish workers in its region. As a result, it suspended supplies of military equipment to Turkey and criticized the government in Ankara for its handling of the Kurdish problem. However, in the EU, Germany is the only country that can perhaps bring about a favourable response from other member countries. As early as 1991, Klaus Kinkel then German Foreign Minister, characterised Turkey as being part of Europe though he stressed that issues like free

⁴⁶ Ibid.

movement of Turks had to be looked into. Though he did not mention a specific date when Turkey would be able to join the EC, it was clear that full membership was not likely in the near future. Mediterranean countries in EU have mixed reaction since, with the accession of Turkey, their labour intensive sectors would have to face strong competition. They are also not happy at the prospect of having to yet another claimant in the EU structural and regional funds, in the process of which their share would be reduced. On the other hand, Britain favours further enlargement of the EU to include new members, which would enhance trade and investment opportunities. With reference to Turkey, Britain considers its alliance with the NATO despite its location in a critical region, a positive factor that should favour its integration in to the EU. France, in its reaction towards the question of Turkey's accession has exhibited a positive response in return for which it has been awarded defence and other contracts in the Turkish economy. Besides, France also has trade and cultural relations with Turkey. President Francois Mitterand, during his visit to Turkey, declared French support for Turkey's accession to the EC, though he expressed concern regarding problems arising out of free movement of labour.⁴⁷

Hence, what is required of Turkey is to convince the member states to favour its accession to the EU. It should make it clear that once in the EU, it would not be an economic or political liability, but, would definitely work hard to contribute much more than expected by the EU.

⁴⁷ Turkey, Ministry of Foreign Affairs, Mehmet Ogutchu, "Turkey's Place in the New Architecture of Europe: An Updated Assessment", January 1998, <http://www.mfa.gov.tr>.

Recent Developments

On 6 March 1995, the EC-Turkey Association Council decided to move on to the final stage of the Customs Union and resume financial and institutional cooperation and intensify political dialogue. The decision on the final phase of the Customs Union came into force on 31 December 1995. On the institutional front, it set up a consultation body: the Customs Union Joint Committee.

On 15 July 1996, the EC Commission's General Affairs Council adopted the regulation on the Europe Mediterranean Process (MEDA) programme for twelve Mediterranean countries, including Turkey. The European Parliament, through a resolution on 19 September 1996, called on the Commission to block appropriations under the MEDA programme for projects in Turkey, except those concerning promotion of democracy, human rights and civil society.⁴⁸

At the informal Foreign Affairs Council meeting in Apeldoorn on 16 March 1997, the EU reaffirmed Turkey's eligibility for membership of the EU and stated that Turkey's application would be judged on the same criteria as the other applicant countries. The Commission was urged to prepare a communication on the future development of relations between the EU and Turkey in the context of the Customs Union. Agenda 2000 adopted on 15 July 1997, evaluated Turkey's economic and political situation and stated that Turkey should commit to resolve and contribute to a lasting settlement of the Cyprus

⁴⁸ Turkey, Ministry of Foreign Affairs, "Enlargement: Preparation for Accession and Turkey's Pre-Accession Strategy", <http://www.mfa.gov.tr>

issue. It also laid down that the EU should support Turkey's effort to resolve the problem and closer links with it.⁴⁹

At the Luxembourg European Council meet in 1997, Turkey's eligibility for the accession to the EU was confirmed at the highest level. The heads of the states decided to draw up a strategy to prepare Turkey for accession by bringing it closer to the EU in every field, which would include intensification of the Customs Union, implementation of financial cooperation adoption of the union *acquis* and participation in the European conferences on the same basis as the other applicant countries. Turkey reacted negatively to this decision, complaining that it had received discriminatory treatment compared to other applicant countries. Turkey stated that it no longer wished to discuss with the EU issues such as relations between Greece and Turkey, Cyprus or human rights and stated that EU-Turkey relations would henceforth be based on existing text (Association Agreement Additional Protocol and Customs Union). The Commission adopted on 4 March 1998, the initial operational proposals of the "European Strategy for Turkey."⁵⁰

The Cardiff European Council meet in June 1998, welcomed the above proposals. It agreed that, taken as a package, this proposal provided the platform for developing EU-Turkey relationship on an evolutionary basis. It further invited the Commission to carry forward the European Strategy and if necessary to table proposals for its effective implementation. It also invited the Commission and the Presidency to pursue the objective of harmonizing Turkey's legislation and practice with the *acquis* asking the

⁴⁹ Ibid.

⁵⁰ Turkey, Ministry of Foreign Affairs, "Relations Between Turkey and the EU", <http://www.mfa.gov.tr>

Commission to report to the Association Council on the progress made. In the statement issued by the Ministry of Foreign Affairs of Turkey, following the Cardiff summit, the sharp contrast between the pre-accession strategy devised for other candidates and the European Strategy for Turkey was underlined, which, it said, consisted simply of a set of ideas whose functioning remained uncertain. It also stressed the fact that Turkey would not accept subjecting its candidacy to additional political pre-conditions. In fact the strategy did not contain any new elements. Most of the proposals contained in it are for the fulfillment of earlier commitments. Although four rounds of talks were held, no significant progress was made regarding its implementation. Lack of financial resources was the main obstacle and hence relations between Turkey and the EU did not reach the desired level of progress.⁵¹

At the Cologne European Council meet held on 3-4 June 1999, the German Presidency took the initiative to ensure Turkey's candidature status on an equal footing with others. The new coalition government, which came to power in October 1998, seemed to be interested in improving Turkey's relations with the EU. However, objection from other member countries blocked the effort from moving ahead in this direction. As a result, the EU refrained from taking any decision to include Turkey in the accession procedure. On the other hand, when Turkey was struck by earthquake in 1999, despite two emergency humanitarian aid packages of 2 million Euros each, released just a week

⁵¹ Ministry of Foreign Affairs, "Post Helsinki: Turkey, Greece and the European Union", The Strategic Regional Report, February 2000, <http://www.mfa.gov.tr>

preceding the earthquake, the EU allotted another humanitarian package of 30 million Euros for reconstruction.⁵²

The Helsinki European Council meet held on 10-11 December 1999, finally made a breakthrough in EU-Turkish relations Turkey was officially recognised, without any precondition, as a candidate country on an equal footing with the other candidate countries. Hence, like others, Turkey will reap the benefits from a pre- accession strategy to stimulate and support its reforms. This would also include an Accession Partnership, for the adoption of the *acquis*. Turkey will also be allowed to participate in meetings between the candidate countries and the Union in the context of the accession process. Hence the Helsinki summit has reinforced Turkey's European orientation, provided it a strong incentive to pursue economic, political and human rights reforms, strengthened Greek-Turkish relations, and eliminated resentment that many Turks felt towards the EU after the Luxembourg Summit's rejection of Turkey's candidacy.⁵³

The EU decision at Helsinki was a product of a number of factors converging together. They included, the 1998 election of a Social Democratic government replacing the Christian Democratic regime in Germany, the Kosovo conflict where Turkey played an important role in European security, American pressure favouring Turkey's inclusion, and the policies of the Bulent Ecevit government that introduced a wide range of reforms in Turkey. Also by this time the government in Greece began to realize that the

⁵² Ibid.

⁵³ Turkey, Ministry of Foreign Affairs, "Council Regulation (EC) No:390/2001 of 26 February 2001 on the Assistance to Turkey in the Framework of the Accession Strategy", <http://www.mfa.gov.tr>

Europeanization of Turkey would help improvement of Turkey's relations with the EU as well as with itself. However, critics maintain that the summit merely gave false promises to Turkey about a membership in the EU, which it will never attain.⁵⁴

London's *Financial Times* was all praise for the Helsinki Summit. It noted that by throwing its doors open to seven new member countries, including Turkey, the EU is preparing to become a pan-European group and not merely a club of the rich. Specially by accepting Turkey, it has decided to accept a frontier well beyond the borders of what used to be called Christendom. It further stated that though the inclusion of so many new members is expensive, it is the right move.⁵⁵

The EC Commission's 2000 Regular Report on Turkey's Progress Towards Accession stated that Turkey had already adopted a number of international human rights instruments, yet it had still not fulfilled conditions required to meet the Copenhagen criteria. Turkey, it said, was slow in implementing institutional reforms needed to guarantee democracy and rule of law. Also implementation of a viable market economy was not yet complete and restructuring was still required in large number of sectors like banking, agriculture and state enterprises. Though alignment with the *acquis* in the field of Customs Union was advanced, yet with respect to other policies, reform was required. Administrative reforms, it stated was also needed.⁵⁶

⁵⁴ Turkey, Ministry of Foreign Affairs, Phillip H. Gordon, "Post-Helsinki: Turkey, Greece and the European Union", February 2000, <http://www.mfa.gov.tr>

⁵⁵ *Financial Times*, London, 13 December 1999.

⁵⁶ Turkey, Ministry of Foreign Affairs, "Enlargement: Preparation for Accession and Turkey's Pre-Accession Strategy", <http://www.mfa.gov.tr>

However, this does not vouch that Turkey's regional problems are resolved or that positive Turkey-EU relations are now guaranteed. Turkey still has a lot of hard work to do in the area of human rights, economic development, resolving problems with Greece and so on, before it will be in a position to meet the EU's tough membership conditions. Keeping this in mind the Prime Minister Ecevit's talk, after the Helsinki Summit, of joining the EU in 2004 as of now seems to be a far-fetched idea. Improvement of relations is only possible when Turkey realizes that it is in its interest to do so. Once this attitude prevails, even the toughest bilateral problems may be solved easily and solutions to other problems may finally become possible. Also it is necessary, as already stated that the EU should also give up its rigidity and accept Turkey as a member so that there may be co-existence of cultures in the EU.

Chapter-4

CONCLUSION

An old proverb says, "if you don't succeed, try, try again". But in Turkey's case, even repeated knocks at the EU's door for membership have failed to draw a response from the other end. Perhaps, it is Turkey's location that creates some confusion regarding its identity. A quick look at Turkey's map reveals that though it lies in Asia, its best-known part and business capital lie in the European landmass. It is a Mediterranean state and yet, its Black Sea shores as just as long. Looking at Turkey in this manner, it doesn't fit into any particular geographical category. But, more than geographical location, it is the interplay of other factors that determine Turkey's inclusion into the European Union. A Critical question in this context is, how to integrate 63 million Muslims of Turkey into a largely Christian Europe? According to Samuel Huntington, Turkey represents 'the classic torn country', one in which there is 'a single predominant culture which places it in one civilization but its leaders want to shift it to another civilization.'¹

Turkey's claims to membership in the European Union are based on its claims of being European right from the time when it was under the Ottoman rule. In fact, at one point of time it was even regarded as 'the sick man of Europe.' When the republic was established in 1923, its founder Mustafa Kemal Ataturk attempted, through a series of reforms, to lead it towards westernization. In doing so, he absorbed many of the eighteenth and nineteenth century's European values, and the Turkish-European links continued even after him. Without his efforts,

¹ Dov Waxman, "Turkey's Identity Crisis: Domestic Discord and Foreign Policy", *Conflict Studies* (London), Vol. (311), August 1998, p.1.

Turkey perhaps would not have been what it is today. Hence, based on this, there can be no doubt about Turkey's European identity and therefore, its claims for membership to the EU is justified. Yet, the ever expanding European Union does not loose a single chance to exclude Turkey from its list of prospective candidates. On the other hand, when the question of membership comes up, EU treats Turkey as an Asian country, which is hardly worthy of being a member of its exclusive club.

So the question that arises is that, why is such an unfavourable treatment given exclusively to Turkey? The EU on its part has several reasons to cite. Apart from problems that exist in Turkey, the EU feels that it must ensure that it is in a position to absorb new members, bring in institutional and structural reforms to meet the challenges of enlargement. At the same time, it must take steps to prevent overburdening or weakening the Union. However, Turkey was always promised of acceptance into the Union, but no realistic effort was taken. As long as the cold war continued, Turkey's western credentials were unquestioned, since it functioned as the bulwark against the Soviet expansion. But the same was questioned when the geographical boundaries were redrawn with the end of the cold war. Yet, one thing that remained unchanged was Turkey's quest for membership. The former Turkish President Suleyman Demiral in 1993 declared: "We are Europeans, we would like to stay as Europeans. We would like to live with Europe. We would like to act with Europe. We share the values of European civilization in addition to our own values. As a member of NATO, we have defended those values."² Nevertheless, the Europeans aren't convinced enough. The perception of Turkey's value as a

² Ibid., p.4.

security partner for Europe has diminished. Instead, Turkey's incorporation will be possible only when European standards are met with. Thus, what the cold war structures enabled Turkey to hide its failure in attaining European standards in human rights and rule of law, can no longer be concealed.

Hence the need of the hour is to question - what went wrong? Turkey fulfilled its obligations under the Ankara Agreement and accordingly the Customs Union started functioning from 1995. It exhibited Turkey's capacity to withstand EU competition in the economic sector. Besides, Turkey created a new economic order and introduced structural changes and trade reforms in the 1980s to catch up with the European standards. This gradually helped breathe in life in to its almost decaying economy. Also, the scenario at the investment sector showed signs of improvement. Yet, however much Turkey might boast of efforts towards economic development, its macro-economic figures simply suggests that its economic credentials may pose problems for the EU. It has a population of sixty-three million people (1997) with a GDP that is one third of the EU average. This has serious implications for the structural policy of the EU. Again, a considerable percentage of its population is active in the agricultural sector (nearly about 45 percent) and financing the CAP (Common Agricultural Policy) for European farmers means a major share from the EU budget. However, the same level of CAP funding cannot be provided for the Turkish farmers owing to budgetary restrains. And if the EU is to think seriously about the membership of Turkey, it needs to bring about reformation in its structural and agricultural policy as already mentioned before. However, there is no equity or fairness in these arguments. They are merely unconvincing statements from the EU when compared to the treatment given to the other applicant countries. Reports suggest that no study has been commissioned since the 1963 Ankara

Agreement by the EU to calculate the actual cost associated with Turkish membership with respect to the above mentioned policies. This only proves that the EU has not taken the Turkish membership seriously. As a matter of consolation, it offered development aid and assistance in the form of Matutes Package, but all this, it seemed was to keep Turkey off the membership track for as long as possible.³

Besides, the EU has complaints against Turkey's non-adherence to the political aspects of the Copenhagen Criteria for membership. It had problems with the level of progress of democracy in Turkey, the situation of human rights and the tense atmosphere prevailing in the Aegean. As already discussed in the previous chapter. Turkey has left no stone unturned to maximize efforts towards improving the situation. Turkey also accepts that it has not been hundred percent successful, but the EU at least needs to encourage its efforts. Therefore, there is need to ascertain whether the fault lies with Turkey or is the EU too rigid in the application of its rules relating to membership or is there a lack of will basically.

The military intervention that had struck the Turkish government three times, much to the displeasure of the EU, cannot be criticized, because it is important to understand the logic behind such a step taken. The military merely wanted to clear up the mess created by the politicians and thereupon handed over authority to the civilian authority, once normalcy was restored. But the EU treats it as any other military government, failing to notice the glaring difference that they did not aim at establishing military juntas. Actually the EU has problem with the integration of military in

³ Turkey, Ministry of Foreign Affairs, Zeynep Postalcioglu, "An Earthquake in Turkish-EU Relations?" <http://www.mfa.gov.tr>

everyday politics through the National Security Council, which gives the military the authority to command over the state. The EU has in fact, demanded that this be reformed.

Next comes the issue of human rights, which has penetrated into Turkey through the Kurdish problem. Discussing about this problem, Henri Berkey says: "Experience of ethnic conflicts shows that once past a threshold - although this is always difficult to pinpoint with accuracy - ethnic conflict can rarely be resolved but only be managed. Turkey may be clearly approaching this point."⁴ Turkey has an estimated population of about twelve million people of Kurdish origin, which constitutes one-fifth of the population. The Kurdish question seems to be a major challenge for Turkey in its process of democratization. Turkey has been reminded several times to handle the situation with care. It has been asked to lift the state of emergency and enter into a dialogue with the Kurdish people to evolve a peaceful solution to the problem. Besides, it has been asked to develop a political rather than a military solution. Turkey's handling of the situation determines its inclusion in the European union, yet, giving Turkish Kurds an independent state is both impractical and unthinkable. Though some progress in this issue has been made by recognizing some rights to be granted to the Kurds, as already discussed in the previous chapter, this is not enough. What is needed is a major economic improvement and increased democratization in southeast Turkey along with the rights of Kurds to possess cultural autonomy. The longer it takes to find a solution, the more radicalized the Kurds may become and then the cost of settlement will also be higher. But what needs to be questioned here is that, Spain had a similar problem with Basque fighting for separation from the mainland. Then why was this not

⁴ Andrew Mango, "Turkey and the Enlargement of the European Mind", *Middle Eastern Studies* (London), Vol.34 (2), April 1998, p.184.

highlighted during the time of Spanish accession in the EC? And if that was not deemed important then, why is the EU raising such a hue and cry over the Kurdish problem in Turkey now?

This is followed by the problem in the Aegean wherein Turkey and Greece are crossing swords over the occupation of Cyprus. It is important for Turkey to mend its rivalry with Greece, which otherwise, as a member of the EU, does not lose a single opportunity to veto issues related to Turkey – be it aid for development or entry into the Union. The solution for the problem has to begin by tackling four points - the international recognition of the Turkish Republic of Northern Cyprus (TRNC), withdrawal of international support for the crippling Greek-Cypriot embargo, the delimitation of the Greek and Turkish areas, and finally the settlement of property claims. Moreover the EU must insist on a federal solution on the issue before accepting Cyprus into its fold as a member.⁵

Though the EU cites the above problems prevalent in Turkey, thus justifying its stand, yet, as it appears, Turkey is not sitting idle with its hands crossed, watching the events as they take place. It has come a long way from where it stood seventy-nine years ago. Upon further analysis, it appears that though not superficial, yet, the EU's bias is based on religious grounds. Perhaps the policies of the EU are driven by the fact that Turkey is a Muslim country. It believes that, if it has to function successfully, its members need to identify themselves with a common heritage. In that sense, the new aspirants in Eastern Europe sound less alarm because of their Christian heritage which would somehow help them to assimilate in the EU. But that is not the case with the Turks.

⁵Andrew Mango, "Turkey : The Urge to Reform" *Middle Eastern Studies*, Vol.37(1), January 2001, p.201

Europe needs to understand that Turkey is a secular state in which religion does not govern the activities of the state. It does have Muslims as a majority of its population, but it undertakes efforts to prevent the spread of Islamic fundamentalism in its region. Besides, member states of the EU, particularly Germany, are worried about the freedom of movement which full membership would ensure. This, it feels would multiply the problems of immigration and unemployment already existing.

The EU wants Turkey to commit to resolve the above problems in its region. Owing to pressure from the European quarters, Turkey has also improved a great deal. Yet, it does not seem to be up to EU's satisfaction. When the EU decided not to include Turkey in its enlargement process during the Luxembourg Summit (December 1997) and offered instead a Pre-accession Strategy, the Turkish Prime Minister Mesut Yilmaz accused the EU of erecting 'a new Berlin wall' to exclude Turkey and discriminating against it on religious grounds.⁶ It was only in the Helsinki Summit of December 1999 that Turkey's long drawn struggle bore some fruit. In this, Turkey was granted the candidate status officially. Though it was an important turning point for Turkey, yet, its struggle does not end there. Nevertheless, the decision at Helsinki was a testing ground to Turkey's level of preparation to move in the European direction.

It is high time therefore, for the EU to put an end to giving false promises and hopes to Turkey about membership. Critics point out that if the leaders of the EU remain unconvinced about granting Turkey membership, then the Turks can console themselves with the thought that

⁶ Meltem Muftuler-Bac, "The Never Ending Story: Turkey and the European Union", *Middle Eastern Studies*, Vol.34 (4), October 1998, p.242.

while their state was created with European inspiration, it was also created without European aid. So if membership is denied, the results need not be catastrophic. However, this is not to be. With EU treating Turkey and the other applicants differently, its credibility is now under question. Poland, Hungary and Czechoslovakia, which are to be included in the EU in the next wave of enlargement, have a GDP which is one-fourth that of the EU average. Besides, Polish farm sector is equal to that of UK, France and Germany taken together. Again, While the EU has invited Central and East European countries to join its fold and discusses their problems related to accession and attempts to address them too, why is Turkey asked to put its political house in order on its own? Besides, countries like Romania and Bulgaria wherein human rights are constantly violated are accepted, while Turkey is not - how does the EU justify itself?⁷ Therefore the arguments of the EU are not convincing enough to keep Turkey away from its fold for long. It appears that, in reality there is a hidden agenda behind keeping Turkey away. However, in reality Turkey is a large country with large westernized towns and also backward rural areas where levels of social and economic development are much lower than the European average. This is same with other Balkan countries that have been named by the EU as candidate countries. However, it is argued that in Turkey there are some elements that are incompatible with the European order. These were highlighted as a result of Turkish immigration to Western Europe - which on the one hand made them receptive to European culture while on the other emphasized the differences that existed between the two cultures. Hence host countries feel that if problem arises out of assimilating Turkish immigrants, then to bring in Turkey as a whole would involve greater difficulties.⁸ The problem was made worse by a relentless and irresponsible way the media

⁷ Andrew Mango, "Turkey and the Enlargement of the European Mind", n.4, p.191.

⁸ Ibid., p.172.

worked, especially on the Turkish side. Where diplomacy and negotiation may have produced positive results, media's role destroyed everything. The media highlighted the human rights violations and tense Greek-Turkish relations and blew up the issues beyond proportion and hence spoilt Turkey's chances of entry into the Union. Also, the EU argues, Turkey should not compare itself with other candidate countries, since different cases have to be dealt differently and it is also important that Turkey doesn't make haste, as long-term side effects of membership should also be studied. Drafting a roadmap for Turkey requires that the parties involved do not work against each other, but share in their efforts and respect each other's interests. Again, the EU claims that it is not enough to merely set up a timetable for Turkey's accession, since it depends on Turkey's performance, which is time consuming. Also, a timetable, which is not abided by, leads to frustration when expectations are not fulfilled.

A quick thought at what would happen if Turkey were not given membership to the EU at all reveals the following options:

It might play an independent role as a regional power, distancing itself from the west and rely on its own military potential thereby exploiting its geo-strategic position to enhance its image. Alternately, it might strengthen cooperation with western organizations, yet act independently without further aspirations to be a member of the EU or still, it might continue its relations with the EU and wait for its turn to join the prestigious club. These are just hypothetical considerations. Actually the EU feels that Turkey on its part should make up its mind regarding its membership in the EU. It will be impossible to keep all options open, acting as a strong regional power on the one hand and become a member of the EU on the other. Further the EU feels that merely antagonizing

the union would be of no help unless Turkey takes efforts to root out the existing problems from the region and undertake further reforms to fulfill the Copenhagen criteria. Turkey should stop thinking that the EU is interfering in its domestic issues when it calls for internal reforms in Turkey. Both Turkey and Greece should cooperate to remove tension in the Aegean and stop seeing their mutual problem as a zero sum game.

Turkey on its part also has some demands from the EU. All that Turkey requires is encouragement from the EU for the efforts already taken by it and a clear definition of the ultimate objective of the EU. Efforts should be made for further cooperation between Turkey and the EU in the economic sector. Turkey desires to be part of the European integration process rather than being a mere onlooker. For the time being may be it appears that membership is elusive and out of reach, but this does not mean that it will remain so forever. Turkey is optimistic and is feels that though delayed, integration with the EU is imperative.

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