POLICY BRIEF



THE PRESENT AND FUTURE OF TURKEY'S MEMBERSHIP NEGOTIATIONS WITH THE EU

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ABSTRACT This paper analyzes the present state of affairs regarding Turkey's European Union bid at the occasion of the fifth anniversary of the debut of the negotiations. At the first glance the tableau looks rather grim, the membership negotiations stalled, the political dialogue stuck and even the 15-years old customs union jeopardized by numerous political and administrative impediments. Parallel and due to this state of affairs, Turkey's modernization process once triggered by its aspirations to join the European Union is now fully Turkish driven. Despite this development, Turkey, the author argues, still benefits from the techniques, principles and standards of the Bloc and would need to do so in a foreseeable future.

October 3rd marked the fifth anniversary of the start of Turkey's membership negotiations with the European Union (EU), yet there was little reason to celebrate. The latest poll published in September by the German Marshall Fund showed a rise in negative opinion among Turks regarding Turkey's accession to the EU: Turkish public support for EU membership dropped to 38 percent, almost half of what it was in 2004.

There are of course a number of reasons for the disaffection: The public losing touch with EU affairs; some EU politicians sending

unvarying negative messages regarding Turkey's membership; "visa harassment" for Turkish citizens: the Greek financial crisis: Turkish over-confidence due to the its economic successes as well as assertive foreign policy moves. In such an atmosphere policy-makers should listen to public opinion, find the most levelheaded answers to the public's concerns, and devise a new communication strategy to garner domestic support for Turkey's EU membership in the face of widespread, political and economic reluctance, fatique and occlusion.



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At first glance the tableau looks gloomy

By most all accounts, Turkey's EU negotiation process has stalled. Only 13 out of a total of 33 chapters that were negotiated have been opened so far, while only one has been closed. The closure of chapters is currently impossible due to the European Council's suspension decision of December 2006, and not much progress had been made in these chapters in any case. The EU is officially blocking eight chapters, while

France and the Republic of Cyprus are unofficially blocking four and six, respectively. To put this situation in perspective,

Croatia, which began its membership talks concurrently with Turkey, is now in the stages final of sianina the Accession Treaty,

and will probably become an EU member around 2013-2014.

The political dialogue in EU countries regarding Turkey's EU accession partly accounts for the current impasse. Discussions over the shift in Turkey's foreign policy axis recently had repercussions in France and Germany, which oppose Turkey's membership. Both countries exaggerated flaws in foreign policy decisions and have labeled these as proofs of a Turkey-EU divide. Turkey's over-confident attitude with regards to its foreign

policy has made its political partnership with EU countries increasingly unworkable. This was particularly the case when Turkey did not embrace the EU's move to place additional sanctions against Iran over its nuclear program. In turn, the EU abstained from voting on the United Nations Human Rights Council commissioned report on the deadly attack on the "Blue Marmara" humanitarian aid convoy by Israeli commandos.

Key EU thus countries play a critical role in the overall negative course

of the accession process. They have never truly supported political transformation Turkey, with the result that Turkey today is enactina that transformation on its own without EU participation.

A third factor concerns the Customs Union,

which has become into a topic of controversy within the larger picture aood economic relations between Turkey and the EU. Visa limitations, transportation quotas and Free Trade Agreements (FTAs) have become major impediments in the otherwise sound economic relationship. Turkish businessmen who, by virtue of the Customs Union, should be allowed to travel freely within the EU face constant problems. "transportation" is considered to be a service and thus not included in the Customs Union, Turkish export



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goods subjected to are transportation quotas. Turkish exports thus face unfair competition in the EU. Regarding FTAs. Turkey automatically becomes party to the FTAs signed between the EU and third countries according to the Customs Union agreement. However, those

countries are not bound by any FTA s vis-à-vis Turkev. This is yet another source of unfair competition.

Though Turkey has not been harmed by such asymmetry to date, the most recent FTAs that the EU concluded with South Korea and will create India unfair competition

and harm Turkish trade if similar FTAs are not concluded with these countries in the near future. The EU has so far not used a constructive approach in addressing these issues.

The positive side: Turkey benefits from the EU techniques, principles and standards

Despite hurdles, numerous however, harmonization of leaislation continues in topics covered by different negotiation chapters that have been opened and even in those that have not been opened yet. When one looks at the open chapters, most of them procedures contain that transform Turkey's economic and legal infrastructure by addressing its shortcomings. Indeed, almost all legislative changes initiated by the government include, sometimes abusively, a reference to EU practice.

Secondly, despite the problems it creates the Customs Union has overall strengthened the economic partnership between EU and

> the fifteenth anniversary of the Customs Union, generates which 100 billion Euros worth of commercial turnover yearly between Turkey and the EU, in addition to an ever-growing capital investment flow from countries. Turkey has

Turkey. 2010 marks

been profiting from the Customs Union model ("teach catching a fish rather than selling the fish") for fifteen years. Turkish industrial infrastructure has been transformed, and its exporting of high-quality products to the EU and outside the EU have increased. Today, despite the aforementioned problems and occasional opposition, the so-called "Anatolian Tigers" of the Turkish economy are working with the government to figure out how to smooth over flaws related to the Customs Union, certainly not how to remove it entirely. In fact, following the latest global economic crisis Turkey's exports to EU countries, not neighboring markets in the Middle East, increased. Given that Turkey's trade volume with the constitutes around 50 percent of its





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overall trade, developing alternative trade partners will take much time. This structural situation is also valid for the expanding tourism sector: for the foreseeable future, the majority of tourists visiting Turkey will be from the EU.

Within this framework, the most aspects critical of **EU-Turkish** economic relations are investment and finance. For the most part, EU countries provide Turkey with investment capital. Along this trend, Turkey as a "negotiating candidate country" has plenty of financial opportunities before itself. addition to €4.9 billion grants from the EU for the period 2007-2013, other programs based in Brussels such as the Framework Program on research as well as tremendous credit opportunities that Turkey can take advantage of exist. Major credit sources include: The European Investment Bank (EIB); Bank European for Reconstruction and Development (EBRD); the Council of Europe's

Development Bank (CEB); international financial institutions like the World Bank; the United Nations sources like the UN Development Program (UNDP); the KfW Bank of German

Development
Cooperation; Japanese
International Development
Agency; and the French
Development Agency. The Turkish
financial sector, companies and
public institutions benefit from

credits provided by the above institutions.

The status of being a country in accession talks with the EU present considerable number opportunities for the Turkish economy, which is in fact more integrated with the EU than any other country in the European neighborhood, including the new member countries. These opportunities can help the Turkish economy enhance its integration with the European market based on stronger and more durable foundations.

Pragmatism versus overconfidence

The importance of the EU as an anchor for political and economic reforms in Turkey has been a topic of discussion for some time. The economic trouble the EU is going through and the bloc's attitude towards Turkey on the one hand, and recent Turkish foreign policy

initiatives and the resilience Of the economy on the other have created a sense of overconfidence amona Turkish decision makers. There some justification for this confidence: Turkey, perhaps for

the first time in its 200-year-old history of modernization, is changing on its own without any recommendations by, requests from or obligations to the West. In this sense, the Customs Union in force since 1996 and the EU



candidacy, extremely useful in the period 2000-2004 for the transformation of Turkey, have been fully assumed and internalized.

However, Turkey's ability to sustain this modernization process on its own should not be overstated. Turkey's change and normalization processes still require the EU's techniques, methods, principles and resources. The resolution of the Kurdish conflict, by far the central political stalemate and a major destabilizing factor in Turkey, is a prime example of this. And it will be so for some time until economic integration is ultimately achieved political partnership a between the bloc and Turkey.

Common sense shows that EU affairs need to be handled calmly and by duly considering Turkey's and for the matter the EU's - long term interests. The end result is as important as the process itself. An open-ended and ambiguous membership process will no longer be a process per se and lose all meaning. The bottom line of today's problems relates to the lack of a reasonable and meaningful accession date, i.e. 2023, the centenary of the Republic of Turkey.

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