



A MOMENT OF OPPORTUNITY IN THE EU-TURKEY RELATIONSHIP

Marc Pierini and Sinan Ülgen



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Summary

Relations between Ankara and Brussels are about more than Turkey's potential accession to the European Union (EU). The relationship is diversified, but it needs to be deepened and modernized. While Turkey's EU membership vocation should be maintained, Ankara and Brussels should take steps to update their partnership and vastly improve cooperation on current challenges that are of vital importance for both.

The State of the EU-Turkey Relationship

- The new Turkish government considers the EU accession process central to its domestic agenda. And Ankara and Brussels have developed new forms of cooperation, including on visa liberalization, irregular migration, and counterterrorism.
- A sharp regression in Turkey's rule-of-law architecture hampers the accession process. Negotiations are stalled as of late 2014 and will stagnate until the Turkish government returns to a higher degree of compliance with the EU's political criteria for membership.
- The EU-Turkey Customs Union is a major success but should be revised to reach its full potential. Turkey also requests to be included in the Transatlantic Trade and Investment Partnership (TTIP).
- Turmoil along Turkey's southeastern border, in Iraq and Syria, threatens both the EU's and Turkey's homeland security, pointing to the need for a reinforced foreign policy dialogue between the two.

Recommendations for the EU and Turkey

Deepen trade and economic integration. Brussels and Ankara should significantly upgrade their customs union. Turkey's eventual participation in TTIP should also be addressed. Both modernizing the customs union and joining TTIP would nonetheless require Turkey to undertake major reforms.

Consider pursuing an in-depth discussion of judiciary and rule-of-law issues in Turkey. This would entail exempting chapters 23 and 24 of the accession negotiations from the current blockage.

Upgrade the level of dialogue on mobility and migration. The visa liberalization road map launched in 2013 and the readmission agreement for irregular migrants signed in 2013 should be quickly advanced.

Strive for joint action on the Syrian and Iraqi crises and in the fight against the militant Islamic State. Issues Brussels and Ankara should consider include humanitarian assistance, safe areas for displaced persons, and relations with the Syrian opposition. Turkey should develop a comprehensive plan that addresses the long-term needs of the refugees and share this plan with the EU and other stakeholders to obtain more significant international support. The EU should push its member states to increase the resettlement numbers for Syrian refugees to help manage this humanitarian burden.

Improve counterterrorism cooperation. Brussels, key EU capitals, and Ankara need more effective channels of communication for the timely sharing of sensitive information.

Introduction

The relationship between Turkey and the European Union (EU) has grown very fast and has vastly diversified since the two began to deepen relations in the 1990s. But Ankara and Brussels have fallen short of creating a sound framework of collaboration mirroring a trend of ever-closer convergence between a country negotiating EU membership and the union.

The main characteristic of this very dense and complex relationship is the fact that it is handled through a multitude of different modes, forums, and procedures without much consistency among them. And the difficulties encountered in the EU accession process, which is currently stalled, have tended to poison the relationship in other domains.

Now, facing a number of shared challenges, the two have a major opportunity to move their relationship to a higher level by working together to deal with short- and long-term issues that are of vital importance for both.

In some ways, both actors are making a fresh start. Recep Tayyip Erdoğan was sworn in on August 28, 2014, as the first Turkish president directly elected by the people. The new government headed by Prime Minister Ahmet Davutoğlu that took office immediately afterward stated the central importance of Turkey's EU orientation. On October 22, the new European Commission, the union's executive body headed by Jean-Claude Juncker, was confirmed by the European Parliament. One of the commission's vice presidents, Federica Mogherini, became the new EU high representative for foreign policy. On December 1, Donald Tusk became the president of the European Council of EU heads of state and government.

These changes in the Turkish and EU political leaderships coincided with the publication in September of a new EU strategy by the Turkish government,¹ as well as two major reports by the European Commission: the yearly progress report on Turkey's EU accession process, adopted on October 8,² and the first progress report on the country's visa liberalization road map, issued on October 20.³

Taken together with the rise of tensions on Turkey's southeastern border as conflicts in Syria and Iraq evolve and the implications of these tensions for the country's domestic politics, these developments make it a good time to take a comprehensive look at the complex and diverse relationship between Turkey

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and the European Union. This relationship is unfolding against a background characterized by five main elements.

First, the new Turkish government has stated its intention to accelerate reforms in light of the declared centrality of the EU accession process.

Second, the accession process, which started in 2005, is still alive. Yet with the sharp regression in Turkey's rule-of-law architecture since the summer of 2013, this process will be hampered until the Turkish government is willing and able to return to a higher degree of compliance with the EU's political criteria for membership. The EU-Turkey Customs Union, initially a precursor to accession, has been a major success. But with the onset of megaregional trade agreements, the customs union's asymmetric features are of increasing concern to Turkish policymakers.

Third, the remarkable diversification of the relationship has involved Turkey acceding to a large number of EU programs and developing new forms of relations, for example, on visas and irregular migration.

Fourth, the regional situation (and especially the rise and territorial gains of the terrorist organization Islamic State) calls for increased consistency between Turkey's and the EU's foreign policy goals—itsself one of the requirements of the accession process. Turmoil along Turkey's southeastern border has become a threat to the EU's homeland security as well as to Turkey's.

Fifth, the EU institutions have just undergone a substantial reshuffling. The union is introducing new methods to use its array of policies and instruments in a more consistent manner, a move that has direct implications for Turkey.

Against this changed background, it is also an opportune moment to draw on the lessons of the recent past. Overall, the EU-Turkey relationship has become much more intense in recent years.

Relations have traditionally been handled through a wide set of policies and instruments, each of them used according to its own merits and procedures, in a rather uncoordinated fashion. The EU-Turkey Customs Union has been in place since the end of 1995 and has been implemented by the European Commission, with the trade commissioner taking responsibility. The accession negotiations and their financial mechanism, the Instrument for Pre-Accession Assistance (IPA), have also been implemented by the commission, under the leadership of the enlargement commissioner and with frequent interaction from the Council of Ministers (officially, the Council of the European Union). At the end of 2013, the EU and Turkey made headway on two new instruments in the realm of home affairs: a visa facilitation process and a readmission agreement concerning irregular migrants transiting through Turkey. The EU's home affairs commissioner oversees these instruments.

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A consultation process on foreign policy issues has taken place at regular intervals, including at the ministerial level. Led by the EU foreign policy high representative, this process has focused on international topics of common interest. In addition, the EU and Turkey conduct dialogues and implement projects in a host of other domains, the most important of which are counterterrorism (under the EU counterterrorism coordinator) and emergency and humanitarian assistance (led by the commission).⁴

The challenges of the years ahead include those difficulties inherent to the accession process and to the revision of instruments such as the customs union. Also of very high political importance are counterterrorism, visa facilitation, and other new issues, as well as the more general question of consistency among the various EU policy instruments used in Turkey and in neighboring countries.

In the next few years, five areas will be at the core of the EU-Turkey relationship: trade and economic integration; the EU accession process; mobility and migration; foreign policy interactions; and counterterrorism cooperation. Convergence of views on these issues should not be taken for granted. But the economic, political, and social risks faced by both partners should be tackled decisively and, as often as possible, jointly.

Trade and Economic Integration

Upgrading the EU-Turkey Customs Union

Twenty-five years ago, Turkey's relationship with the then European Community was in crisis. The Cold War had ended, and the Berlin Wall had come down. The attention of Western capitals had shifted to Eastern Europe with a very clearly articulated willingness to end the decades-long division of Europe by bringing those countries into the fold of the European Community. The new leadership emerging in the East of the continent also embraced this objective and started to implement ambitious democratic and economic reforms.

Turkey remained an outlier to this dynamic of enlargement. Turkish policymakers had difficulty in adopting an equally ambitious reform agenda. As a result, when Brussels was shifting its attention to the East, Ankara was shifting its attention away from Brussels.

In this context, the EU-Turkey Customs Union was launched as a formula to regain some of the lost ground. It was believed that just as with the construction of the European Union, forward momentum in economic integration would also bring about progress in political integration. And to some extent, the customs union was able to achieve this objective by rekindling Turkey's interest in EU accession. Now, with EU membership negotiations stalled, economic integration can yet again become the lynchpin of a strategy to revitalize the EU-Turkey relationship.

There is a strong economic and political rationale for upgrading the customs union. As a trade agreement that was negotiated in the mid-1990s, the customs union has already delivered its economic benefits. New economic benefits can be realized only by enlarging the scope of the customs union to new sectors of the economy and to new disciplines. Currently, the agreement covers only the manufacturing industry. Services, which constitute a much bigger part of the economies of both the EU and Turkey, are not covered. Similarly, agricultural trade is also excluded. Therefore, a new round of negotiations that would seek to incorporate services and possibly agricultural trade into the accord would unleash a fresh cycle of economic benefits.

This could also be an opportunity for the two sides to modernize the customs union by bringing within its ambit new disciplines such as public procurement, state aid, and a stronger dispute resolution mechanism. The partners would also need to address a core Turkish demand, namely that the EU associate Turkey more closely with EU decisionmaking on trade policy and with the union's preferential trade negotiations with third countries.

Turkish policymakers have long resisted calls to upgrade the customs union. Ankara linked the goal of modernizing the agreement to progress on the accession negotiations. In the Turkish view, there was no real need to focus on a separate dynamic for updating the customs union. This would be accomplished almost by default through progress on the accession talks, as Turkey would gradually ensure the convergence of its legislation with the body of EU law in an ever-increasing number of policy areas.

It was even contended that an effort to focus on the modernization of the customs union would sap the EU's interest in advancing membership talks with Turkey. But with these talks now in crisis, Ankara has shifted its position on upgrading the customs union and is more eager to discuss the options for a new round of economic integration.

The downtrend in Turkey's growth performance has also led Turkish policymakers to lessen their resistance to modernizing the customs union. Following its stellar performance in the 2000s, when growth averaged 5 percent a year,⁵ the Turkish economy entered a cycle of low growth.

Per capita income has virtually stagnated at the level of €8,000 (\$10,000) since 2007.⁶ This is mostly the result of the exhaustion of Turkey's growth agenda, which rests on the pillars of an economic program that Turkey launched in 2001, and of the prevalence of a global macroeconomic environment with lax monetary policies.

As in 2001, Turkey needs an ambitious economic reform program that should identify the country's growth pattern in a vastly transformed global economic and monetary environment. The modernization of the customs union can become an instrumental feature of Turkey's new economic narrative.

Turkey needs an ambitious economic reform program that should identify the country's growth pattern in a vastly transformed global economic and monetary environment.

Ankara can use this modernization process to refocus the attention of the international investor community on Turkey by providing a reliable blueprint for the reform agenda.

The impact of modernizing the EU-Turkey Customs Union is not limited to the economic domain. The start of a new round of economic negotiations would rekindle interest in the EU among Turkey's large and diversified business community and across Turkish society. That was the experience when the country was negotiating the original customs union. Those talks galvanized the interest of the business community, leading to a revival of the EU cause among the Turkish public. A similar outcome can be expected if the two sides launch a new round of negotiations.

Despite these factors, which point to the need to start negotiations for a revamped customs union, Ankara has yet to decide to launch such talks. Constraining Turkey's willingness are the special interest groups that foresee a threat to the prevailing system of rent distribution and political funding through the public procurement regime. They prefer more discretionary as opposed to rule-based decisionmaking.

A Place for Turkey in TTIP?

A game changer from Ankara's perspective would be to secure a place for Turkey in the large transatlantic marketplace to be set up by the Transatlantic Trade and Investment Partnership (TTIP).⁷ Turkey is actively lobbying Washington and Brussels to be included in the deal. Turkey is not the only country that is showing such an interest in TTIP. Other third countries such as Canada, Mexico, Norway, and Switzerland that have a regional trade agreement with either the United States or the EU have also displayed a willingness to be involved. But Turkey is likely to be much more affected than those countries because of the trade diversion that Ankara may experience on account of its customs union with the EU.

As yet, no formula has been found to incorporate Turkey or any other third country into TTIP. But including Turkey in the partnership would be tantamount to Ankara adopting the same type of new commitments that a modernization of the customs union would entail. Becoming part of TTIP would mean liberalizing trade in services, opening public procurement to competition, strengthening intellectual property rights, lifting residual barriers to cross-border investments, and introducing more effective trade dispute mechanisms.

So if Ankara is given a signal that Turkey can eventually be included in TTIP, it will have no rationale for resisting calls to upgrade the customs union. Moreover, this opening would not threaten or complicate the ongoing negotiations between the United States and the EU. For Turkey to be involved in TTIP, Washington and Brussels would need to declare that the deal will be open to the accession of third countries once the negotiations between the United States and the EU are concluded and the agreement is ratified.

Turkey's EU Minister Volkan Bozkır recently underlined the importance for Ankara of preempting the country's possible exclusion from TTIP. He stated that Turkey would suspend its customs union with the EU if left outside the scope of the transatlantic trade deal. Although the official policy of the Turkish government has yet to be confirmed, it is clear that the TTIP question will remain on the agenda until the thorny issue of Turkey's eventual accession is settled.

Recommendations

The EU should start to review different possibilities that would allow for an eventual multilateralization of TTIP. In doing so, the union should develop a common position with the United States. The EU should ultimately consider adopting and stating the principle that TTIP will be open to the accession of the EU's like-minded trade partners once the accord is concluded and ratified. Turkey can then take advantage of this enlargement track provided that the country objectively fulfills the conditions of TTIP accession.

Ankara should recognize that acceding to TTIP will be conditional on a major upgrade and modernization of the EU-Turkey Customs Union. In the wake of a comprehensive evaluation by the World Bank that unambiguously recommended the upgrading of the customs union, Turkey should signal its willingness to start negotiations to transform the agreement.⁸ For its part, the European Commission should seek a mandate from the Council of Ministers to begin such talks.

The EU Accession Process

The Status of Accession Negotiations

Turkey began its EU accession negotiations in October 2005, at the same time as Croatia. Croatia became an EU member in May 2013, while Turkey's negotiations have stalled. Only a single new chapter has been opened since late 2010, bringing the total number of policy areas under negotiation to fourteen.

The reasons for this slow progress are well known. The failure to advance the United Nations–sponsored talks on a comprehensive settlement on Cyprus is hindering Turkey's accession talks. Ankara's refusal to extend the EU-Turkey Customs Union to Cyprus (an EU member since 2004) led the Council of Ministers to suspend eight chapters of the negotiations in 2006. Cyprus has unilaterally suspended another six chapters. Added to the tally are four chapters that France currently withholds unilaterally as a legacy of former president Nicolas Sarkozy's intention to block Turkey's accession.

Despite the initiation in 2013 of peace talks sponsored by the United Nations, hopes for a settlement of this intractable problem dimmed again in

October 2014 when Cyprus walked out of the negotiations to protest Turkey's contestation of Cyprus's oil and gas exploration in the Eastern Mediterranean.

Both the European Commission's 2014 progress report on Turkey and Enlargement Strategy provide useful benchmarks by which to judge the current status of Turkey's accession process. As is customary, the progress report illustrates the pluses and minuses of the accession process. The report acknowledges positive advances registered in the previous twelve months but also stresses the lack of progress in other areas.

The achievements underlined in the report include the implementation of measures as part of the third and fourth judicial reform packages as well as steps to align Turkey's legal framework and practice with the case law of the European Court of Human Rights. The commission also praises Ankara for the legal steps it has taken toward a settlement of the conflict with Turkey's Kurdish population and for the country's adoption of an EU strategy.

At the same time, the commission's progress report notes that the Turkish government's response to allegations of high-level corruption raises "serious concerns regarding the independence of the judiciary and separation of powers." More specifically, amendments to a law on the High Council of Judges and Prosecutors and numerous reassignments and dismissals in the judiciary and the police "cast serious doubts on their ability to conduct the investigations into corruption allegations in a non-discriminatory, transparent and impartial manner."⁹

Seen in its totality, and despite the constructive nature of its criticisms, the progress report reflects the EU's unease at, first, the Turkish authorities' handling of the June 2013 antigovernment protests in Istanbul's Gezi Park with excessive use of force and a polarizing narrative and, second, the massive roll-back of Turkey's rule-of-law architecture since the corruption allegations came out on December 17, 2013. The situation has worsened since the publication of the report, as several investigations into the graft claims have been dropped.

The bare political reality is that Turkey's EU accession is more problematic today than at any point since negotiations started in October 2005.

On the one hand, a number of blockages introduced by the Council of Ministers in December 2006, and by Cyprus and France later on, are still in place, preventing real discussions on key aspects of the accession negotiations.

On the other hand, Turkey has not made sufficient progress toward opening some of the difficult technical chapters that are not subject to a blocking decision, for example, competition policy, public procurement, employment, and social affairs. For the Turkish government, in domestic political terms, the reforms necessary to open these chapters have a higher price than the benefit they would bring to the overall accession process.

In addition, on the governance side of the talks, it is beyond doubt that Turkey now meets fewer of the most important standards for a candidate country than in the past. These standards concern fundamental freedoms,

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the independence of the judiciary, the rule of law, and the reinforcement of democratic institutions and processes.¹⁰

The fact that Turkey is currently engaged in a very delicate domestic peace process with its own Kurdish population and is facing dangerous terrorist threats on its southeastern border does not alleviate the country's obligation to meet the EU accession criteria. The then European Commission president José Manuel Barroso said on September 29, 2014, in Istanbul, "Turkey has also made progress in its alignment with the EU legislation even if we consider that the picture is mixed as regards the political

criteria. . . . We welcome the fact that the new Government has tabled its EU Strategy, which is intended to reinvigorate Turkey's work on its European path. We would like to see this clear European commitment on the Turkish side."¹¹

To put things in the proper political perspective, it is now apparent that Turkey's EU accession process will be revived in earnest only when the country's rule-of-law architecture is back to where it stood in early 2013 and when further progress is made. Even then, the lack of inclusiveness in Turkey's diverse society will remain at odds with EU practice.

The Political Context of the Accession Process

Even beyond the difficulties affecting a large number of specific chapters, the political environment both in Europe and in Turkey is becoming more challenging. In the EU, the euro crisis and the ensuing austerity programs in many countries have upended political stability and opened the room for the rise of Euroskeptic and anti-enlargement parties. The outcome of the European Parliament elections in May 2014 epitomizes this trend, with Euroskeptics winning at the polls in France and Denmark and scoring particularly well in the United Kingdom. So-called "enlargement fatigue" has apparently reached a peak in European politics, leading the new European Commission president, Jean-Claude Juncker, to state (before his confirmation) that he sees no country joining the EU before 2019.

In Turkey, too, the popularity of the enlargement agenda has waned. Faced with a myriad of obstacles on the path toward accession, the Justice and Development Party (AKP) government has generally lost its reformist zeal, and the practices of the past few years have distanced Turkey from European democratic norms.

The current situation is perverse. Accession talks aim to bring the candidate country and the EU closer to each other. In the Turkish case, the exact opposite has happened, with the two sides losing their appetite for further

integration. But the situation is also detrimental to the mutual interest. Instead of allowing an ever-wider sphere of cooperation to emerge, the stalled negotiations have nurtured acrimony and impeded collaboration. So, for instance, the EU is unable to talk officially to Turkey, a critical player, about its external energy policy because the energy chapter of the accession talks is suspended. Yet, energy issues will remain a major component of the EU-Turkey relationship in the years ahead. Similarly, the EU has undermined its role as a credible interlocutor for Ankara on its democratic development by being unable to unblock the chapters on the judiciary and fundamental freedoms.

A New Dynamic?

Despite these negative trends, however, a new dynamic is emerging. In Turkey, public support for EU accession is now on the increase. According to the 2014 Transatlantic Trends survey by the German Marshall Fund of the United States, 53 percent of the Turkish public believes that EU membership would be a good thing, compared with 45 percent a year earlier.¹² This surge may be due to the realization that Europe remains a safe haven for Turkey in an increasingly hostile, volatile, and uncertain regional environment. It may also be due to the realization that the EU can alleviate the problem of Turkey's weakening domestic checks and balances.

The new government in Ankara is seemingly intent on advancing the EU-Turkey relationship. The EU minister, Volkan Bozkır, is a well-known, pro-EU former diplomat and has brought a much-needed dynamism and goodwill to bilateral relations. But he will need to operate under the constraints imposed by the domestic political environment. It remains to be seen to what extent he will be able to champion the cause of Turkey's EU accession at a time when close advisers of President Erdoğan see no harm in publicly calling for the end of the negotiations. Much of the minister's performance will also depend on the evolving relationship between the presidency and the executive.

Given the proclivity of Recep Tayyip Erdoğan to operate as a de facto executive president, it is unclear at this point whether the government headed by Ahmet Davutoğlu will have the political space to really advance the EU agenda.

It will not be enough for Turkey to only simulate interest in the EU. The more EU-friendly rhetoric of the new government needs to be accompanied by real progress in key areas of concern to Brussels including rule of law, the right to dissent, personal freedoms, and freedom of the press.

The months ahead will test Turkey's willingness to carry out EU-related reforms. Some of these reforms—on public procurement policy, competition policy, or the independence of the judiciary—may run against the ruling party's domestic inclinations or preferences. At the same time, the reforms

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are indispensable ingredients of the country's credibility on the international markets, with deep consequences for ratings, interest rates, and foreign direct investment. Moreover, given the high degree of political polarization in Turkey, reinforcing the EU agenda may be the only plausible policy path that can enable Turkish politics and Turkish society to coalesce around a common objective.

On the EU side, the improvement of Ankara's relationship with Paris may provide new momentum. France, under President François Hollande, has already distanced itself from the anti-Turkey attitude of its predecessor. France lifted its veto on the regional policy chapter in 2013 and can perhaps be persuaded to do the same for additional chapters to allow accession talks to proceed.

As for the Cyprus question, with hopes for a settlement becoming ever more elusive, no substantive progress can be expected on the stumbling block that this dispute has become. It is perhaps time to think more constructively about how to overcome the negative impact of the ongoing division of the island. It may be the right moment to resurrect the provisional solution—essentially, allowing Cypriot ships and aircraft to access Turkish ports and airports—that was championed in 2006 under Finland's EU presidency.

The Instrumental Role of Pre-Accession Funds

Meanwhile, Ankara is struggling to use the assistance the EU is providing. Turkey benefits from the largest share of EU pre-accession funds: €4.8 billion (\$5.9 billion at December 2014 rates) for the period 2007–2013 and €4.5 billion for the period 2014–2020.¹³ The role of the Instrument for Pre-Accession Assistance is to prepare Turkish institutions and policies for harmonization with their EU counterparts, a process that is at the core of the accession negotiations. The scope of the IPA is extremely wide and covers both public institutions and civil society organizations.¹⁴

The current implementation record of IPA funds shows that the Turkish administrative bodies responsible for proposing and supervising projects as well as channeling the assistance to the end beneficiaries have a hard time absorbing the volume of available funds. The EU procedures concerning the commitment and disbursement of funds are strict and involve equally strict deadlines. If the required tempo is not kept up and deadlines are not respected, the EU could withdraw previously committed funds.

For the most part, this insufficient performance is attributable to two main causes. First, the Turkish government prefers a large number of small- or medium-sized projects, which ensure political visibility in a large number of locations. Such fragmentation complicates the processing of projects. Second, for the same motives of political visibility, the government favors physically identifiable projects over policy-based projects such as sector-based budget support. Critics of such budget support underline that it is politically important to keep anchoring the EU-funded reform projects with modernization-driven

stakeholders, such as Turkish technical administrations or civil society organizations, which have a strong appetite for EU expertise and best practices.

Recommendations

To break the impasse over Cyprus, the EU should consider applying the Finnish provisional solution, which would include a set of mutual concessions.

Turkey would unilaterally, conditionally, and temporarily agree to apply and extend the provisions of the customs union to Cyprus. Under such a scenario, Turkey would implement its customs union obligations toward Cyprus and lift its blockade of Greek Cypriot ships.

This opening would be conditional on the EU fulfilling its commitments related to lifting the isolation of Turkish Cypriots. If the EU is unable or unwilling to deliver after a predetermined period of time, Turkey could go back to the status quo ante by suspending the application of the customs union to Cyprus. In return, Cyprus and the EU would lift the political obstacles to the opening of thirteen chapters of the accession negotiations currently blocked. The political feasibility of such a scenario under the prevailing circumstances remains highly uncertain.

With due respect to the positions of the Council of Ministers and some member states, the union should consider exempting negotiation chapters 23 and 24 from the current blockade. This would allow for an in-depth discussion of judiciary and rule-of-law issues in Turkey in the interest of both parties. While unanimity remains the golden rule of the accession process, these chapters concern issues of central importance for the future of Turkey's democratic architecture and therefore have a high strategic value for the EU.

And the EU and Turkey should seek an agreement to speed up the use of IPA funds, while keeping the funds' reform-oriented nature and respecting existing procedures.

Mobility and Migration

Progress to Date

Politically speaking, visa liberalization is an extremely sensitive issue in Turkey, where there is a widespread feeling of being discriminated against when compared with other EU applicant countries (like those in the Western Balkans) or with third countries. In the EU, the issue is also a delicate one, especially in countries that host a very substantial number of people of Turkish origin, such as Germany. However, the absence of progress on issues related to visa liberalization in recent years has made the current situation problematic, with negative consequences for business, cultural, and educational relations between Turkey and the EU, to the detriment of both entities.

A political deal reached in 2012 is an essential component of the overall relationship. Under this accord, an agreement on the readmission to Turkey of third-country irregular migrants that enter the EU via Turkey was exchanged for an agreement on a path toward visa liberalization for Turkish citizens traveling to the EU. It is fair to say that the extreme sensitivity of the subject for both sides makes the deal's implementation a critical benchmark of the overall health of the EU-Turkey relationship. The first half of the deal—the readmission agreement for irregular migrants—entered into force on October 1, 2014, following ratification by the Turkish parliament.

The EU-Turkey visa liberalization dialogue, meanwhile, started on December 16, 2013, with the presentation of the European Commission's road map on the issue. It was followed by the commission's October 20, 2014, publication of the first report on Turkey's progress in fulfilling the road map's requirements.

Both parts of the deal are works in progress. By virtue of the timeline, the October 20 report is an initial one. On the readmission agreement proper, there is little concrete to say, given that the deal is only a few months old as of this writing.

The progress report can be considered as conditionally positive. It acknowledges that Turkey is “already well advanced on implementing several of the benchmarks in the Roadmap and has the capacity to make further progress on fulfilling all the benchmarks, provided that the Turkish authorities develop its cooperation with the EU and all its Member States in the relevant areas, and launch and implement several essential legislative and administrative reforms.”

More Work Needed

Initial progress has been achieved, but a lot more is needed, both in specific areas pertaining to visas, border management, and cooperation and in domains of more general relevance such as judicial reform. Broadly speaking, the commission's report indicates that real progress lies in two main areas: Turkey's passing and implementing effective, EU-compatible legislation; and the development of genuine, two-way cooperation in a number of specific fields with the EU and member states.

For the EU, it is particularly important that Turkey issues biometric passports and implements effective information sharing and cooperation on forged and fraudulent travel documents. Turkey should implement a new law on foreigners and international protection, pass secondary legislation, and complete the setting up of the Directorate General for Migration Management. Ankara also needs to establish a modern border management system—a field in which the EU and Turkey have cooperated for several years already, including through border modernization projects—and develop stronger border cooperation with EU member states.

The EU is also interested in seeing the Turkish government sign, ratify, and implement several international conventions. Turkey should establish

cooperation with Frontex, the EU's external border security agency; Europol, its law enforcement body; and Eurojust, its judicial cooperation agency. And it should develop police and judicial cooperation with law enforcement agencies in the EU member states.

Finally, the EU would like to see progress in more general domains, such as Turkey's revision of its antiterrorism legislation, reform of its justice system, and adoption of a comprehensive strategy for people with Rom heritage living in the country.

The report does not dwell on issues related to the crises in Iraq and Syria on Turkey's southeastern border. Inevitably, however, there will be intersections between the general discussion on visa liberalization and the specific issues pertaining to it.

Turkish Perceptions

The October 20 report was well received by the Turkish authorities. It was seen as a comprehensive, objective, and fair assessment of the situation.

In a way, this report is a testament to the progress that can be achieved when an environment conducive to a collaborative effort can be created between EU and Turkish institutions. The document is a by-product of a series of meetings that took place over a number of months between the commission and the various Turkish institutions responsible for different policy areas ranging from migration to counterterrorism.

As such, the report is set to contribute to a better working relationship between the commission and the various public authorities and agencies on the Turkish side. The Turkish Ministry of Foreign Affairs is the lead institution and is responsible for coordinating the work program for the visa liberalization. But many of the tasks earmarked in the road map fall within the competence of a myriad of different institutions. The Foreign Ministry does not have the statutory power to compel other ministries and agencies entrusted with implementing the road map to act. Improving the overall framework of institutional collaboration with the commission would thus also greatly facilitate the internal coordination task of the Foreign Ministry.

Recommendations

To make further progress, Turkey's newly rejuvenated ministerial-level Reform Action Group will need to take a more active role as a political vehicle to sustain the drive and the institutional willingness required to continue the implementation of the technical benchmarks. Ankara should ensure, possibly through the Reform Action group, that Turkey takes all the steps required of it with due diligence.

The European Commission and the relevant Turkish stakeholders should upgrade the level of dialogue between them to advance the road map as quickly as feasible.

Foreign Policy Interactions

A Dialogue Hampered by Formalism and Atomization

In recent years, the foreign policies of Turkey and the EU have shown an increasing propensity to diverge.

The existing formal foreign policy dialogue between Turkey and the EU, which takes place at either the ministerial or the senior-official level, is essentially a routine exercise. The exception is the occasional involvement of the Turkish foreign minister in the informal foreign affairs ministerial gatherings known as Gymnich meetings. As a result, the dialogue is not oriented toward joint understanding or joint action, let alone convergence of foreign policies as warranted by the accession process.

The convergence yardstick is the number of EU foreign policy statements to which Turkey adheres, and it is low and decreasing. The alignment rate dropped from 46 percent in the period from October 2012 to September 2013 to 29 percent in the period from October 2013 to September 2014.¹⁵

An ancillary explanation for this fall in convergence lies in the mechanism by which the EU expects Turkey to subscribe to its foreign policy statements: the lead time that the EU gives Turkey to approve and subscribe to a given draft EU declaration is so short that it does not allow for any dialogue, let alone changes. Turkey has increasingly rejected this practice of automatic alignment with the EU. An added difficulty is that crises have been erupting suddenly and in greater numbers in areas of common interest for the EU and Turkey.

But such a lack of convergence is not just a mechanical issue linked to approval procedures for EU statements. This shortcoming has deeper roots tied to the fact that Turkey's foreign policy ambitions have risen steadily in the past few years and that some of the country's foreign policy orientations are clearly at odds with the EU's. Some of the most recent crises demonstrate this mismatch.

It seems obvious that Turkey has no more interest than the EU in seeing Russia take control of entire swaths of Ukraine, including by reappropriating Crimea for itself. At the same time, Turkey has strong economic relations with Russia—especially since Moscow imposed embargoes on certain EU products in response to Western sanctions. More importantly, Turkey is massively dependent on imports of Russian gas, which account for 58 percent of Turkey's gas needs.¹⁶ This dependence leads Turkey to be very careful in its dealings with Moscow and to avoid too close a convergence with the EU's position.¹⁷

On Syria, Iraq, the Islamic State, Israel, Palestine, and Egypt, Turkey implemented policies that led to substantial divergences with the EU. The reasons for this situation are many: Ankara's willingness to acquire more influence in the Middle East, ideological proximity to the Muslim Brotherhood, and the increasing instrumentalization of foreign policy for domestic purposes. Turkey is frustrated at not having convinced its Western allies about Egypt and Syria and faces the direct repercussions of the events in Syria and Iraq in the form of a massive exodus of refugees toward Turkey.

Meanwhile, the Turkish government must deal with a backlash over the humanitarian plight of the Syrian Kurds and related political tensions with the Kurds of Turkey. And Ankara faced criticism of its lenient policy for fighters of EU origin traveling to and from Syria and of its lack of full participation in the anti-Islamic State coalition.

In parallel, the growing gap between Turkish and U.S. positions on Israel, Egypt, and, indeed, Syria and the Islamic State has had a negative influence on European assessments of Turkey's foreign policy direction. In turn, such developments harm the perceptions of Turkey as a prospective member of the EU.

At the moment, Turkey, while strongly reaffirming its EU orientation, increasingly wants to mark its differences with the EU on foreign policy—especially in the Middle East, despite successive setbacks. It is inevitable that such discrepancies create the impression of an ideological rift between Turkey and the EU and, more generally, between Turkey and the West. On the EU side, the danger is that such a perception would lead to an inclination to disengage from Turkey, which would be a strategic mistake because of the depth of common interests in the economic and security fields.

Another striking feature of the EU-Turkey dialogue on pressing foreign policy issues is the atomized procedures used so far. The first EU high representative appointed in 2010 under the Lisbon Treaty made only one visit to Ankara, leaving the EU-Turkey dialogue on foreign policy issues to senior officials and creating an impression of weakening interest at the political level. Meanwhile, other subjects directly linked to EU and Turkish foreign policy interests were handled through channels that were entirely distinct from one another. Examples are the visits to Turkey by the European commissioner for humanitarian assistance and the EU counterterrorism coordinator.

Such a lack of integration of the various components of a dense foreign policy relationship has resulted in losses in efficiency on both sides. It has prevented the parties from taking a higher, more global view of their common interests and possible divergences. As a result, the EU is often perceived in Turkey as applying double standards to Turkey, while Turkey's image as a foreign policy partner of the EU has been tarnished.

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A New EU Foreign Policy Leadership and Architecture

The revised EU foreign policy architecture that was introduced with the appointment of the new European Commission and high representative offers a unique opportunity to correct some of the past deficiencies, at least from a procedural point of view. This transformation is particularly relevant for Turkey, which unfortunately suffered from the dissemination of the EU foreign policy toolbox responsibilities between many political figures without much coordination between them.¹⁸

One of the distinct features of this new architecture is the reinstatement of the natural synergies between the European External Action Service, led by the high representative, and the European commissioners who handle portfolios and instruments directly linked to EU foreign policy, including trade, development aid, humanitarian and emergency assistance, home affairs, enlargement, and energy.

As high representative, Federica Mogherini has formally committed herself to attend meetings of the European Commission, of which she is also a vice president, to lead the group of commissioners with external competences, and to delegate specific tasks to some of these commissioners. Ideally, the EU counterterrorism coordinator, who reports to the Council of Ministers, should become more closely involved in these revamped synergies.

In addition, both the European External Action Service and several directorates general of the commission are undergoing transformations to reflect this new architecture. At the same time, the commission president has modified some commissioners' domains of competence. For example, one commissioner will now handle the neighborhood policy, accession negotiations, and all related financial instruments, which had been split between two commissioners.

If these transformative decisions are rapidly translated into action, EU policy toward Turkey will hopefully be able to better integrate the various policy fields of mutual interest and to give the desired level of attention to major and urgent issues when warranted. In foreign policy making, old habits die hard, but at least the EU's 2014 institutional reshuffle provides an opportunity for such an upgrade. So too does the appointment of a major Central European political figure, former Polish prime minister Donald Tusk, as president of the European Council.

The Middle East Crisis

The current situation on Turkey's southeastern border represents a multiple test case of how Turkey and the EU could better handle their foreign policy dialogue in a results-oriented manner. The crisis in the Middle East is one of unprecedented proportions and results in several common challenges.¹⁹

The rise of the Islamic State since June 2014 has largely changed the situation in Syria and Iraq, with massive consequences for Turkey: more refugees,

asylum requests, and resettlement concerns, attacks on Syrian Kurds, repercussions for the Turkish Kurds, transit of jihadists to and from Syria, and exports of oil from Islamic State–controlled territories.

The international coalition aligned against the Islamic State, which includes Turkey and the EU, is facing questions of whether and where to act to protect populations facing onslaughts. As illustrated by the Islamic State’s attack on the Syrian Kurdish district of Kobanê, the international community will be faced with the issue of the responsibility to protect if and when attacks target the Syrian Kurdish districts of Afrin and Jazeera, or if the Islamic State tries to take control of the city of Aleppo. Answering these attacks will necessitate deeper consultations among the EU, the United States, and Turkey, as well as joint actions.

Complicating this framework is the unresolved status of Turkey’s own internal process for settling its Kurdish question. Turkey will probably continue to consider the military wing of the Syrian Kurdish political party as a terrorist organization, while Western countries will see it as the best counterforce to the Islamic State. Further consultations may help reduce this divergence.

The issue of border control is also likely a top subject for EU-Turkey relations in the years to come because of developments linked to the Islamic State. Closing the border between Turkey and territories held by the Islamic State in northern Syria is probably the most efficient way to degrade the terrorist organization. That is all the more so because the jihadists are almost entirely dependent on access to and from Turkey for fresh recruits, weaponry and logistical resupplies, and exports from the oil fields and oil refineries the group has seized.²⁰ The Islamic State does not have any other long border at its disposal, which makes Turkey’s management of its frontier particularly critical.

Turkey has handled the massive influx of refugees largely by itself, without any major cooperation from outside partners such as the EU. That is due to Turkey’s policy of accepting only cash donations to its emergency agency, a position that is incompatible with the EU humanitarian assistance procedures and the procedures of most other donors. With some 1.6 million refugees along its borders and in many large cities,²¹ and the probability that those numbers will increase, Turkey is now confronted with a heavy humanitarian burden and a direct impact on its own society.

Recommendations

Generally speaking, Turkey and the EU’s goal should be to strive toward joint action on issues of common interest and to re-create a top-level dialogue through regular and structured meetings.²²

It may be difficult to find common ground on many subjects, but the EU and Turkey should give priority to the major foreseeable challenges of the near future. The priority for EU-Turkey foreign policy discussions now should be the Syrian and Iraqi crises and the policy toward the Islamic State. Ankara

and Brussels should consider issues such as the future of the Syrian Kurdish districts, humanitarian assistance, safe areas for displaced persons, long-term refugees, and relations with the Syrian opposition.

Resuming cooperation in the domain of assistance to refugees would allow Turkey not only to alleviate its financial burden but also to plan better for future developments. If Turkey considers that it has not received its fair share of EU humanitarian assistance for Syrian refugees, it should lift its own limitations on cash donations and on the number of approved nongovernmental organizations operating in Turkey. In view of the ever-growing humanitarian burden, the EU should push its member states to increase the resettlement numbers for Syrian refugees.

Turkey, the EU, and other regional and international stakeholders should acknowledge three aspects of the crisis in the Middle East: the strain it places on recipient countries, the long-term nature of the situation, and the need for shared responsibility, including on semipermanent or permanent resettlements. A regional conference might help structure international action in this respect.

As for Turkey's specific situation, the country should develop a comprehensive plan that addresses the many needs of the refugees, such as health, education in refugees' mother tongues, jobs, and housing, as well as the strain of the influx on host communities and the related multiyear funding issues. Ankara should then share this plan with the EU and the international community. In addition, the EU could support the Turkish migration agency to build up its capacity.

Counterterrorism Cooperation

The twin issues of EU citizens transiting to Turkey to take part in terrorist activities in Syria and Iraq and of the Islamic State's financial and material cross-border transactions call for an extensive joint effort in the areas of border control, police and judicial cooperation, extradition, and illegal trade. Counterterrorism cooperation is bound to develop strongly, and hopefully smoothly, between Turkey, the EU, and EU member states on these issues. Particular areas of cooperation are likely to be related to the recruitment of EU fighters and their transit to and from Syria, the movement of Islamic State operatives between Turkey and areas they control in Syria, and other issues pertaining to the two-way movement of goods across the border.

Some of this cooperation will likely take place at the bilateral level with specific member states. But coordination between the EU and Turkey and the use of EU cooperation and financial instruments are crucial elements in this effort.

As of this writing, EU-Turkey cooperation on counterterrorism in the context of the rise of the Islamic State is developing at several levels: exchanges of lists of suspects, bans on entry into Turkey, and police and judicial cooperation on extraditions from Turkey.

But the continuing instability in Syria and Iraq and the territorial expansion of the Islamic State present a formidable security challenge to both Turkey and the EU. Neither Ankara nor the EU can claim it is in a more favorable position than the other; both are deeply threatened in terms of homeland security.

For their part, the EU and its member states, under the initiative of the union's counterterrorism coordinator, have taken multiple steps since 2013. In particular, the EU has substantially revised its Schengen Information System to monitor the movements of listed foreign fighters and to act when these fighters return to the Schengen passport-free area. Individual member states, in particular those most concerned by jihadist movements (the so-called "core group" of nine countries) have enacted measures related to the revocation of passports, the criminalization of individual terrorist activities, and the control of propaganda dissemination. EU agencies such as Europol, Eurojust, and Frontex are also involved in these activities as part of a multipronged strategy addressing the political, military, economic, humanitarian, ideological, and foreign-fighter aspects of the crisis.

In 2014, Turkey began to take steps to address the movement of foreign fighters, weapons, and supplies across its borders into Syria and Iraq. In terms of the movement of suspected jihadists, Turkey has expanded the number of names on its no-entry list from some 4,000 in early 2014 to close to 7,000 by September. Turkish authorities also indicate that they have so far deported more than 1,000 people suspected of engagement with radical groups in Syria.

In parallel, the Turkish Interior Ministry launched an initiative in April 2014 aimed at strengthening border security and airline passenger screening. This new set of measures includes establishing risk analysis units at airports, increasing controls and patrols in border cities and surrounding areas, and deploying trained personnel and additional equipment in areas adjacent to the Syrian border. The initiative also involves intensifying intelligence activities and coordination in targeting terrorist groups and smugglers in Syria, amplifying additional measures for deporting foreign fighters, and enhancing the physical security of Turkey's borders.

Despite sharing an understanding of the threat and making some progress on joint efforts, the EU and Turkey's counterterrorism cooperation has been hindered by a trust deficit that is proving difficult to bridge. In Ankara, the perception is that the EU and some of its member states have not been fully supportive of Turkey's priorities in fighting terrorism linked to the militant Kurdistan Workers' Party (PKK). Although the PKK is blacklisted in the EU, Turkish authorities claim that EU member states have followed up on only fifteen out of 500 extradition requests for members of the group and that they have freed some suspects, despite Ankara's recurring attempts to extradite them. Turkish officials

The EU and Turkey's counterterrorism cooperation has been hindered by a trust deficit that is proving difficult to bridge.

maintain that as long as this grievance remains unaddressed, it will be difficult to achieve a more collaborative framework for fighting terrorism.

A similar trust deficit is also palpable on the sensitive issue of foreign fighters. The EU has been critical of Turkey for turning a blind eye to EU citizens who have become fighters and who head to Syria to join jihadist groups.

Turkey, for its part, has criticized EU members for not sharing information and intelligence in a timely manner to enable Turkish security forces to take necessary steps to counter the fighters. Ankara believes that some EU members turn a blind eye to the flow of foreign fighters until the security risk from their return to Europe becomes significant. Faced with criticism of their own lenient behavior, officials in Ankara have long considered that the EU was unwilling to adopt policy measures to combat extremism at home. Turkish policymakers would like to see more EU political commitment and support for a comprehensive strategy toward the conflict areas, namely Syria and Iraq, with the aim of eradicating the conditions conducive to violent radicalization and terrorism.

More effective EU-Turkey cooperation in the area of counterterrorism will require the two partners to eliminate the trust deficit between them. Beyond that, a more acute sense of a common destiny has to underpin this convergence, including the notion that Turkey's growing insecurity hampers the EU's security.

Recommendations

Brussels, key EU capitals, and Ankara have to set up a more effective channel of communication for the timely sharing of information on highly suspected persons, so they can be included on Turkey's no-entry list. In addition, the EU and Turkey can use this channel to share the names and other necessary details of individuals who have been known to travel or who have the intention to travel to Syria.

Turkey and the EU can also deepen their intelligence cooperation to share information obtained from persons who returned to their home countries after spending time in combat operations in Syria.

Turkey, key EU capitals, and the EU, together with Western partners concerned, should step up cooperation on cross-border movements of merchandise between Turkey and Islamic State-controlled territory.

Conclusions: A Moment of Opportunity

For a long time, the Turkish government believed the EU accession process had to be protected from interference from other domains and that any new policy connection with the EU would distract both partners from the ultimate objective of accession. This reasoning is now obsolete, if only because of the formidable diversification of EU policy instruments that are available to Turkey outside the strict accession framework. This diversification has been

seen in areas such as research, culture and education, and EU-led military missions, among many others.

The recent addition of new channels of cooperation between the EU and Turkey has been mutually beneficial. The parallel implementation of the readmission agreement for irregular migrants originating from third countries and the visa facilitation dialogue is a case in point. The launching of a dialogue between relevant Turkish authorities and the EU's counterterrorism coordinator is another such case.

It is time to accept a simple reality: as the EU's toolbox grows, Turkey stands to benefit from new policies and cooperation instruments to better manage its multifaceted relationship with the union. While the membership dynamic should remain intact, the relationship should be allowed to move beyond the accession framework. The EU should also keep in mind its interest in cooperating with Turkey, not only on a bilateral basis, but also in the context of the EU's neighborhood policy, which is soon to be revamped. Ideally, reinventing the concept of strategic partners in the new neighborhood policy would allow for the creation of genuine institutional partnerships in which Turkey could find its place. This idea raises the question of whether the Turkish leadership has a real desire to view the EU as a diplomatic partner in the region, develop a vision of a common destiny, and shed its anti-EU rhetoric on regional matters.

Concerning Turkey's EU accession process, it is difficult to contemplate a time in the near future when obstacles will be lifted. On the contrary, both in Europe and in Turkey, the political context for advancing the accession talks is becoming ever more difficult.

In EU countries, the consequences of the economic crisis and rising anti-immigration sentiments have deeply affected the political environment around EU enlargement. Euroskeptic parties gained ground in the last European Parliament elections in May 2014. These developments, together with growing doubts about the Western orientation of Turkey, have made EU enlargement almost a toxic item.

Turkey, for its part, has been backsliding on its democratic standards. The European Commission's latest progress report on Turkey is the most critical to have come out of this institution in the last few years. As much as the Davutoğlu government has championed its new EU strategy, and as intent as Turkey's EU minister may be on fast-tracking the accession negotiations, it is unclear if Ankara is really ready to address more than superficially its deficiencies in the rule of law, freedom of expression, and anticorruption.

The decision to re-create synergies between the European External Action Service and the European Commission and to streamline the commission's organization for the EU neighborhood is bound to have an impact on the EU-Turkey relationship. This impact is likely to be felt on the interaction between policies and actions that take place in the bilateral EU-Turkey framework and in Turkey's neighboring countries. EU policies vis-à-vis Syria, Iraq, and the Islamic State

inevitably affect EU relations with Turkey, including in fields where joint action will become a political requirement, such as humanitarian aid for displaced and resettled Syrians and Iraqis or counterterrorism cooperation.

At a more global level, there is another risk emerging in the EU's relationship with the "new Turkey" that was introduced in August 2014 when President Erdoğan was sworn in. Turkey is pursuing markedly religious conservative policies at home coupled with a recurrent anti-Western narrative among the upper echelons of the country's leadership. Amid these trends, there is a danger that Turkey will be increasingly perceived as distancing itself from its traditional allies.

Allowing such an ideological gap to develop would not only be inconsistent with Turkey's fundamental anchoring to the West in military, economic, and financial terms. It would also run contrary to the country's NATO membership and its stated strategy toward the European Union. The risks of such a divergence for Turkey in terms of its economic prosperity, social cohesion, and national security would be immense. The risks for the EU would be no less important.

From an EU point of view, it is hoped that the new institutional triangle formed by Donald Tusk, Jean-Claude Juncker, and Federica Mogherini will seize the opportunity to run EU foreign policy in a more consistent and integrated fashion than during the first five years of the implementation of the Lisbon Treaty, from 2009 to 2014.²³ Simultaneously, EU member states will have to decide how best to exert influence on the future of Turkey's democracy. That is first and foremost an issue of EU methodology. From a Turkish point of view, there is a need to reconfirm whether, from gender norms to foreign policies, the Turkish leadership retains a willingness to espouse common European values.

On substance, given the domestic evolution of Turkish politics and the prevailing instability in the adjacent region, the EU should thoroughly reengage Turkey in a coordinated manner both on domestic reforms, via the EU accession process, and on foreign policy issues, including counterterrorism. That would be a safer bet than the current institutional blockages and the past, piecemeal approaches.

The way forward might therefore be a comprehensive strategy. While maintaining EU accession as the ultimate objective, such a strategy would incorporate this aim into a wider framework to reflect the diversified nature of the EU-Turkey relationship. The accession track would remain active and, given the appropriate decisions, would allow the parties to address the key components of Turkey's democracy.

Meanwhile, the accession path would be strengthened by the positive externality that deeper collaboration in areas of mutual interest and concern—trade, movement of people, foreign policy, and counterterrorism—would unavoidably generate. Overall, the EU-Turkey relationship would benefit from a more global and coherent framework that takes all aspects of the partnership into account. Now is a moment of opportunity for both sides.

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