



Turkish Delight: The EU Begins Accession Negotiations (ARI)

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Theme: The French and Dutch rejections of the European constitution, widely seen as a blow to enlargement, have hardened the atmosphere against Turkey and will make the country's accession process even tougher. The negotiations are open-ended and could be called off at the slightest failure on Turkey's part. The earliest date for membership, if all goes well, is 2015.

Summary: More than 40 years after the European Union first opened up the prospect of membership, the Commission stuck to its commitment to begin accession negotiations with Turkey (see www.realinstitutoelcano.org/analisis/647.asp). The decision required a unanimous mandate and it nearly did not happen because of stiff resistance from Austria during 30 gruelling hours of high drama which ended on the very day the talks were due to begin. Austria backed down on its demand that Turkey should be offered an option short of full membership. Ankara angrily rejected this and threatened to turn its back on the EU if it broke its promise and withdrew the prospect of full membership. There was also resistance from France and Germany and wrangling over Turkey's recognition of Cyprus.

Analysis: Six weeks before it started EU accession talks, Turkey successfully hosted its first major global sporting event with the Formula One circuit's Grand Prix competition in Istanbul. It was used as an advert for the country's long-running campaign to host the Olympic Games. Turkey's own 'Grand Prix' –full EU membership– had a nail-biting start and it will be the longest, toughest and most risk-fraught marathon in the Union's history and with no guarantee of a happy ending.

France and the Netherlands, reluctantly came to the starting line and in politically gridlocked Germany, the Christian Democrat (CDU) leader Angela Merkel, who had pressed for 'privileged partnership' rather than full membership, moved closer to becoming the next chancellor after the narrow victory of her party and her allies in the September 18 general election was bolstered by winning an election in Dresden. The partnership idea is a fudge and rightly rejected by Turkey, which has effectively had one since 1996 when it became the first and so far only non-EU member to form a Customs Union with the EU for industrial goods and processed agricultural products before becoming a full member.

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The nub of the opposition to Turkey's full EU membership is that the country is Muslim, poor (its per capita GDP is 29% of the EU-25 average), populous (72 million, the fastest growing in Europe and almost as many people as the 10 new EU members combined) and not all of it is in Europe. To hear some opponents speaking, one would think that marauding Turks were still at the gates of Vienna (which they were in 1529 and 1683). Other countries, such as the UK (which currently holds the rotating EU presidency and made the start of negotiations one of its highest priorities) and Spain (whose UN-backed 'Alliance of Civilizations' between Western and Muslim countries is co-sponsored by Turkey), take a broader view. They see Turkey's entry as bolstering security in an unstable part of the world (the country has borders with Iran, Iraq and Syria, among others) and a way to shed the EU's image as a 'Christian club' (Turkey has been a member of the other Christian club, Nato, since 1952). To have moved the goal posts and changed the prospect of full membership for something else would have sent a massively negative signal to the Muslim world. Jack Straw, the UK foreign secretary, warned his counterparts at the meeting in Luxembourg that took the decision that they were on the edge of a 'precipice'. 'We're concerned about this theological-political divide, which could open up even further down the boundary between so-called Christian heritage states and those of Islamic heritage', he said. The Muslim population in Europe is already quite large at an estimated 15 million (3.5% of the total, see Table 1). Other arguments in favour of Turkey's membership include its young population acting as a counter-weight to the EU's greying and shrinking workforces and giving the EU a more effective voice in global foreign policy.

Table 1. Muslim Population in European Countries (1)

	Muslim Population (millions)	As a % of Total Population
Austria	0.30	3.7
Belgium	0.36	3.4
Denmark	0.07	1.3
France	4.50	7.5
Germany	3.20	3.9
Greece	0.35	3.1
Italy	1.00	1.7
Netherlands	0.95	5.8
Norway	0.05	1.1
Portugal	0.02	0.2
Spain	0.80	1.9
Sweden	0.20	2.2
Switzerland	0.20	2.7
UK	1.60	2.7

(1) Estimates for 2004, except UK which is 2001.

Source: Washington Quarterly, US Department of State and national statistical institutes.

Turkey's EU membership has long been high on the US agenda as Washington views the country as blazing a trail of democracy for other Muslim countries, although Turkey is in a very different category to Arab countries (for example, it has good relations with Israel and its secularism makes for a difficult relationship). Washington played a very active role in persuading Austria to relent and Ankara to stay on board. Austria's concession on Turkey was linked to the decision to also begin talks with its neighbour Croatia, something Vienna had been pushing hard.

The negotiations began at a time when a poll by the German Marshall Fund of the US, released one month before the start of membership talks, showed that public support for Turkey's bid to join the EU continued to fall throughout Europe (see Table 2). In France, which has the final word on accession as a recent amendment to the French constitution means that all EU membership deals after 2007 will have to be put to a referendum,

support was just 11%. Spain's support (26%) was the highest among the nine European countries surveyed and only surpassed by the United States (35%). Overall support among European citizens was 22%, down from 35% in a broader poll taken earlier in the year. Despite Turkey's considerable progress in human rights and legal and economic reforms, thanks to the neo-Islamist Justice and Development Party (AKP) of Prime Minister Recep Tayyip Erdogan which was swept to power in 2002, opposition to EU membership has hardened.

Table 2. Generally Speaking, Do You Think that Turkey's Membership in the EU Would Be...?

	A Good Thing	A Bad Thing	Neither Good Nor Bad
Europe 9	22	29	42
United States	35	7	41
France	11	47	41
Germany	15	40	43
UK	12	19	41
Italy	31	21	43
Netherlands	25	33	39
Poland	22	20	41
Portugal	16	16	53
Spain	26	23	41
Slovakia	17	28	34
Turkey	63	17	17

Source: German Marshall Fund of the US.

Jacques Chirac, the French president, commendably stuck his head above the parapet, before the rejection of the European constitution, and supported Turkey's EU entry but since then has changed his tune somewhat. Part of the cooling towards Turkey in Paris is due the ambitions of Dominique de Villepin, prime minister, and Nicolas Sarkozy, finance minister, who are battling to succeed Chirac as president in 2007.

Villepin wanted Turkey to recognise Cyprus before the accession talks. The Greek Cypriot state was granted entry to the EU in 2004 despite rejecting a United Nations plan over the island divided since Turkey invaded it in 1974 and which the Turkish Cypriots endorsed. Turkey, however, did not have to go this far in order to comply with the Commission's stipulations. All Ankara had to do, and did, was extend its customs agreement with the EU to Cyprus, but it inflamed the passions of opponents by provocatively adding a unilateral declaration to the signing in July of the additional protocol to its customs union stating that it did not recognise Cyprus. Abdullah Gul, Turkey's foreign minister, also made it clear that his country would not open its ports and airports to Cyprus as they were not covered by the Customs Union agreement. Ankara believes that the EU and the Greek Cypriot government are in no position to lecture it after Turkey accepted a UN peace plan last year (see box).

The Cyprus Issue

Cyprus is one of the world's longest unresolved disputes. In July 1974 the Cypriot President Archbishop Makarios, a Greek Cypriot, was deposed in a *coup* backed by Greece's military *junta*. Turkey, fearing that its traditional enemy would annexe the island, responded by invading it and enforcing a partition between the north and south of the island. In 1983 the Turkish-held area declared itself the Turkish Republic of Northern Cyprus. It is recognised only by Turkey.

Turkey won sympathy in March 2004 from the international community because Turkish-Cypriots in the northern part endorsed the UN drafted reunification plan with a 65% majority while more than three-quarters of Greek-Cypriots in the south, already granted EU membership, rejected it. As a result, and to the immense frustration of the UN and the EU over the historic missed opportunity, only the southern part joined the EU on May 1 as both sides had to approve the reunification plan. Erdogan described the accession of the divided island as 'a big mistake'.

The EU responded to Ankara's refusal to recognise Cyprus, before the accession negotiations, by saying that it would have to recognise Cyprus before it could join the Union. Ankara said the counter-declaration was unjust, one-sided and politically motivated. The key points of the EU declaration were:

- Member states 'regret' Turkey's declaration refusing to recognise Cyprus.
- Member states expect full implementation of the customs union and removal of 'restrictions on means of transport'. Failure to implement the customs union will 'affect overall progress in the negotiations'.
- Recognition of all member states is 'a necessary component of the accession process'.

Ankara, however, is not prepared to fully recognise Cyprus without having first achieved a comprehensive settlement that finally lays to rest this thorny problem.

Meanwhile the European Commission's appointment of Themis Themistocleous, a Greek Cypriot and the former director of the Cyprus news agency, as the new head of the EU Representation in Cyprus, did not look like a helpful gesture. In his previous job, Themistocleous rubbished the official policy of Mehmet Ali Talat, the Turkish Cypriot leader.

The other issue that has flared up is Armenia and the alleged genocide (see box). This is a long running sore and one that was brought to the fore at the end of August when a public prosecutor brought charges against Turkey's internationally acclaimed novelist Orhan Pamuk for 'the public denigrating of Turkish identity', after he told the Swiss newspaper *Der Tagesanzeiger* that '30,000 Kurds and one million Armenians were killed in these lands and nobody but me dares to talk about it'. Pamuk, who has received death threats from people linked to right-wing, violently nationalist paramilitary groups, was due to go on trial on 16 December and faces a possible three-year prison sentence.

If it happens Ankara would be raising serious concerns over freedom of expression, which is supposed to be now in place, at least on paper, and would be shooting itself in the foot.¹ A trial would be sufficient reason to call off the accession negotiations. The move suggests there are reactionary elements in parts of the nationalist establishment who are actively seeking to torpedo Turkey's EU bid (anti-EU sentiment is also on the rise inside the ruling party). It also showed that the new penal code (reformed in 2004), which, for the first time, is supposed to put the rights of the individual above those of the state, is not working. One thing are changes on paper and another changing the mentality of those responsible in the judicial system for enacting the reforms. Turkey's friends in Europe are dismayed. 'If the

¹ See 'Turkey Hands its Enemies an Own Goal' by Maureen Freely, *The Independent*, 31 August 2005.

authorities persist with this attack on a great European writer then many of us who are strong supporters of Turkey will be forced to change our minds', said Denis MacShane, the UK's former Europe minister.

The Armenian Issue

Ankara accepts that hundreds of thousands of Armenians perished between 1915 and 1923, but that this happened in the context of parallel massacres perpetrated against Muslim Turks in a conflict Armenians instigated by allying with invading Russians, and was not genocide as claimed by 15 countries, including France, Switzerland, Russia and Argentina. Historians, however, are not in total agreement over what happened. According to Norman Stone, a former professor of Modern History at Oxford, and now at Koç University, Istanbul, the genocide matter has not yet been satisfactorily proved.

Some EU countries, in particular France, where the Armenian diaspora is vociferous, would like Turkey to recognise its responsibility and apologise. An apology is not an EU condition that Turkey has to fulfil, although some kind of public recognition of its responsibility would create a lot of goodwill. The European Parliament, one week before the start of negotiations, called on Turkey to 'recognise the Genocide of Armenians' and said this act should be a 'prerequisite' to EU accession.

Ankara will, however, at some stage have to open its 330km border with Armenia, closed since 1993 because of the dispute over the enclave of Nagorno-Karabakh between Armenia and Azerbaijan, Turkey's 'brother nation'. Normal travel and trade would have a huge economic impact on the provinces bordering land-locked Armenia while reducing the transport cost of Turkish goods to Central Asia and beyond. The Armenian government said in September it was ready to establish diplomatic relations with Turkey without any preliminary conditions.

The degree to which the Armenian massacre remains a highly sensitive and emotional issue in Turkey was underscored in May when a group of academics from Turkish, US and European universities tried to hold the first-ever conference on the subject at Bosphorus University, a state institution in Istanbul. The purpose was to 'understand and recount a historical issue that... has become trapped and increasingly politicised between the radical Armenian national and official Turkish theses'. But Cemil Cicek, the justice minister, presumably with the blessing of Erdogan, threw a fit and denounced the organisers in parliament the day before the conference was due to open as traitors and labelled the conference a 'dagger in the back of the Turkish people'.

The conference went ahead in September in another venue amid a heavy police presence and despite a court ruling ordering its cancellation after protests from nationalists. Both Erdogan and the European Commission condemned the ruling, which was yet another provocation by the entrenched judiciary, parts of which seem to be a law unto themselves. Erdogan's criticism of the ruling showed that he had changed his tune on the subject. Something similar happened last year when his AKP provoked an outcry by presenting proposals to parliament to criminalise adultery and then he quickly backed down.

Pamuk, meanwhile, is not the only individual in trouble for his views. Dogu Perincek, leader of the Turkish Labour Party, was detained in Switzerland in July, where it is an offence to deny the genocide, after declaring that 'Armenian genocide is nothing but an international lie'. He made the remark at a ceremony to celebrate the 82nd anniversary of the Treaty of Lausanne which marked the foundation of the Turkish Republic.

The Cyprus and Armenian issues, however, should not mask the substantial progress that Turkey has made over the past three years, which have enabled it to meet the criteria for starting accession negotiations. Parliament has approved reforms in the fields of freedom of expression, freedom of demonstration, cultural rights for Kurds (who number around 14

million) and civilian control of the military (which is still the self-proclaimed guardian of the secular state created by Mustafa Kemal Atatürk in 1923 from the ruins of the Ottoman Empire). The state security courts have been eliminated and a new Penal Code adopted. In general, the code adopts modern European standards in line with the recent developments of criminal law in many European countries. The death penalty has also been abolished. Torture, however, has not been eradicated and corruption is still rife. The European Commission's 2004 progress report said that 'torture is no longer systematic, but numerous cases of ill-treatment, including torture, still continue to occur and further efforts will be required to eradicate such practices'. As in so many areas in Turkey, the problem lies in the gap between reforms on paper and their slow and uneven implementation, and this, in turn, entails changing the mentality of what Turks call the 'deep state', a loose alliance of entrenched forces within the army, the security services, the bureaucracy and the judiciary.

There has also been a resurgence of violence between Kurdish PKK rebels and the army in Turkey's predominantly Kurdish south-eastern provinces, which has claimed around 150 lives since the PKK ended its truce in June 2004. This conflict raged for 15 years and produced 30,000 deaths until 1999 when Abdullah Ocalan, the PKK leader serving a life sentence, ordered the group to renounce violence. There is considerable infighting among the Kurdish rebels. The renewed violence is perceived as a tactic to bully the government into granting an amnesty for some 5,000 rebels including, perhaps, Ocalan, although this is something the military would not stomach.

Meanwhile the Turkish government is increasingly frustrated at the US military's lack of interest (or manpower) in dislodging PKK rebels from their mountain strongholds over the border in northern Iraq. Marc Grossman, a former American ambassador to Turkey (1994-97), called in September for the US to take action otherwise 'it will be hard to dissuade Turkey from unilateral intervention in northern Iraq'.² However, the long-standing strategic relationship between the US and Turkey broke down after the Turkish parliament vetoed in March 2003 Washington's request to use Turkish bases to invade Iraq. There is growing anti-American sentiment in Turkey and anti-Turkish feeling in Washington, exacerbated by Ankara's strident criticism of US military actions in Iraq.

Erdogan has granted the Kurds unprecedented freedom, but there has not been a comprehensive settlement to the problem and the Kurdish provinces, from which over a million people were forcibly evicted by the army during its scorched-earth campaign in the 1990s, remain impoverished and a hotbed of discontent.

Turnaround in the Economy

The very process of qualifying for accession negotiations has worked wonders on the economy: inflation was reduced to below 10% in 2004 for the first time since the 1970s and, as a result, the central bank was able to remove six noughts from the face value of the lira at the beginning of this year. One unit of the local currency is worth what used to be one million. A stick of bread now costs around 0.3 liras (300,000 liras before). The country still has a very long way to go, but it is finally moving in the right direction although it remains very vulnerable to 'external shocks' (see Table 2).

² See 'US Should be Ready to Fill the Void on Turkey', *Financial Times*, 15 September 2005.

Table 2. Basic Data for Turkey, Spain and the EU-25

	Turkey	Spain	EU-25
Per capita GDP (purchasing power standards)	29.4	98.5	100
Inflation (%)	9.4	3.1	2.1
General government balance (% of GDP)	-3.9	-0.3	-2.6
General government debt (% of GDP)	80.1	48.9	63.8
Unemployment rate (%)	10.3	11.0	9.0

All figures 2004 except for per capita GDP which is 2005.
Source: Eurostat.

Government debt, however, is still 70% of GDP, interest payments eat up half of government revenues and the average maturity of government borrowing is an uncomfortably short 13 months. The IMF, which is owed around US\$20 billion by Turkey, making it the Fund's largest debtor nation, continues to prop up the government's finances. A US\$800 million tranche was not released during the summer because parliament had not approved the pension reform law, a key part of the efforts to bring the chronic social security deficit under control.

Progress has been made in the banking sector whose troubles helped to trigger a financial crisis in 2001 that brought the country close to defaulting on its foreign debt. The ratio of non-performing loans was down to 6.3% in 2004 from a high of 20% and the number of banks has declined from 81 in 1999 to 48. The improvement is epitomised by several European banks acquiring large or controlling stakes in several Turkish banks, most notably General Electric's US\$1.8 billion purchase in August of a 25% stake in Garanti, the country's third-largest private sector bank. This sum is almost as much as the total foreign direct investment in Turkey between 2001 and 2004 (see Table 3). Even Bulgaria, which has one-tenth of Turkey's population, gets more FDI.

Table 3. Inward FDI in Turkey and Spain, Selected Years (US\$ billion)

	1985-95 (Annual Average)	2001	2002	2003	2004
Spain	8.2	27.9	43.6	29.0	18.3
Turkey	0.55	0.49	0.17	0.49	0.85

Source: UNCTAD, World Investment Report 2005.

There has also been a boom in privatisations after decades of stalling. The sales this year include a 51% stake in Tupras, an oil refinery, for US\$1.4 billion to a consortium of Turkey's Koç Holding and Royal Dutch/Shell and a 53% stake in Turk Telecom to Saudi Oger and Telecom Italia for US\$6.55 billion. The government has pushed through US\$14 billion in privatisation deals so far this year and the total could reach US\$20 billion by the end of 2005.

The economy will bear the brunt of the negotiations –a misleading word because there is very little that Turkey can negotiate except transition periods–. The focus so far has been on meeting the political criteria; as of now Turkey will have to write some 80,000 pages of EU rules into national law covering every area of EU policy from fisheries to defence and from employment laws (which are restrictive) to the environment. It has to do whatever the EU dictates in order to satisfactorily show it has a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Moreover it has to provide evidence of implementation before a chapter can be closed and another one started. It is not a process of give and take. Most of the population is not aware of this, and it could easily give rise to resentment when tough measures bite. One of the most difficult areas will be the backward agricultural sector which employs one-third of the labour force and generates less than 12% of GDP.

Conclusion: Turkey is in for a long haul, and some countries will be looking for any excuse to derail the negotiations. The accession process, as reforms deepen, will test the tolerance of the country's nationalist establishment and the EU's capacity to keep Turkey on board. European politicians will also have to make a much greater effort to win over their reluctant electorates. There is a considerable gulf between public opinion on Turkey's membership and the favourable view of most EU countries.

The EU's ability to wield 'soft power' has transformed Central and Eastern Europe, in stark contrast to Washington's record in promoting democracy, particularly in Iraq. And there is no reason why Turkey should not also be another success story. Turkey has spent a long time banging on the EU's door, and it is now open. But if some countries over the next decade seek to close it by spinning out the negotiations (beyond the minimum 10 years it is expected to take), Turkey may well decide it is not worth joining the club it has so long aspired to join.