

EDITORIAL

The opening of membership negotiations between the European Union and Turkey is not the end but rather the beginning. It is the beginning of a long, and probably all too often daunting and difficult process. One of the facts one can learn from past enlargement negotiations of the EU: They are not negotiations at all. Instead, they are a process of approximation of the applicant country to the *acquis communautaire* of the EU. This in itself implies that right from the beginning, the internal developments in Turkey and the issue of "absorption capacity" of the EU will be intertwined.

More than anything, this means two things: 1. No topic that touches presumptive taboos will protect Turkey or may serve as an excuse for its society and elites as Turkey's domestic development gradually becomes part of the public sphere of multi-level governance in the EU. For Turkey time has begun to clarify what Turkey's contribution to a common European future can be. 2. The EU will need to urgently intensify internal reforms and the process of "deepening" integration patterns, structures and policies in order to not only accommodate Turkey as a possible member state, but also address the issues that begin to rise at the horizon beyond the static matter of Turkey's membership.

All this is part of the process of approximation. More importantly, it must grow into a process of joint perspective about the future global role of Europe. Even membership of Turkey in the EU, should it happen, will not be the end, but a beginning. Beginning to think about it now will strengthen the European Union as it requires conceiving European integration not from its limits, but rather from its opportunities.



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Although Accession Negotiations between Turkey and the EU have started on 3 October 2005, Turkey still faces strong head winds. Problems and obstacles will have to be addressed in the long and tedious process ahead to give way to Turkey's European aspirations.
European Community

THE NEGOTIATING FRAMEWORK FOR TURKEY

Major Provisions and Misperceptions

Andreas Marchetti

Shortly before the official opening of negotiations on 3 October 2005, the European Council adopted the Negotiating Framework for Turkey.¹ The document provides guidance for the tedious process ahead and lays down its central rules. However, some of the provisions in the framework have been perceived as being particularly designed "against" Turkey. Admittedly, the framework constitutes "the most rigorous so far presented by the Commission" - but this does not only apply to Turkey. It applies to other candidates as well.

The Core of the Framework

Strictly speaking there are no negotiations foreseen, as joining the EU implies first

and foremost taking over the entire *acquis communautaire*. The *acquis* itself is not negotiable. The only matters negotiable are potential transitional measures (pt. 12 - see the summary of provisions below). However, the focus of the framework goes far beyond the technical implementation of the *acquis*, as it focuses on a variety of other issues as well. Progress in the 35 different chapters will be closely monitored and it is up to the Council to decide on their opening and closing (pt. 21). It also decides on any provisional agreements (pt. 20). Some commentators have stressed that this central role of the Council allows for multiple veto possibilities along the way. However, as no agreement will be considered final until overall agreement is reached (pt. 20), such vetoes can merely be regarded as secondary vetoes.

The adaptations to the *acquis* will have to enter into force on the date of acces-

► sion (pt. 12), implying an all-or-nothing-approach. Bearing in mind continued public discussions, concepts like that of gradual integration might prove more convenient at some stage.²

Misperceptions

In October 2005, Austria had made its approval to open accession negotiations with Turkey conditional on opening negotiations with Croatia as well. As the Union has established common provisions for further enlargements, the two framework documents are very much alike. The points so far discussed are also included in the Croatian framework as can be seen from the comparative table on the right. There exist only a few differences: As Turkey's entry will have more substantial financial implications for the EU, the framework excludes accession before 2014 (pt. 13); there is no mention of an Intergovernmental Conference (pt. 18) in the Croatian framework; particular provisions on Cyprus are included for Turkey (pt. 6).³

Despite general perceptions, the most criticised elements are present in both frameworks, such as the consideration of "permanent safeguard clauses". Albeit the Croatian framework does not name these directly, its pt. 9 refers explicitly to paragraph 23 of the Presidency Conclusions of 16/17 December 2004.⁴ There, the possibility for "permanent" clauses is clearly stated and these provisions apply to all cur-

rent candidates, i.e. Bulgaria, Romania, Croatia, and Turkey.

The same holds true for the often cited phrase that the process is open-ended and that its outcome cannot be guaranteed. This certainly applies to any ongoing political process. Consequently, the clause refers not only to Turkey but to Croatia as well. However, Europeans for their part need to take into account that spelling out such bromides is likely to foster frustration in candidate countries, as they might get the impression that they are not wanted. In addition, being oriented towards Europe since 1923 and having a membership perspective since 1963, the Turkish debate on joining the EC/EU has been going on for more than 40 years already, whereas the EU has started to seriously discuss the issue only since the Helsinki European Council in 1999. To a certain extent, this discrepancy might be fit to explain some of the more or less frequent irritations and divergent perceptions between Turkey and the European Union.

1) http://europa.eu.int/comm/enlargement/docs/pdf/st20002_en05_TR_framedoc.pdf.

2) See Cemal Karakas' article on pp. 5-7.

3) Instead, Croatia is committed to fully cooperate with the International Criminal Tribunal for the former Yugoslavia (pt. 3).

4) http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/83201.pdf.

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COMPARATIVE TABLE

Negotiating frameworks for Turkey and Croatia

Turkey	Croatia
<i>Points</i>	<i>Points</i>
1	1 [1st part]
2	1 [2nd], 2 [1st part]
3	6 [1st part]
4	2
5	2 [2nd part]
6	3
7	4
8	6 [2nd part]
9	5
10	7
11	8
12	9
13	--
14	10
15	11
16	12
17	13
18	--
19	14
20	15
21	16
22	17
23	18
List of 35 chapters	List of 35 chapters

SUMMARY OF THE NEGOTIATING FRAMEWORK FOR TURKEY

1. Progress depends on Turkey's efforts to meet the requirements for membership. In due course, the Union will decide if the requirements for the conclusion of negotiations are met.
2. The objective of negotiations is accession. The process is open-ended. If Turkey fails to eventually assume membership, it shall be anchored in European structures.
3. Enlargement depends on the EU's absorption capacity.
4. Negotiations are based on the Copenhagen political criteria. The EU expects Turkey to continue its reform process accordingly. The process is monitored by the Commission.
5. If Turkey persistently violates central principles, negotiations can be suspended.
6. Advancement of negotiations depend on a) progress to meet the Copenhagen criteria, b) the achievement of good relations to neighbours, c) a comprehensive settlement of the Cyprus question and d) fulfilling the obligations stemming from the Association Agreement.
7. Turkey aligns its positions towards third countries and within international organisations with the EU's and its member states' positions.
8. Turkey and the EU engage in an intensi-

- ve political and civil society dialogue.
9. The results of any other accession negotiations have to be accepted by Turkey.
10. Accession requires the implementation of the *acquis communautaire*.
11. Accession implies the termination of existing agreements between the EU and Turkey or of other international agreements incompatible with membership.
12. The implementation of the *acquis* is likely to necessitate special adaptations. In exceptional cases, transitional measures can be agreed on during the negotiations. Nonetheless, even permanent safeguard clauses can be considered by the EU, especially if it comes to free movement, agriculture or structural policy.
13. Negotiations can only be concluded after the establishment of the Financial Framework for 2014-2020 as Turkey's accession will have relevant financial implications.
14. Turkey will eventually participate in the economic and monetary union, however only after a non-specified derogation.
15. Turkey will take over the Schengen *acquis*. Part of this, however, will only apply after later decision by the Council.
16. Environment and nuclear safety consti-

- tute important concerns of the EU in the process.
17. In order to implement the *acquis*, Turkey needs to assure an efficient and stable public administration, based on an impartial civil service and an independent judiciary.
18. An Intergovernmental Conference will conduct the substance of negotiations.
19. Negotiations start with an assessment of the *acquis* ("screening").
20. For screening and negotiations, the *acquis* is broken down in 35 chapters. Any agreement reached is not final until overall agreement has been attained.
21. The Council lays down benchmarks for the provisional closure, and, where appropriate, for the opening of chapters. Benchmarks may be updated as the *acquis* evolves during the negotiation period.
22. Turkey indicates its position in relation to the *acquis* and reports on its progress in meeting set benchmarks.
23. The Commission monitors Turkey's progress, serving as basis for further steps to be decided on by the Council. Monitoring also applies to chapters provisionally closed - they may be re-opened if deemed necessary.

THE SCREENING PROCESS

Initiating Negotiations

Andreas Marchetti and Volkan Altintas

As the negotiation process will be very time-consuming and complex, it is structured along certain lines in order to not only move things along efficiently, but also to have the ability to better evaluate progress along the way. The first and most prominent measure to structure the process has been the division of the *acquis communautaire* into distinct chapters, as has been the case for the last accessions as well. Whereas the *acquis*, as it is constantly developing, has been divided into 35 chapters for Turkey and Croatia, it was split into "only" 31 for the members that joined on 1 May 2004 as well as for Bulgaria and Romania.¹ The second measure structuring negotiations is the process of screening.

The function of the screening process is clearly stated in point 19 of the Negotiating Framework for Turkey: "The Commission will undertake a formal process of examination of the *acquis*, called screening, in order to explain it to the Turkish authorities, to assess the state of preparation of Turkey for opening negotiations in specific areas and to obtain preliminary indications of the issues that will most likely come up in negotiations." Although the Negotiating Framework seems to make a distinction between "screening" and "negotiations" here, the screening process is commonly regarded as already falling under the term of "negotiations" as it constitutes their first compulsory part. If one looks at the process in detail, it is also evident that screening goes well beyond a mere "examination of the *acquis*" since it allows Turkey to already "examine deficiencies"² and to better formulate its policy for the road ahead. Screening for each chapter starts with an Explanatory Meeting. Experts from the Commission's DGs, having analysed the *acquis*, present its substance chapter by chapter to Turkey and Croatia. A detailed meeting follows this first meeting in about a month's time. It is held on a bilateral basis with speakers from the Commission as well as from Turkey.³ These meetings are prepared by questions formulated by the Commission and answers given by Turkey, related to the particular chapter under question. The table on the right provides some information on the current progress and also shows that here, as later in negotiations and as recommended earlier,⁴ less controversial parts are dealt with first. In the course of negotiations this strategy might give space to some sort of spillover: The more chapters that are closed, the higher the political pressure to conclude the accession process successfully will be.

Accession negotiations will presumably take a decade or even longer. Screening constitutes the first part of that process and it will take about a year to accomplish. Accordingly, it is envisaged to end in the

QUOTE

"We can probably open the first stage of negotiation during the Austrian EU presidency."

Ursula Plassnik, February 2006

second half of 2006. However, in February, the Austrian Foreign Minister Ursula Plassnik indicated that the EU "can probably open the first stage of negotiation during the Austrian EU presidency."⁵ This potential acceleration of the process by Austria is quite astonishing. After all, it was mainly due to Austrian resistance that shortly before 3 October 2005 it was not

even certain that negotiations with Turkey would actually begin on the date set by the Brussels European Council of 17 December 2004.

1) Cf. <http://europa.eu.int/comm/enlargement/negotiations/chapters/>.

2) Turkish chief negotiator Ali Babacan as cited at <http://anatolia.com/h.asp?i=80044>.

3) An overview over the meetings held so far and their individual agendas is provided at <http://www.abgs.gov.tr/tarama/>.

4) Cf. Volkan Altintas/Andreas Marchetti, "Hot Issues: The Tough Topics in Accession Negotiations", in: *ZEI EU-Turkey-Monitor*, 1.1 (2004), p. 7.

5) http://www.euronews.net/create_html.php?page=detail_interview&article=337065&lng=1.

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CURRENT SCREENING STATUS

No.	Title of chapter	Explanatory Meeting	Detailed Meeting
1	Free movement of goods	●	●
2	Freedom of movement for workers	●	●
3	Right of establishment and freedom to provide services	●	●
4	Free movement of capital	●	●
5	Public procurement	●	●
6	Company law	●	●
7	Intellectual property law	●	●
8	Competition policy	●	●
9	Financial services	●	●
10	Information society and media	●	●
11	Agriculture and rural development	●	●
12	Food safety, veterinary and phytosanitary policy	●	●
13	Fisheries	●	●
14	Transport policy	●	●
15	Energy	●	●
16	Taxation	●	●
17	Economic and monetary policy	●	●
18	Statistics	●	●
19	Social policy and employment	●	●
20	Enterprise and industrial policy	●	●
21	Trans-European networks	●	●
22	Regional policy and coordination of structural instruments	●	●
23	Judiciary and fundamental rights	●	●
24	Justice, freedom and security	●	●
25	Science and research	●	●
26	Education and culture	●	●
27	Environment	●	●
28	Consumer and health protection	●	●
29	Customs union	●	●
30	External relations	●	●
31	Foreign, security and defence policy	●	●
32	Financial control	●	●
33	Financial and budgetary provisions	●	●
34	Institutions	●	●
35	Other issues	●	●

Legend: ● accomplished
● not started

Data as of February 2006

KEY FIGURES IN NEGOTIATIONS

compiled by Volkan Altintas and Philipp Mikschl

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Sources:

<http://europa.eu.int>
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Ali Babacan, Turkish Chief negotiator and Minister of State in Charge of Economy, has officially been named head of the Turkish negotiation team on 23 May 2005. European Community

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ON THE DEBATES ON TURKISH EU MEMBERSHIP

Gradual Integration - A Sustainable Alternative for Both Sides

Cemal Karakas

On 3 October 2005 accession negotiations between the European Union and Turkey started, inaugurating a new era in their relations. However, the continuing dispute on Turkish accession within the EU bears proof that during negotiations there will arise numerous issues fit for further controversies. Hence, the process is indeed still open-ended.

With the beginning of negotiations, Turkey has been granted the right to join the EU, but the EU does not have the obligation to take Turkey in. The successful conclusion of negotiations will not automatically lead to accession since it will also have to be voted by the European Council and the European Parliament. A majority will be sufficient within the EP, within the Council, however, unanimity is required. France as well as Austria already have declared that their voting behaviour will be dependent on the outcome of referenda on the question. These referenda will probably constitute the largest obstacles for Turkey. Henceforth, the first attempt for accession might not be successful - just as it had been the case for the United Kingdom.

Apart from full membership, what alternatives and options exist? The Treaties currently only consider full membership or loose association. There is no option in between. An exception, however, is already constituted in trade related integration by the

Customs Union, established between the EU and Turkey in 1996. However, it will be shown that this Union currently is far too one-sided in favour of the EU. Turkey's non-possibility to be equal partner in it has made a Customs Union not worthwhile for consideration by other candidates aspiring membership.

In the case that - despite the successful conclusion of negotiations - accession might not take place, the EU as well as Turkey will still very likely have an interest in enhanced cooperation and integration. Accordingly, the European Council declared in its decision of 16/17 December 2004 that in any case "it must be ensured that the candidate State concerned is fully anchored in the European structures through the strongest possible bond."¹ How exactly this "strongest possible bond" and being "fully anchored in the European structures" shall look like has not been elaborated in detail within the negotiating framework. But it is the first time in enlargement history that the EU reserves itself the right to evaluate other integration possibilities as well.

Albeit regularly underlining that only full membership would be acceptable, Turkey certainly recognises the current political realities and alternative options to accession are at least sporadically being considered likewise.

The Concept of Gradual Integration, elaborated for the first time in 2005, could develop into a realistic option for integration

beyond full membership for the EU as well as for Turkey.² This is also supported by the proposals of Belgian Prime Minister Guy Verhofstadt, who presented his vision of Europe's future in a book published in December 2005, thereby initiating a new debate on Europe. His plea for the "United States of Europe" is not really new, nonetheless, it is worthwhile to discuss his proposition to continue to develop Europe on the basis of two concentric circles: a core EU and an "Organisation of European States". In the latter he sees the missing but urgently needed link between membership and the process of accession. This would constitute the solution to a "problem of increased urgency", i.e. continue enlarging the EU - against the declared will of a majority of Europeans - by at the same time increasingly losing the capacity to act.³ The European Parliament already formulates similar demands. In a report of February 2006, the new Commission is requested to adapt its Enlargement Strategy Paper until the end of 2006. It should also present new integration concepts, taking explicitly account of the absorption capacity of the EU.

EU and Turkey: No to Privileged Partnership and Extended Associate Membership

Already before the EU's decision of 16/17 December 2004, alternatives to full membership were discussed. The most prominent concepts proposed are the Privileged Partnership and the Extended Associate Membership (EAM).

The Privileged Partnership was introduced in 2002 by Christian democrat and conservative parties in Germany, France, and Austria and has lately also been supported by Denmark and the Czech Republic.⁴ On the basis of bilateral agreements, promoters of this concept promise Turkey enhanced cooperation in certain areas (trade, culture, migration, foreign and security policy, crime etc.).⁵ However, such forms of partnership already exist: Turkey is attached to the EU via the Customs Union since 1996 and has been participating for several years now in EU programmes for research and development, environment, the twinning programme to modernise administration and Erasmus, the exchange programme for students. The scheme for the relations is always: Decision-shaping: yes; decision-making: no.

The second alternative to full membership is the Extended Associate Membership.⁶ The EAM includes membership in the "Extended European Economic Area", implying primarily an expansion of current relations to economic and commercial co-operati- ►



As in the past - here Turkish Prime Minister Recep Tayyip Erdogan and former Commissioner for Enlargement Günter Verheugen in 2004 - there are still many questions to answer and challenges to address. European Community



Enlargement Commissioner Olli Rehn, together with Abdullah Gül, Turkish Minister for Foreign Affairs, at the European Commission in Brussels. European Community

▶ on. However, several limitations remain, especially if it comes to the free movement of persons and employees. Participation in the Common Market is foreseen, implying that EAM-countries would have to take over large parts of the *acquis communautaire*. As this would result in far-reaching obligations and one-sided costs for EAM-countries, the authors propose compensation payments. These could be managed via the Structural and Cohesion Funds. As in Privileged Partnership, this option would grant Turkey the right to be consulted but not to participate in decision making.

Privileged Partnership as well as EAM are problematic insofar, as both models are basically static and do only offer few incentives to encourage Turkey to continue its democratisation and consolidation efforts. Within the EU, the two models did not find a majority for two reasons: They do not offer participation in decision making and they rule out the possibility for full membership.

Gradual Integration: Aim and Concept

The aim of Gradual Integration is "that the candidate State concerned is fully anchored in the European structures through the strongest possible bond" - this is exactly in line with the Council's decision on Turkey. In practical terms, this would be realised by increased institutional interlocking and gradual political integration. Albeit the concept in general is based on the current rules for candidates, it establishes new legal realities at the same time. In contrast to the Privileged Partnership or the EAM, Turkey would still be regarded as accession candidate and not as third country.

Gradual Integration foresees an institutional adduction of Turkey in three steps. It basi-

cally comprises a sectoral and partial integration, providing for a dynamic approach. Integration can progress gradually but does not have to. If a certain integration level proves sufficient to one of the partners, it might want to opt for a halt in integration. The model allows both sides to gain time since the start of the next steps is conditional, i.e. they are closely related to the successful implementation of envisioned reforms. Conditionality shall serve as incentive to continue on the road of democratisation and reforms. At the same time it allows the EU to deepen institutionally and to better prepare for an eventual accession of Turkey.

Since Turkey would "only" be partially integrated, the parcel of 35 negotiation chapters would have to be unpacked. In practice this means that Ankara would merely have to take over *parts* of the *acquis communautaire* and translate them into national legislation. This is the way already practiced for the Customs Union existing between both sides since 1996.

The main differences of Gradual Integration to Privileged Partnership are that Turkey is not only economically but also partially politically integrated. Besides, within the integrated sectors, participating in the decision making process will be granted, however, without the right to veto in the Council. From a legal perspective this right could not be granted because Turkey would not be a full member. In order to better get to know the procedures within the EU, Turkey should be entitled to send observers to other EU institutions.

In contrast to Privileged Partnership and EAM, the perspective to become full member remains. In Gradual Integration it can, however, only be granted after the last inte-

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gration step has been put in place. Both sides will have to agree, so there will also be no automatism. This perspective makes Gradual Integration interesting to Turkey by at the same time preventing the EU to damage its credibility.

Possible Areas for Gradual Integration

In the first integration step, the following issues could be on the EU's agenda: further democratisation of Turkey, implying *inter alia* strengthening the rights of non-Muslim minorities; stabilisation of Turkey's economy; increased legal certainty for enterprises and private persons; deepening of the cooperation in foreign and security policy, including the fight against Islamist terrorism.

On the Turkish side, deepening the Customs Union in favour of Ankara might be an issue. So far, Turkey is the only country that has entered into a Customs Union with the EU. For that reason, it had to take over parts of the Union's *acquis*. However, as the EU primarily practices an active protectionism of its own economy against Turkish competition since the Custom Union's inauguration, the EU has profited the most so far, evident in a considerable trade surplus for the EU. Ankara's trade deficit with the EU-15 accumulated to 7.1 billion Euro in 2004 alone, in the first ten months of 2005, this deficit - now with the EU-25 - even increased to 7.8 billion Euro.⁷

Within the Customs Union, Ankara - not being member of the EU - has no say. The Customs Union is undemocratic insofar as Turkey has abandoned important parts of its national sovereignty without participating in the decision making processes within the EU or without being capable to effectively influence this multinational deci- ▶

► sional process. It seems therefore plausible that Turkey would have a vital interest to really have a say in decision making within the Customs Union.

Other interesting issues for Turkey could be the participation in further EU programmes such as programmes to improve infrastructure, environment, or to enhance the already existing co-operation in the areas of education, culture and research. Gradual Integration offers Turkey a comparative cost advantage in contrast to full membership: Turkey would participate in additional programmes by having to cope with minor costs than in the case of full membership.

For further integration, a deepening of previous areas could be considered, e.g. extension of the Customs Union to the Common Market. New themes could be addressed as well, such as the implementation of an Economic and Monetary Union or the active participation of Turkey within the scope of the European Security and Defence Policy.

From an EU perspective, however, Gradual Integration would not be applicable to some of the sensitive topics already raised if it comes to Turkish accession, namely agriculture, structural policy, and freedom of movement.

The model of Gradual Integration is modelled on Turkey. Because of its flexibility, it could - in case there would be such a need articulated within the EU - be extended to other accession candidates as well.

As in the case of Privileged Partnership or EAM, objections because of legal legitimacy could be raised. It should be considered in how far Art. 1-57 CEU, the Association Agreement or the current Art. 310 ECT could be applied as legal basis of Gradual Integration. If one considers the dynamics in the debate on Turkey - cf. the already mentioned approach of the Belgian Prime Minister Verhofstadt - this does not seem to pose an unsolvable problem.

All in all, the advantages of Gradual Integration dominate. These are basically: additional gain of time that is required by the EU as well as by Turkey for further reforms; partial political integration of Turkey into European structures without overstressing the Union institutionally; comparative cost advantage in comparison to full membership. By dynamising and conditioning the different steps in integration strong incentives for Turkey's democratisation policy will be generated - in contrast to Privileged Partnership or EAM. This is exactly what the European Union as well as the Turkish public are striving for. Therefore, Gradual Integration could constitute a surplus for both sides.

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- 1) Cf. No. 23, 4th bullet point in the Presidency Conclusions of the Brussels European Council, 16/17 December 2004.
- 2) Introduced for the first time in August 2005: Cemal Karakas, Für eine Abgestufte Integration - Zur Debatte um den EU-Beitritt der Türkei, HSKF-Standpunkte, No. 4/2005, Frankfurt a.M. 2005.
- 3) Cf. Frankfurter Allgemeine Zeitung, 2 December 2005.
- 4) Cf. Die Welt, 20 October 2005.
- 5) Cf. Karl-Theodor zu Guttenberg, Die Beziehungen zwischen der Türkei und der EU - eine Privilegierte Partnerschaft, Hanns Seidel Stiftung, Aktuelle Analysen No. 33/2004. Cf. also the paper of the CDU/CSU Faction in the German Bundestag "Eine Privilegierte Partnerschaft als Alternative zu

einer EU-Vollmitgliedschaft der Türkei" (http://www.cducsu.de/section_2/subsection_3/id_845/Meldungen.aspx).

6) Cf. Wolfgang Quaisser, Alternative EU-Integrationsstrategien für die Türkei und andere EU-Kandidatenländer. Privilegierte Partnerschaft oder Erweiterte Assoziierte Mitgliedschaft, Osteuropa-Institut, Kurzanalysen und Informationen, No. 12/2004, Munich 2004; Wolfgang Quaisser/Steve Wood, EU Member Turkey? Preconditions, Consequences, and Integration Alternatives, Forschungsverbund Ost- und Südosteuropa (Forst), Arbeitspapier No. 25, Munich 2004.

7) Cf. Eurostat Euro-Indicators, News Release 8/2006, 19 January 2006.



Meeting the press after the IGC Opening Accession Conference at Ministerial level on 3 October 2005: Turkish Deputy Prime Minister and Minister for Foreign Affairs Abdullah Gül, British Minister for Foreign Affairs Jack Straw, and Olli Rehn, Commissioner for Enlargement. The Council of the European Union

CHRONOLOGY

compiled by Volkan Altintas

2005 3 October: The Council approves the negotiating framework for Turkey.

2005 3 October: Start of accession negotiations with Turkey.

2005 20 October: The screening process is started with a meeting on chapter 25: "Science and Research".

2005 9 November: The 2005 Progress Report for Turkey is published by DG Enlargement of the European Commission.

2005 9 November: The European Commission issues a proposal for a "Council Decision on the principles, priorities and conditions contained in the Accession Partnership with Turkey".

2005 28 November: First meeting of the Accession Conference at deputy level in Brussels.

2005 12 December: The General Affairs Council reaches agreement on the Accession Partnership with Turkey.

2006 1 January: Austria takes over the Presidency of the EU.

2006 10 January: Ambassador Volkan Bozkir becomes new Turkish Permanent Representative to the EC.

2006 23 January: Council Decision on the principles, priorities and conditions contained in the Accession Partnership with Turkey.

Sources: www.abgs.gov.tr / ue.eu.int

Volkan Altintas is Junior Fellow at ZEI

THREE QUESTIONS

to Bahadır Kaleagasi

Dr. Bahadır Kaleagasi is TUSIAD's (Turkish Industrialists' & Business Association) representative to the EU and to UNICE (Union des Industries de la Communauté européenne) in Brussels.

People and governments in the EU and in Turkey are well aware of the latest developments and the different opinions on EU-Turkey relations. Besides other issues, economic questions are high on the agenda. As a representative of Turkish industrialists and business, where do you see Turkey today?

Over the past four years Turkey has scored a cumulative growth of about 30%. Most of this phenomenal growth is attributable to productivity increases. Over the past eighteen months Turkey has generated 1,200,000 jobs. The speedy integration of the Turkish economy with European as well as global markets also put tremendous pressure on inefficient firms, small retailers and uncompetitive businesses. But as was predicted by many analyses of the Turkish economy published in 2004, the modern industrial sector successfully carried the burden of growth with modernization and capital investment as well as the Customs Union with the EU since 1996. Last year privatization revenues exceeded 20 billion euros and the mess in the financial sector has been almost thoroughly cleaned.

Turkey exports grew by 54% over the same period. Imports have similarly grown by about 104%. Needless to say as a major trading partner of the EU, this growth performance means more trade and jobs in EU member countries.

As of last year, Turkey's year-on-year inflation rate on consumer goods is down to 8% from an average of 78% during the 1990s and is likely to meet the EU inflation criteria by 2008. The Central Bank has confirmed its independence and made the decision to target inflation. Our budget deficit went down to under 3% last year. This, in turn, helped lower the public sector borrowing requirement to a mere 1% last year. Although the composition and maturity profile of the domestic debt stock remains a problem, gross public-sector debt ratio is 61% in 2005 and will possibly be 54% at the end of this year.

One quite technical but nonetheless very important aspect in the current process will be preparing Turkey for participation in the EU's internal market. What are your expectations for Turkey? What chances and what obstacles do you identify?

Turkey is in the middle of the volatile regions of the world. Whether in the Balkans, the Black Sea, the Caucasus or the Middle East, its policies and constructive engagement are of some consequence for the stability of these regions. Not to mention the interest of the EU that Turkey has been a part of for a long time. As an energy corridor, an economic hub and a transit route to the Middle East, Central Asia and beyond we are stra-



tegically located to promote further the integration of Eurasia. This vast region from the British Isles to Japan is the world largest trading area. This is also the area where trade and economic integration would continue apace to generate the world wealth for the foreseeable future.

In short, as everyone was looking at Turkey's compliance with the Copenhagen political criteria, the country, without fanfare,

fulfilled most of the Maastricht criteria. No mean accomplishment in such a short period of time. I wish I could conclude from this mostly successful, almost astonishing macroeconomic landscape that our problems were over. They are not. Vulnerabilities remain. We have to eradicate the scourge of the unrecorded economy. We need to face the difficult challenges that are coming our way. Investing in our human capital, managing the reengineering of our agricultural sector, improving the efficiency of both the service and the agricultural sector are daunting tasks. We have to turn our demographic transition to a source of increasing prosperity. TUSIAD will continue to pursue the agenda of further economic reform. But there are other issues we need to raise. First among these is judicial reform. A speedy judiciary transformation is of utmost importance for us. Since this is the key to the consolidation of the rule of law.

Bearing in mind the current economic trends, Turkey will be one of the most vibrant economies by 2020. Having already had a look at the adaptations Turkey will have to undergo, what could be the parameters of the most likely evolution in the EU-Turkey relationship?

In some sense Turkey's choices of identity, strategic preference and political orientation will help shape the 21st century. Turkey will play an indispensable role in the incorporation of its surrounding regions into the world system. Turkey has inimitable qualities as a country with historical ties to the region and chose to be part of the European polity. It peacefully tamed and integrated religious movements in its democratic system. In the context of the post-September 11 world, the conduct of European relations with Turkey has repercussions that go well beyond Turkey. Therefore, the common challenge for both the EU and Turkey is not anymore to discuss Turkey's already confirmed membership objective. Turkey will be a member of the EU when it becomes a better democracy, economy and society. The EU will be able to enlarge to Turkey, if as a global power it is successful in becoming economically more competitive, institutionally more efficient and politically more coherent. This is a win-win-perspective not only for Europe but also for the world.

The interview was conducted by Volkan Altintas, Junior Fellow at ZEI



IMPRINT

ISSN 1817-1729
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The ZEI *EU-Turkey-Monitor* is published three times a year.
www.zei.de