IKV Report on Turkey-EU Relations:
Keeping Together in the Face of Multiple Challenges
IKV’S FOUNDERS AND TRUSTEE ORGANISATIONS
IKV Report on Turkey-EU Relations:
Keeping Together in the Face of Multiple Challenges
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>4</td>
</tr>
<tr>
<td>I. Introduction: Turkey and the EU: The Long and Winding Road</td>
<td>6</td>
</tr>
<tr>
<td>II. Accession Negotiations: Is There Light at the End of the Tunnel?</td>
<td>11</td>
</tr>
<tr>
<td>III. Turkey's Quest for Democracy and Freedom: The EU Anchor and Its Limits</td>
<td>16</td>
</tr>
<tr>
<td>IV. Turkey’s Analysis in Terms of Copenhagen Economic Criteria: An Economic Power House on the Southern Margins of Europe</td>
<td>22</td>
</tr>
<tr>
<td>V. Cyprus Talks Heading Towards A Make-or-Break Moment: A Game Changer for Turkey’s EU Accession Negotiations</td>
<td>29</td>
</tr>
<tr>
<td>VI. Modernisation of Turkey-EU Customs Union: An Opportunity for Deeper Economic Integration</td>
<td>38</td>
</tr>
<tr>
<td>VII. Turkey-EU Refugee Cooperation and Visa Liberalisation Dialogue: What Has Been Achieved, What is Left to Be Achieved?</td>
<td>41</td>
</tr>
<tr>
<td>VIII. Re-Energizing Turkey-EU Relations: High-Level Dialogues</td>
<td>46</td>
</tr>
<tr>
<td>IX. Turkey and the EU from a Security Perspective</td>
<td>49</td>
</tr>
<tr>
<td>X. The Challenge of Keeping Enlargement Alive in Turbulent Times</td>
<td>53</td>
</tr>
<tr>
<td>XI. The Way Ahead and Recommendations for a Roadmap</td>
<td>57</td>
</tr>
</tbody>
</table>
Foreword

Turkey's relations with the EU display a *sui generis* character owing to both the length and breadth of its engagement with the Union since its inception. The country’s application for an association with the EEC goes back to 1959 and the Association Agreement to 1963. Upon the signature of the Ankara Agreement, the then President of the EC Commission Walter Hallstein hailed it as “an event of great political significance” and confirmed that “Turkey is part of Europe”. Despite being one of the first countries to create an association with the EC, Turkey could not swiftly move in the direction of further integration. While it has made its application to join the EC 30 years ago, has been a candidate country for 18 years and negotiating accession for 12 years, it still is not a member of the EU.

Despite the multi-faceted and deep nature of Turkey's ties to the EU, bilateral relations have manifested recurrent crises, ebbs and flows along the way. The signing of the Association Agreement, which together with the Athens Agreement, was one of the most extensive agreements ever to be signed by the Community in its early years, was followed by a period of stagnation in the 1970’s. Similarly the application for membership in 1987 was followed by a period of turmoil in Turkey’s political and economic situation in the early 1990’s and the entry into force of the customs union in 1996 was followed by a period of extreme tension in the relations after the Luxembourg Summit of 1997. In each of these different points in time, relations were revived with a new thrust which had the effect of upgrading Turkey’s status vis-à-vis the EU, from associate member to customs union partner, candidate and finally negotiating country or accession country.

Following the latest crisis in the relations in March 2017, we are now witnessing a thaw in the relations brought about by the relaunch of bilateral contacts starting with the meeting of President Erdoğan with Commission President Juncker and Council Chair Tusk in May of the same year. Turkish and EU officials met with the aim of mending the relations within the framework of a renewed roadmap involving several aspects of bilateral ties such as the negotiation process, visa liberalisation, modernization of the customs union, refugee cooperation and high level dialogue mechanisms. Despite the obvious difficulties in keeping Turkey and the EU together in the face of multiple challenges, Turkey’s goal remains full integration to the EU which would be through membership. As of now, the only viable option that would keep Turkey engaged with the EU and sustain the transformative power of the EU in the country would be a genuine revitalisation of the accession process in parallel with Turkey’s return to the EU reform path.
AS İKV, a 52-year old, non-governmental organization working for the goal of Turkey’s integration into the EU, we continue to uphold the cause of EU membership as a win-win formula for both parties. We expect that this report will help readers to gain an insight into the multifarious and complex dynamics of Turkey and EU relations. We also hope that the policy recommendations at the end of our report will provide some food for thought and inspire policy-makers to take bold steps in the direction of closer relations and deeper bonds.

Ayhan Zeytinoğlu
IKV Chairman
I. Introduction:
Turkey and the EU: The Long and Winding Road

Turkey’s relations with the EU go back a long way to 1959 when Turkey made its application to join the then European Economic Community (EEC). Tracing back the relations to the application for an association, Turkey has continued its relations with the EU for 57 years now. Article 28 of the 1963 Association Agreement, the Ankara Agreement, stipulated the possibility of Turkey’s accession to the Community conditional upon “full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community...”\(^1\). Although still not accomplished, the underlying prospect of membership for Turkey has been a determining theme, a *leitmotiv* in Turkey-EU relations to this day. The general perception that Turkey would become a member of the EU in the long run has served as a stabilizing influence on Turkish society, acted as a target and anchor for reforms and also facilitated the EU’s influence on Turkey.

Following the signing and entry into force of the Association Agreement, relations proceeded through several phases and milestones including the signing of the Additional Protocol, i.e. marking the transitional stage of the Association, formal application for membership, entry into force of the customs union and the declaration of Turkey’s candidacy status to the EU. The Helsinki decision on Turkey’s EU candidacy proved to be a watershed accelerating the pace of reforms in Turkey and increasing both the public’s and politicians’ interest and enthusiasm about EU accession. The period between 1999 until 2004 witnessed the progression of many critical reforms in the Constitution and related legislation including the repeal of the death penalty, revision of the composition and remit of the National Security Council, reform of the Penal and Civil Codes and a general expansion and liberalisation in the sphere of rights and freedoms including cultural rights\(^2\). The European Commission declared that Turkey sufficiently met the Copenhagen political criteria for EU membership and recommended the opening of accession negotiations. Subsequently, at the 17th December 2004 Brussels Summit, EU Heads of State and Government confirmed that Turkey sufficiently met the political criteria and thus took the decision to start accession negotiations with Turkey on the 3rd October 2005.

Turkey is one of the prominent nations in its region embodying unique and resourceful characteristics. Being heir to the Ottoman Empire, the young Turkish Republic inherited both the imperial legacy of the Ottomans as well as its massive debts. Founded by the path-breaking leader Mustafa Kemal Atatürk, the Turkish Republic was predicated

on western values of nationalism, secularism and rationalism. According to Ataturk and his aides, Turkey could survive only if it were able to embrace contemporary civilization. The extensive reforms carried out in the first years of the Republic aimed to establish a legal, administrative, educational, social and cultural system compatible with European culture and civilization. Turkey remained neutral until the final days of the Second World War, implementing a successful balancing strategy between the Allied and Axis powers. Turkey was one of the original 51 members of the United Nations (UN) and reflecting the triumph of democracy over dictatorship at the end of the Second World War, made a peaceful transition to multi-party politics as of 1946. Turkey also acceded to European organizations which were the linchpins of the postwar order, the OEEC (later OECD) in 1948, Council of Europe in 1949, and NATO in 1952. During the Cold War period Turkey remained a staunch member of the Western Alliance playing a vital role for the defense and security of the North Atlantic region. It also aimed to balance its foreign policy with limited but cooperative efforts to strengthen its ties with Middle Eastern and Islamic States and became a founding member of the Islamic Cooperation Organisation in 1969.

The ending of the Cold War and dismantling of the Soviet Union opened up new possibilities and also threats in Turkey’s foreign policy and international identity. Turkey set its vision on the newly independent Turkic states in Central Asia and aimed to develop close relations with these kin countries. However, the extensive Russian influence and geopolitical rivalries limited the scope to Turkey’s involvement in this region. In 2009, the Turkic Council was founded by Turkey, Azerbaijan, Kazakhstan and Kyrgyzstan with the aim of fostering cooperating among Turkic countries. Turkey also took the initiative to establish regional organisations such as the Black Sea Cooperation Organization and the Developing-7 and aimed to strengthen the regional dimension of its foreign policy and lay the basis for a more diverse and varied international standing.

Turkey has implemented its foreign policy mainly on two fronts, Europe and the Middle East. Its preoccupation has always been to balance these two different but complementary dimensions of its foreign policy, stabilize its international identity, benefit from intensified relations with the more developed countries of Europe and the EU, carry on a mutually profitable but also cautious relationship with its Northern neighbour, Russia, and fend off any destabilizing influences from its vicinity be it war in Syria and Iraq, terror attacks, Aegean border disputes or largescale forced population movements. Turkey’s membership to European organizations such as the Council of Europe, OECD and NATO as well as the CSCE/OSCE starting from 1972, entrenched its European status. Still, Turkey’s intensified cooperation and prospective membership to the ultimate European organization the EU became the litmus test for Turkey’s European vocation. The ending of the Cold War fundamentally changed the concept of Europe and its borders leading to a questioning of Turkey’s Europeanness in some circles though the country was entrusted with the task of ensuring the trans-Atlantic Alliance’s security during the Cold War.

The start of accession negotiations had a positive influence on Turkey’s economy, society and politics by supporting democratisation and liberalisation as well as modernization of the legal and administrative system. However, just one year after the start, negotiations on 8 chapters of the acquis were halted in relation to the Cyprus problem. According to the decision made by the General Affairs and External Relations Council held on 11 December 2006, 8 chapters which were directly or indirectly related to the customs union were blocked in accession negotiations while it was decided that none of the chapters would be provisionally closed until Turkey implemented the customs union wholly and in a non-discriminatory manner to all the Member States by opening its ports and airports to vehicles originating from the Greek Cypriot administration. After the Council reviewed its decision of 2006, the Greek Cypriots requested the imposition of additional sanctions on Turkey but this request was not deemed appropriate by other Member States. Consequently, Greek Cypriot Administration of South Cyprus (GCASC) announced that it would block the opening of 6 more chapters. Negotiations have proceeded albeit slowly with the opening of unblocked chapters. However, the waning of the membership perspective, multiple crises in the EU, and the continuing impasse in the negotiations slowed down EU-led reforms in Turkey and decreased the belief in the Turkish population that EU membership would actually take place in the near future3.

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Keeping Together in the Face of Multiple Challenges

Currently, 16 chapters have been opened to negotiations yet only “Science and Research” (Chapter 25) chapter has been provisionally closed. “Financial and Budgetary Provisions”, which was opened on 30 June 2016, has been the last chapter opened in Turkey’s accession negotiations.

The Failed Coup Attempt and Its Impact on Relations

On 15 July 2016, a group within the Turkish Armed Forces associated with the Fetullah Terror Organisation (FETO) attempted to take over control of the country by force. However, several thousands of citizens, the Turkish parliament, government, police forces, and large segments of the military resisted the coup attempt and did not give in against the attempt to take over control of the country by force.

On 20 July 2016, the Turkish Government announced a State of Emergency for the entire country in response to the failed coup attempt. Since 21 July 2016, several decrees have been enacted within the context of the State of Emergency leading to the dismissal of judges, public prosecutors, police, military staff, civil servants, and academics, closing down of media outlets, appointing of trustees to several companies, and arrests of many who were deemed to be involved with FETO and other terrorist organisations.

EU officials and parliamentarians paid visits to Turkey during August and September. During the meetings, European leaders announced that the EU strongly condemned the attempted coup in Turkey and reiterated its full support to the legitimate institutions of the country. Leaders also committed that the EU is ready to work together with a democratic, inclusive and stable Turkey to address their common challenges such as terrorism, migration and peace in the region. However, the lack of high-level visits to Turkey by European leaders directly following the coup attempt and lack of whole-hearted support to the government’s fight against FETO were severely criticized by the President and the government. The adoption of tough measures during the State of Emergency and limitation of rights and freedoms in the country led to questions in the EU regarding the direction of Turkish democracy. These developments negatively affected the state of Turkey and EU relations leading to a questioning even of the Turkey-EU refugee deal arrived on 18 March 2016. During the Turkey-EU high level dialogue meeting held on 9 September 2016, EU officials stated that Turkey is a candidate country and a very important partner for the EU.

Constitutional Referendum in Turkey

The priority issue in Turkey’s agenda in the first months of 2017 has been the amendment of the Constitution aiming to change the political system to an executive presidency model. The Turkish Grand National Assembly approved the Constitutional reform package embodying amendment of 18 Articles of the Constitution of the Republic of Turkey (Law No. 6771). The package was approved with 339 votes in favour, 142 against, 5 empty and 2 invalid votes.

The threshold necessary for the approval of the Constitutional Reform Package was 330 votes in favour. The package was to be submitted to a referendum planned to take place in April following the approval of the President. The Constitutional amendments were proposed by the ruling Justice and Development Party (AKP) and the Nationalist Action Party (MHP) while the main opposition party, Republican People’s Party (CHP) voted against and the pro-Kurdish Peoples’ Democratic Party (HDP) boycotted the voting in the Parliament. Each of the articles of the constitutional amendment package was voted separately before the final voting of the package as a whole. Proponents of the Constitutional change argued that strengthening executive power would lead to more effective government and legalize what was already a de facto presidential system while opponents put forward that the centralization of executive power would diminish the role of the Parliament, damage effective exercise of checks and balances, provide extraordinary powers to the President such as dismissing ministers and parliament, issue decrees, declare emergency rule and appoint top cadres of the judiciary. According to the proposed changes, post of Prime Minister would be repealed and replaced by one or more vice-presidents while the President would be allowed to join a political party hence annul the condition of neutrality under the present Constitution.
Some of the other changes included in the Constitutional package are as follows:

- Total number of MP's in the Turkish Grand National Assembly is to be increased to 600 (at present 550).
- Minimum age for election to the TGNA is to be brought down to 18 (at present 25).
- Election for Presidency and the TGNA are to be held on the same day every 5 years. A second vote is to be held for the Presidency if the necessary vote cannot be attained in the first ballot.
- The President is to be elected by a direct vote of the public, to serve a term of five years, renewable once. Candidates can be nominated by political parties which have attained at least 5 percent of the national vote in the previous election, or a minimum of 100 thousand voters.
- The President is designated as head of the State, holds executive power, represents the Republic and Nation, oversee the implementation of the Constitution, and the sound and harmonious operation of State organs. The President is to publish laws, can send them back to the TGNA for reconsideration, can open a case of annulment in the Constitutional Court, to appoint vice-Presidents and ministers, can oust them, and can issue Presidential decrees in the exercise of executive power.
- Presidential decrees must exclude issues related to fundamental rights, individual rights and duties, political rights and duties, issues that are exclusively stipulated to be regulated by law, and issues that are clearly regulated by law. In case of a discrepancy between a Presidential decree and law, the law is to prevail. In case the TGNA passes a law regulating the same issue as a Presidential decree, the decree becomes null and void.
- The sentence “The President-elect’s tie to a political party, if any, is terminated” is to be repealed, hence making it possible for the President to be a member of a political party while holding office.
- The President is to select vice-presidents and ministers among voters which are eligible to be elected as a Member of Parliament. If these persons are members of the TGNA, their membership will be terminated.
- The office of the Prime Ministry is repealed to be subsumed by the President and Vice-Presidents.
- The TGNA can open an interrogation for the President, vice-presidents, and Ministers upon a proposal by at least a simple majority of the total number of its members and the approval of 3/5 of its members. The TGNA can decide to submit the President to the Supreme Court by a vote of 2/3 of its members.

Finally the constitutional package was submitted to a referendum on 16 April 2017 following a vigorous campaigning period. The amendment of the Turkish Constitution, was approved by a narrow margin of votes by 51% of the electorate. Despite the controversy over the use of unstamped ballot papers during the referendum, the Supreme Board of Elections accepted the results. The referendum result led to a change of political system in Turkey towards a presidential regime, i.e. an executive presidency. The present constitution adopted in 1982 already embodied the framework for a strong executive within a parliamentary regime. The transition to the election of the President not by the Parliament but as a result of popular vote, tilted the balance between the office of the president and prime minister to the benefit of the former. This important change marked the transition of the regime towards a mixed regime or a quasi-presidential model. The constitutional package adopted as a result of the referendum, transferred the regime to a wholly presidential one, defined as an "executive presidency". In such a model, the democratic accountability of the president to the parliament, the existence of a system of checks and balances among the executive and legislative organs, rule of law and independence of the judiciary appear to be vital issues to be taken into account. A report published by the Venice Commission of the Council of Europe criticized the changes introduced by the package arriving at the following conclusion⁴:

> ... the Venice Commission is of the view that the substance of the proposed constitutional amendments represents a dangerous step backwards in the constitutional democratic tradition of Turkey. The Venice Commission wishes to stress the dangers of degeneration of the proposed system towards an authoritarian...

and personal regime. In addition, the timing is most unfortunate and is itself cause of concern: the current state of emergency does not provide for the due democratic setting for a constitutional referendum.

Owing to The Parliamentary Assembly of the Council of Europe voted to place Turkey under political monitoring in its session of 25 April 2017. The report on the functioning of democratic institutions included the following observations as a rationale for the reintroduction of political monitoring again for Turkey after its conclusion in 2004:5

While acknowledging the trauma caused by the failed coup attempt of 15 July 2016 and multiple ongoing terrorist threats, the Monitoring Committee is concerned about the implementation of the state of emergency, the large-scale and disproportionate effect of the decree laws – including the massive dismissal of civil servants, judges, prosecutors and academics and the closing down of media and NGOs – as well as limited access to judicial remedies.

It is yet to be seen how the constitutional amendments will be implemented and whether the foreseen problems in terms of separation of powers and checks and balances between the executive, legislative and judicial branches can be avoided in the new system of government6.

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5 Parliamentary Assembly of the Council of Europe, Resolution 2156 (2017), “The functioning of democratic institutions in Turkey”, http://semantic-pace.net/tools/pdf.aspx?doc=aHR0cDovL2Fzc2VtYmx5LmNvZS5pbnQvbncveG1sL1hSZWYvWDJiLURXLLWV4dHluYXNwP2ZpbGVpZDoyMzY2NSZsYW5nPUUQ&xsl=aHR0cDovL3NlbWFudGljcGFjZS5uZXQvWHNsdC9QZGYvWFJzIrXRC-1BVC1YTUwyUERYLnhzbA==&xslparams=ZmlsZWlkPTIzNzQ1 [02.05.2017]

6 For an account of the EU's reaction to the referendum results, see the last section “The Way Ahead and Recommendations for a Roadmap”. 
II. Accession Negotiations:  
Is There Light at the End of the Tunnel?

During the last decade enlargement was accepted as one of the EU’s most powerful policy tools, which transforms the candidate countries politically, economically as well as socially. Moreover, on 17 December 2004, the EU heads of State and Governments took a historical decision to open the accession negotiations between Turkey and the EU on 3 October 2005. 12 years after the decision on the opening of accession negotiations and 11 years after the start of actual negotiations, the picture looks radically different from what was initially expected. Today in Turkey’s accession negotiations only 16 chapters were opened and one provisionally closed. The prolonged accession negotiations with Turkey does not only raise questions on the future of Turkey-EU relations but also the appeal and transformative power of EU membership.

The story so far

For the EU, enlargement has been both a challenge and a new opportunity in extending the scope of European integration to new countries. It was a process that helped the transformation of the candidate countries while extending peace, stability, prosperity, democracy, human rights and the rule of law across Europe. Enlargement also proceeded hand-in-hand with deepening of European integration and provided a strong impetus to the supranationalisation of the EU. Paradoxically, while each enlargement proceeded with a new step in the integration process, it also challenged the integrity and solidarity among the Member States since accession of new members also increased the diversity and variety in the Union. A major step was taken in EU’s enlargement process at the Brussels Summit on 16-17 December 2004, the decisions taken in the 1999 Helsinki Summit were reaffirmed, as the Council took note that Turkey sufficiently fulfilled the Copenhagen political criteria and decided to open accession negotiations with Turkey on 3 October 2005.

Accession negotiations are related to adoption and implementation of EU rules and regulations, known as acquis communautaire, which is arranged under 35 chapters. Harmonizing national legislation in line with EU acquis brings fundamental changes for the accession country and affects all layers of society not only politically but also economically and socially.

Although Turkey started the accession negotiations on 3 October 2005 with Croatia, the paths of both countries separated when Croatia became 28th member of EU on 1 July 2013 whereas Turkey still struggles in its accession process. Comparing to negotiation process of other candidate countries, Turkey’s process is the longest so far. For example, the accession negotiations of Spain took 7 years whereas the accession talks with Poland, the biggest country in the fifth enlargement process, took only 5 years.
Table 1: A Comparison of Stages of EU Accession Process

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<th>Spain</th>
<th>Poland</th>
<th>Croatia</th>
<th>Turkey</th>
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<tr>
<td>Candidate status</td>
<td>1978</td>
<td>1997</td>
<td>2004</td>
<td>1999</td>
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<tr>
<td>Finalisation of accession negotiations</td>
<td>1985</td>
<td>2003</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>Date of accession</td>
<td>1986</td>
<td>2004</td>
<td>2013</td>
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Source: Tocci, Natalie “Turkey and the European Union a Journey in the Unknown”

From the beginning of Turkey’s accession process on 3 October 2005, 16 chapters out of 35 have been opened to negotiations and only one of them “Science and Research” (Chapter 25) has been provisionally closed. “Science and Research” chapter was opened to negotiations on 12 June 2006 and provisionally closed on the same day. “Financial and Budgetary Provisions”, which was opened on 30 June 2016, has been the last chapter opened in Turkey’s accession negotiations.7

This slow pace in the accession negotiations can be explained by taking into consideration various reasons. The first obstacle in accession negotiations is directly related to the ‘Cyprus issue’. The Annan Plan which aimed to unite the North and South of the island was rejected by the Greek Cypriots. The Greek Cypriot government recognized as the sole representative of Cyprus became a member of the EU in 2004 and an important chance to resolve the Cyprus problem was wasted while a country with a UN peacekeeping force on its territory acceded to the Union in contravention of EU criteria8. Greek Cypriot Administration of Southern Cyprus (GCASC) became an EU Member State in 2004 as the sole representative of the island. Following that the EU requested Turkey to apply the Customs Union to all new Member States, which entailed the opening of Turkish ports and airports to vessels and aircrafts of GCASC. Following the signing of the Additional Protocol extending the Ankara Agreement to new Member States which joined the EU in 2004, Turkey issued a declaration on 29 July 2005 stating that the signing of the Additional Protocol did not imply recognition of the GCASC by Turkey.

The controversy between Turkey and the EU resulted in EU General Affairs and External Relations Council decision on 11 December 2006, which stipulated the suspension of the opening of eight chapters directly related to the Customs Union and not to provisionally close any of the chapters in accession negotiations. Those eight chapters were declared as follows:

- Chapter 1: Free Movement of Goods
- Chapter 3: Right of Establishment and Freedom to Provide Services
- Chapter 9: Financial Services
- Chapter 11: Agriculture and Rural Development
- Chapter 13: Fisheries
- Chapter 14: Transport Policy
- Chapter 29: Customs Union
- Chapter 30: External Relations

8 Helsinki European Council declared in para. 4 that “the European Council stresses the principle of peaceful settlement of disputes in accordance with the United Nations Charter and urges candidate States to make every effort to resolve any outstanding border disputes and other related issues”. This implied that a country with outstanding border disputes should not become a member of the EU. However in para. 9(b) the Council stated its support to the resolution of the Cyprus problem but also noted that it was not a precondition for membership: “The European Council underlines that a political settlement will facilitate the accession of Cyprus to the European Union. If no settlement has been reached by the completion of accession negotiations, the Council’s decision on accession will be made without the above being a precondition. In this the Council will take account of all relevant factors.” Since the uniting of Cyprus was not a precondition for accession to the EU, the Greek Cypriots did not have any real interest in agreeing to the Annan Plan right before the entry to the EU.

12
However, the obstacles in Turkey’s accession process were not limited to the suspension of the opening of 8 chapters. Since in 2009 the Council has reviewed its decision on suspending the opening of the 8 negotiation chapters and did not apply additional sanctions, the GCASC declared that it would block the opening of 6 more chapters to negotiations.

The chapters blocked by the GCASC are as follows:
- Chapter 2: Freedom of Movement for Workers
- Chapter 15: Energy
- Chapter 23: Judiciary and Fundamental Rights
- Chapter 24: Justice, Freedom and Security
- Chapter 26: Education and Culture
- Chapter 31: Foreign, Security, and Defence Policy

Another obstacle in Turkey’s accession process was the unilateral blockage of five chapters by France after the election of Nicolas Sarkozy as president in 2007. President Sarkozy together with Chancellor Merkel of Germany, resisted the target of full membership for Turkey and put forward that negotiations with Turkey should continue but result in a privileged partnership instead of EU membership. Therefore, five chapters, which were perceived to be directly related to the goal of EU membership was blocked until the election of François Hollande in June 2012 as French President. The revival of bilateral relations between Turkey and France was reflected in Turkey’s EU accession process with the removal of France’s veto on Chapter 17 “Economic and Monetary Policy”, on Chapter 22 “Regional Policy and Coordination of Structural Instruments” and on Chapter 33 “Financial and Budgetary Provisions”.

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<th>Table 2: Current Situation in Turkey’s Accession Negotiations</th>
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<td><strong>Opened Chapters (16 Chapters)</strong></td>
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<tr>
<td>25. Science and Research (12.06.2006, Provisionally closed)</td>
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<td>20. Enterprise and Industrial Policy (29.03.2007)</td>
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<td>18. Statistics (26.06.2007)</td>
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<td>32. Financial Control (26.06.2007)</td>
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<td>6. Company Law (17.06.2008)</td>
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<td>16. Taxation (30.06.2009)</td>
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<tr>
<td>22. Regional Policy and Coordination of Structural Instruments (5.11.2013)</td>
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<tr>
<td>33. Financial Budgetary Provisions (30.06.2016)</td>
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<tr>
<td><strong>Current Situation in Chapters that are Not Opened</strong></td>
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<tr>
<td>1. Free Movement of Goods</td>
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<td>3. Right of Establishment and Freedom to Provide Services</td>
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<td>9. Financial Services</td>
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<td>11. Agricultural and Rural Development</td>
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<td>13. Fisheries</td>
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<td>14. Transport Policy</td>
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<td>29. Customs Union</td>
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<td>30. External Relations</td>
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<td>2. Freedom of Movement for Workers</td>
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<td>15. Energy</td>
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<td>23. Judiciary and Fundamental Rights</td>
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<td>24. Justice, Freedom and Security</td>
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<td>26. Education and Culture</td>
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<td>31. Foreign, Security and Defence Policy</td>
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<tr>
<td>5. Public Procurement</td>
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<td>8. Competition Policy</td>
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<td>19. Social Policy and Employment</td>
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<tr>
<td>34. Institutions (at the end of negotiations)</td>
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<tr>
<td>35. Other Issues (at the end of negotiations)</td>
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</table>
Currently in Turkey’s EU accession only three chapters which are not blocked due to political reasons can be opened to negotiations depending on Turkey’s fulfillment of the opening benchmarks. To overcome existing stagnation in accession negotiations, in 2012 ‘positive agenda’ was initiated with the aim to keep Turkey’s accession process alive and put it back on track. The alignment with the EU legislation, political reforms and fundamental rights, visa, mobility and migration, trade, energy, counter-terrorism or dialogue on foreign policy were determined as the areas of joint interest, where progress is necessary and feasible. The ‘positive agenda’ did not bring about the expected revitalisation of Turkey’s EU process. Another attempt to reignite the relations between Turkey and EU was the introduction of high level dialogue meetings in political, economic areas and energy. The high level dialogue mechanisms are important to keep Turkey and EU in cooperation in critical areas such as economics, foreign policy, security, counter-terrorism and energy. Although such mechanisms are useful, they cannot replace accession negotiations and cannot provide a new impetus in relations unless the accession process is accelerated.

The refugee crisis which brought nearly 2 million migrants and asylum-seekers to the doors of the EU with about half of them passing through the Aegean from the Turkish shores to Greece gave rise to a new urgency in Turkey-EU relations: to control the migratory flows over the Eastern Mediterranean route. While the EU clearly had a vital interest in cooperating with Turkey to curb the flow of refugees, Turkey did not have an immediate interest since it already hosted about 2 million Syrians at the time. Accordingly, a package deal would be needed which would include but not be limited to the migration issue. The 29 November EU-Turkey action plan and the March 18 EU-Turkey refugee statement embodied provisions for preventing the use of the Eastern Mediterranean route by migrant smuggling networks and return of irregular migrants to Turkey. In addition they also included other items such as the ‘re-energising’ of Turkey’s EU accession process, annual Turkey-EU summit meetings, visa liberalisation for Turkish citizens, revision and upgrading of the customs union, and high level dialogue mechanisms. A much publicized aspect of the deal was related to EU assistance to Syrian refugees in Turkey which was first set as 3 billion euros and later bolstered by an additional 3 billion euros until 2018. The refugee deal produced results as soon as it began to be implemented as of April 2016, bringing about a significant decrease in the number of irregular passages from Turkey to the Greek islands. However the overall package which concerned other aspects of Turkey-EU relations was short-lived. While the target of visa-free travel to the Schengen Area in June or October 2016 could not be met, political relations deteriorated following the July 15 coup attempt and the state of emergence in Turkey.

From the beginning onwards Turkey’s accession process was always a controversial matter debated in EU public opinion and a political instrument manipulated by especially populist politicians. Former President of France and Chair of the European Convention Valery Giscard d’Estaing openly spoke against Turkey’s EU membership in 2002 while another respected figure of European politics, former Chancellor of Germany, Helmut Schmidt also rejected Turkey’s entry into the EU due to its culture. The challenge of Turkey’s membership to the EU became even more straining for the EU regarding its integration capacity to accept new member states. The failure of the “Treaty establishing a Constitution for Europe” in the French and Dutch referenda dealt a blow to European integration and also to the enlargement process. Although not directly related to the issue, the question of Turkey’s EU membership was debated during the referendum campaigns in France and the Netherlands. Especially right-wing politicians integrated scepticism about the EU and Turkey’s membership into their political programs. While EU leaders unanimously decided to open accession negotiations with Turkey in 2004, they also took some precautionary measures against the failure of accession talks. To start accession negotiations, the open-ended nature of negotiations and the use of permanent derogations in certain areas were underlined in Turkey’s negotiating framework, which establishes the guidelines and principles for the negotiations. This lack of a clear perspective of Turkey’s accession has negative effect on the

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10 1,822,260 in total according to data published by Frontex.

11 This number rose to close to 3 million by 2016.


enthusiasm to make the necessary reforms to comply with the EU acquis. Lately, Turkey’s EU membership was an element used in Brexit campaigns, although UK is one of the Member States that always supported Turkey’s EU bid.

Following the retreat in fundamental rights and freedoms in Turkey during the state of emergency declared after the July 15 coup attempt, the EU increasingly became critical and sceptical about Turkey’s prospects as an accession country. While the EP recommended the suspension of accession negotiations in a resolution adopted on 24 November 2016, The Council of the EU did not make a formal declaration to suspend negotiations. However in its meeting of 13 December 2016, the Council noted the following: “Under the currently prevailing circumstances, no new chapters are considered for opening.”

What is Next?

A deal in Cyprus issue will be the real game changer in Turkey’s accession process and will result in opening new chapters and closing provisionally the already opened chapters. The expectations to reach an agreement on reunification of Cyprus before the end of 2016 have failed and hopes were set for a resolution in 2017. However talks between the Turkish and Greek Cypriot leaders have been disrupted due to a crisis over the passing of a resolution on the commemoration of the 1950 plebiscite by the Greek Cypriot Parliament. Talks are due to restart at the end of June. The two sides have achieved progress in negotiations so far on governance and power sharing. The important issues like territorial arrangements, property rights and security remained to be solved in coming months. Turkey shall prepare to meet the opening criteria of the chapters blocked by Cyprus issue and GCASC so that 2017 will be marked as the year of the reunification of the island as well as the acceleration of the negotiation process.

Although the existing stagnation in accession negotiations does not allow Turkey to open new chapters to negotiations and close any of them provisionally, the authorities still have to continue to make progress on the 16 chapters that are already opened to negotiation. One of the main problems related to Turkey’s accession negotiations is that only opening of the chapters draw the attention of the media but the reforms made in various areas to comply with the acquis should also be followed. Ensuring high level participation of stakeholders to the accession process is vital to carry out this process successfully. Therefore, a more participatory approach, which enables the active participation of civil society and business world shall be used in Turkey’s accession negotiation process.

The EU needs Turkey as a major contributor for the resolution of its problems such as irregular migration, an effective foreign and security policy, energy security and dynamism of its economy. However what lacks from the beginning of the accession negotiations is also a well-defined communication strategy especially targeting EU citizens. Creating a more constructive narrative and closer cooperation will help to overcome obstacles in the accession negotiations and assist to rebuild trust between Turkey and EU.

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III. Turkey’s Quest for Democracy and Freedom: The EU Anchor and Its Limits

During the current period when the world is continuing to experience one of the most threatening migration crises of its recent history and terror threat is globally on the rise, the EU is on the edge of an existential crisis while Turkish democracy has just confronted a coup attempt and a prolonged state of emergency. At such times, fundamental EU values are more critical than ever. Turkey hasn’t been pursuing the EU membership goal just for economic gains and free movement but also clearly to enhance its political and legal system with the aim of reaching an advanced level of democracy and fundamental rights regime.

Turkey adopted a political regime based on a secular and liberal system of government. During the Republican era, first multiparty elections took place in 1946 and a peaceful handover of government took place following the 1950 elections. Turkey’s democratisation process was interrupted by military coups which led to the institutionalisation of military tutelage over the regime. The EU related reforms in the first half of the 2000’s, played a great role in retreating the role of the military in politics. In addition, two constitutional amendments and nine harmonisation packages were passed through the Turkish Parliament until 2004 expanding the scope of rights and freedoms, adopting a new civil and penal codes, lifting barriers to the teaching of and broadcast in ethnic languages in Turkey, lifting restrictions regarding freedom of expression, assembly and association. This period of extensive reforms was likened to the early Republican era when Atatürk carried out extensive reforms ranging from the repeal of the Sultanate and Caliphate to the introduction of the metric system and Latin alphabet. All in all, these reforms carried Turkey to the status of a candidate country which has sufficiently fulfilled the political aspects of the Copenhagen criteria. They brought about a period of liberalisation in Turkey in which anti-mainstream parties of the time such as the AKP and HDP were able to get organized and propagate their ideas more freely, minorities, leftists, and marginal groups enjoyed freedom of expression and association to a greater scale, elected governments could feel more autonomous from the dictates of the military and civilian bureaucracy.

However the liberalising reform period in Turkey lost its pace in the latter half of the 2000s. The EU perspective was again used by the government to pass a referendum on the constitution which would open the way for the trial of the leaders of the 1980 coup d’etat and at the same time elevate the hold of the executive over the High Council of Judges and Public Prosecutors resulting in a limitation of the independence of the judiciary. While the credibility of Turkey’s EU membership waned so did the EU-induced reform process in Turkey. While May 1st Labour Day celebrations were allowed in Taksim square in 2011 and 2012, the square was later closed to such demonstrations. Gezi Park demonstrations in 2013 led the government to be more apprehensive about large-scale protests intensifying security-conscious policies. An internal security package adopted in 2015 enhanced the powers of the police and security forces to the detriment of rights and freedoms. The State of emergency declared following the July 15 coup attempt curbed the remit of fundamental rights and freedoms even further as the government intensified its fight against FETO, PKK and ISIL. The deterioration of the security situation in Turkey’s southeast and its vicinity and Turkey’s involvement in the Syrian conflict with the Euphrates Shield military operation intensified the threat of terrorism in Turkey leading to the prolongation of the state of emergency.

The latest coup attempt of July 15 was averted owing to the resistance shown by a majority of citizens, President, Prime Minister and government, majority of military staff, and all political parties in the Parliament. This united front against the coup plotters showed a considerable level of democratic consciousness among the Turkish population who resisted the coup by putting their own lives at risk. Throughout its democratic struggle, Turkey has been able to establish a system based on competitive elections between rival parties. However, Turkish democracy still is faced with major problems in areas of fundamental rights and freedoms, Kurdish question, consensus-building, rule of law, and independence of the judiciary. It may be said that Turkey has become an electoral democracy but still has a long way to go in terms of separation of powers, liberalism and rule of law. The weakening of the EU membership perspective was reflected negatively in the pace and content of democratic reforms in Turkey.

The latest progress report on Turkey was published by the European Commission on 9 November 2016. The report was especially critical of political developments in Turkey and noted a serious backsliding in six areas: public service and human resources management, independence of the judiciary, freedom of expression, economy and business
environment, prevention of torture and ill-treatment, freedom of assembly and association. These areas go to the heart of the Copenhagen criteria and serious backsliding means that the candidate country is facing serious difficulties with respect to realizing its bid to accede to the Union. Since August of 2016, the possibility for suspension of Turkey's EU accession talks were openly expressed most prominently by Austria's Minister for Foreign Affairs, Sebastian Kurz. Following the detention of members of Turkish Parliament including the co-chairs of the HDP and the jailing of prominent journalists from Cumhuriyet daily, The European Parliament also toughened its stance towards Turkey and on 25 November 2016 issued a resolution asking for the temporary suspension of Turkey’s EU accession talks. The issue was taken up by the General Affairs Council prior to the December meeting of the European Council. Despite the proposal by Austria to suspend Turkey's accession process, a consensus did not emerge and the Council did not adopt a decision to halt the negotiations. Yet it was also noted that the EU did not consider the opening of any new chapters.

Despite its shortcomings, during 2015, Turkey witnessed multiple elections with very high turnout and a peaceful electoral process showing Turkey’s strong democratic tradition. Still the largescale polarization in society, the limitations of rights and freedoms in favour of greater security measures, failure of the peace process, and the ascendance of a conflict-ridden political environment make the entrenchment of Turkish democracy difficult. The infiltration of Turkish politics, judiciary establishment, bureaucracy, military, education system, and economy and society in general by the Gulen network complicated matters further. Once viewed as a harmless and idealistic religious movement with schools around the world, the coup attempt laid bare the brutal and uncanny tactics employed by this group. Thus the elimination of FETO from all walks of life and preventing similar groups from gaining a similar basis for control in the future remains a priority.

Two significant dynamics lately have determined the pace and content of amendments concerning the political and judicial system in Turkey as well as alignment with the Copenhagen Criteria: visa liberalization dialogue and the failed coup attempt.

**A Critical Dynamic Behind Political Reforms in Turkey: Visa Liberalization Dialogue**

During the first half of 2016, Turkish authorities entered into an intense process of fulfilling the criteria stipulated in Turkey's EU Visa Liberalization Roadmap and by doing so, enhanced the alignment with the Copenhagen criteria. The criteria in the roadmap were divided into 4 categories and included political, human rights and governance issues in addition to migration related topics: The Roadmap entered in to implementation in parallel with the signing of the Turkey-EU Readmission Agreement on 16 December 2013. The first report assessing Turkey’s progress with regards to the fulfillment of the criteria was published in October 2014 followed by the second and third reports in March 2016 and May 2016 respectively. The prospect of visa liberalisation became more concrete with the pronouncement of target dates, firstly October 2016 in the 29 November Turkey-EU Joint Action Plan and June 2016 in the March 18 Turkey-EU Refugee Statement.

Turkey engaged in an effort to fulfill the 72 criteria with a view to completing the requirements by May 2016. As a part of these efforts, various Council of Europe Conventions on penal law and law enforcement reforms have been ratified; many international treaties and protocols have been brought in to national legislation concerning different topics from protection of children to cybersecurity and fundamental rights. To that end, Turkey has adopted the Law establishing Human Rights and Equality Institution which directly addresses the discrimination issue emphasized within the progress reports. Additionally putting the Law on Protection of Personal Data into effect has been a big issue regarding the acceleration of relations between two parties and visa liberalization dialogue.

Adequate data protection standards in Turkey is an extremely crucial matter to be able to ensure sufficient level of cooperation with the EU in law enforcement and powerful privacy rights in Turkey. To fulfill this requirement, Turkey has adopted the law in the first half of 2016. But level of protection the Law ensures has been questioned by the Commission on several platforms. This leads to another crucial issue on the agenda: capacity and independence from political interference of regulatory authorities. Institutional capacity as well as checks and balances concerning key institutions of Turkish governance system stands among the key areas the Commission observes in terms of political criteria.
**Bilateral/Multilateral Agreements and Legislation Implemented to Fulfill Turkey-EU Visa Liberalisation Roadmap**

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Date</th>
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<tbody>
<tr>
<td>Law on Foreigners and International Protection was published on Official Gazette</td>
<td>11 April 2013</td>
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<tr>
<td>The creation of DGMM was decided and was assigned overall responsibility for the implementation of Turkish legislation related to foreigners, migrants and refugees.</td>
<td>April 2013</td>
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<tr>
<td>The international agreement between Turkey and EU on Turkey’s participation in EMCD-DA (European Monitoring Centre for Drugs and Drug Addiction) came into force.</td>
<td>1 June 2014</td>
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<tr>
<td>The Council of Europe Convention on Cybercrime was ratified by Turkey.</td>
<td>29 September 2014</td>
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<tr>
<td>Turkey-EU Readmission Agreement entered into force.</td>
<td>1 October 2014</td>
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<tr>
<td>Temporary Protection Regulation due to the events that have taken place in Syrian Arab Republic since 28 April 2011 entered into force.</td>
<td>13 October 2014</td>
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<tr>
<td>All Turkish Embassies started using visa stickers including high security features, instead of visa stamps.</td>
<td>8 November 2014</td>
</tr>
<tr>
<td>A by-law regulating the carriers’ obligations and introducing sanctions for carriers transporting passengers without valid travel documents entered into force.</td>
<td>7 November 2015</td>
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<tr>
<td>Turkish authorities sent draft readmission agreements and proposed to start their negotiation to the authorities of 14 countries</td>
<td>January 2016</td>
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<tr>
<td>The Law on the Civil Registration Services was modified with an amendment; as a result of this amendment, all new identity cards to be issued to Turkish citizens have to include biometric identifiers and have a maximum validity of 10 years.</td>
<td>27 January 2016</td>
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<td>A unit specifically in charge of the fight against migrant smuggling and human trafficking has been established within Turkish National Police.</td>
<td>4 February 2016</td>
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<tr>
<td>Turkish National Police issued a circular instructing its staff working with expired passports to systematically invalidate their pages and chips in order to avoid their possible re-use for forgeries.</td>
<td>17 February 2016</td>
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<tr>
<td>The draft law ratifying the Council of Europe Convention on Action against Human Trafficking was adopted in the Turkish Parliament and published in the Official Gazette.</td>
<td>19 February 2016</td>
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<tr>
<td>The draft law ratifying the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS 198) was ratified by Turkey.</td>
<td>19 February 2016</td>
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<tr>
<td>The Protocol to the Convention on the Transfer of Sentenced Persons was adopted.</td>
<td>19 February 2016</td>
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<tr>
<td>The Additional Protocol to the CoE Convention on the transfer of sentenced persons was ratified.</td>
<td>19 February 2016</td>
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<tr>
<td>Turkish authorities have adopted a new National Strategy Document on Combating against Organised Crime 2016-2021 and have adopted and started to implement an Action Plan on Combating Organised Crimes 2016-2018.</td>
<td>19 February 2016</td>
</tr>
<tr>
<td>Turkish liaison officers were deployed to the main Greek islands in the Aegean region to strengthen cooperation with Greek authorities in the prevention of irregular migration and in readmission matters.</td>
<td>March 2016</td>
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<tr>
<td>A by-law requesting all law enforcement and border agencies to cooperate more tightly entered into force.</td>
<td>17 March 2016</td>
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<tr>
<td>Turkish authorities signed an agreement with Europol.</td>
<td>21 March 2016</td>
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</tbody>
</table>
Turkey has ratified the agreement signed in June 2015 with Bulgaria and Greece establishing at the Captain Andreevo border crossing point the Tripartite Centre for cooperation.  

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Keeping Together in the Face of Multiple Challenges.</td>
<td>25 March 2016</td>
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<tr>
<td>The draft Law to ratify the Protocol 7 to the ECHR, which Turkish authorities had signed in 1985, was adopted.</td>
<td>25 March 2016</td>
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<tr>
<td>Common ethical rules have been adopted during the first meeting of the Border Management Implementation Board.</td>
<td>31 March 2016</td>
</tr>
<tr>
<td>Law on the National Human Rights and Equality Institution was adopted.</td>
<td>6 April 2016</td>
</tr>
<tr>
<td>Turkish Government has also modified the provisional Article 1 of the Regulation on Temporary Protection.</td>
<td>7 April 2016</td>
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<tr>
<td>Law on Personal Data Protection entered into force.</td>
<td>7 April 2016</td>
</tr>
<tr>
<td>The new Strategy and Multiannual Action Plan covering the period 2016-2018 on Fight against Drugs was adopted.</td>
<td>18 April 2016</td>
</tr>
<tr>
<td>Single legal act on judicial cooperation was adopted.</td>
<td>23 April 2016</td>
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<tr>
<td>Turkey finalised the procedures to become party to the 1996 Hague Convention on Jurisdiction, Applicable Law, Recognition, Enforcement and Cooperation in Respect of Parental Responsibility and Measures for the Protection of Children and it was adopted.</td>
<td>25 April 2016</td>
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<tr>
<td>Turkey finalised the procedures to become party to 2007 Hague Convention on the International Recovery of Child and the Convention was adopted.</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Directive on Principles and Procedures Regarding Assessment of Visa Applications was issued.</td>
<td>26 April 2016</td>
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<tr>
<td>Regulation setting comparable terms of access to the labour market to all applicants and beneficiaries of the international protection was issued.</td>
<td>26 April 2016</td>
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<tr>
<td>The Roadmap on the establishment of a national voluntary return mechanism was adopted.</td>
<td>26 April 2016</td>
</tr>
<tr>
<td>Additional Protocols to the CoE Convention on Extradition were adopted.</td>
<td>26 April 2016</td>
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<tr>
<td>Additional Protocol to the CoE Convention on Mutual Assistance in Criminal Matters was adopted.</td>
<td>26 April 2016</td>
</tr>
<tr>
<td>Instruction to the diplomatic missions in the EU countries for the effective implementation of the Turkey-EU Readmission Agreement was issued.</td>
<td>27 April 2016</td>
</tr>
<tr>
<td>CoE Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data of 1981 and its Additional Protocol no 181 were ratified and deposited to CoE.</td>
<td>29 April 2016</td>
</tr>
<tr>
<td>National Strategy and an Action Plan for the Social Inclusion of Roma Citizens was published on Official Gazette.</td>
<td>30 April 2016</td>
</tr>
<tr>
<td>Turkish Government adopted a decree stating that the citizens of all Member States will be able to enter Turkey from the date of the lifting of the visa requirement for Turkish citizens.</td>
<td>2 May 2016</td>
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<tr>
<td>Turkish authorities formally reaffirmed their intention to conclude a cooperation agreement with Eurojust.</td>
<td>3 May 2016</td>
</tr>
<tr>
<td>Law on the establishment of a commission to inspect alleged violations committed by the law enforcement agencies in times of peace was adopted.</td>
<td>3 May 2016</td>
</tr>
<tr>
<td>Turkey has concluded 148 bilateral Security and Cooperation Agreements with 77 countries and several protocols and memorandums of understanding with a view to strengthening mutual cooperation in police and security matters.</td>
<td>19 May 2016</td>
</tr>
</tbody>
</table>
Critical Institutions Under Scope

Within this framework, National Integrity System Analysis carried out by Transparency International Turkey in April 2016 displays important findings: According to the study, among 15 critical institutions which are part of the general governance mechanism in Turkey, only 5 of them operate in medium or high level of efficiency. Turkish Court of Accounts and the Ombudsman Institution are considered as the most integrated critical bodies. Internal governance of two new institutions in Turkey's visa liberalisation process that are being developed is extremely critical for both the EU accession process and efficiency of the democratic system in Turkey.

Firstly, the structure of the supervisory authority which would be established after the effective implementation of the Law on Personal Data Protection is closely followed by the EU institutions. If the EU declares that the Turkish data protection authority hasn’t been independent from political influence, Turkey wouldn’t be included among safe countries with which the EU countries and bodies would establish data transfer cooperation. If Turkey can’t be included to the list of countries with adequate level of data protection, that would halt the visa liberalization dialogue, law enforcement cooperation and alignment to the EU acquis. Second critical institution which is enhanced and transformed as part of the recent reforms in terms of aligning the EU standards and fulfilling the visa liberalization benchmarks is the Human Rights and Equality Institution of Turkey. Even though every step towards the active operation of an institution that oversees discrimination and degrading treatment is clearly an important gain for Turkish democracy, there stands wide criticism among the human rights organizations and civil society in Turkey concerning the law establishing the institution. Most criticism emphasizes that the law doesn’t cover the rights of all disadvantaged communities in Turkey.

Current State of Play Concerning the Civil Society

Current state of civil society and its participation to decision and law making process is also a crucial topic that the EU placed a special emphasis on and is important for the capacity enhancement of Turkish democracy as well as institutions. Recently, large-scale grant schemes funded by the EU and Turkey that directly target Turkish civil society and political criteria such as “Civil Society Dialogue” and “Sivil Düşün (Think Civil)” play an important role towards the capacity building of civil society organizations in Turkey. The funds allocated directly or partially towards the civil society related to the refugee crisis constitutes another important dimension. With a significant acceleration, Turkish civil society have recently played a more critical role overcoming the refugee crisis and providing the basic services to refugees than ever. In addition to this, Turkish civil society organisations demonstrated a critical unity against the failed coup attempt and showed an important commitment to democracy during the incident.

It may be surmised that Turkish civil society displays a resilience and dedication to basic principles of democracy and human rights despite many challenges. However, the cleavages and fault lines around which society is becoming polarised are also reflected at civil society level. This state of polarization hampers effective coordination and cooperation between civil society organisations. In addition, structural deficiencies continue to endanger an effective partnership between public bodies and civil society. Firstly, rights based and relief based civil society organizations should be regarded with no discrimination by the competent public authorities considering the importance of the watchdog role of the civil society. Secondly there remains lack of the systematic inclusion of civil society organizations to the decision making process in Turkey. This issue was also underlined within the Commission’s last evaluation report concerning the visa liberalization dialogue.

As expressed by the Commission in its evaluation on both visa liberalization and political criteria, fight against corruption receives a special emphasis among the areas that civil society should have been further included. On 30 April 2016, Turkish authorities adopted the national action plan on corruption. Despite this positive development, mechanisms further including civil society to implementation and oversight phases of the action plan are required. Yet, inclusion of civil society hasn’t been the only issue to be tackled regarding corruption; an independent anti-corruption body has still not been established, and GRECO recommendations have not been adequately considered. To address these issues, draft Political Ethics Law has been submitted to the Parliament and waiting for the final call. Yet, together with political ethics, also rules concerning civil servants should be elaborated further during the upcoming period. To
that end, post-coup restoration period should be seen an opportunity to establish a highly merit based principle to examination, recruitment and promotion of civil servants.

One of the most important issues that will be in the spotlight for a very long time to come is the press freedom in Turkey. In the recent period, Turkey has been in an intense struggle against not only FETO but also other terrorist organizations PKK and ISIL. While PKK has intensified its terror attacks more than the previous years, ISIL carried out terrifying, large scale attacks and suicide bombings such as attacking Istanbul International Ataturk Airport and the suicide bombing in Gaziantep during a wedding ceremony. Under this circumstance, maintaining a protectionist, strict stance and zero tolerance against any propaganda attempt providing an environment for terrorist organizations is the main driving impetus of Turkish public authorities. However this perception ended up with violation of rights (mostly violation of freedom of press) as noted by the EU and Council of Europe. Latest figures presented by PEN International asserted that 134 journalists are in custody and 92 of them have been charged since the coup attempt.

It is critical to guarantee fundamental rights and freedoms within any situation related to national security. To this end, as once again underlined within the Commission’s third progress report concerning the implementation of Turkey-EU Refugee Deal, the EU required Turkey to revise the anti-terror legislation towards narrowing the definition of terror to prevent cases lead up to disproportionate prosecution of academics and journalists for allegation of terror propaganda. This is an area that Turkey and the EU could find a common ground as long as the dialogue and cooperation between two parties continue. After all, the EU Member States also faced the reality of terrorism as well as state of emergency in the last period and fight against terrorism is an important dimension of Turkey-the EU High Level Political Dialogue. At the end, state of emergency in Turkey is a temporary situation. Turkey's international legal obligations remain; and will become prominent as long as the EU membership desire continues.

**Projections Towards the Future of Turkey’s Political Reform Agenda**

This leads to another critical discussion topic: the future of Turkey-EU relations in terms of political criteria. As underlined above, state of emergency and the recovery process are planned to be temporary circumstances. Within a normalized framework, a visa free regime and accession negotiations would again be the determinant dynamics shaping the political, legislative reform agenda in Turkey. It is possible to prospect that, in near future, probable topics on the agenda could be reforms towards fulfilling remaining benchmarks of the Turkey-EU Visa Liberalization Roadmap; continuing fight against FETO and PKK; the debate on a possible referendum concerning an American or French style executive presidency and constitutional amendments.

Yet, it is possible to presume that the freedom of press issue would be brought on the table by the international community and national circles as another contentious issue. Therefore a special emphasis should be put on fundamental rights and freedoms after the state of emergency. Possible claims asserting violations concerning right to a fair trial; right to liberty and security as well as prohibition of torture in connection with the post-15 July period would also appear before Turkish authorities at ECtHR in the future. Therefore it is important to carry out the state of emergency related recovery measures in most legal grounds without any grey areas.

Consequently rule of law and good, efficient, integrated governance of Turkish public institutions should be further focused in near future. In the face of multiple challenges, merit-based, transparent, accountable institutions would act as the main accelerating dynamic in terms of reform process. According to World Justice Project’s Rule of Law Index 2016 that based on answers from more than 110,000 households and 2,700 experts in 113 countries, Turkey's governance and jurisdiction mechanism is ranked 99th globally. The Index measures rule of law in nine different factors; Constraints on Government Power, Absence of Corruption, Open Government, Fundamental Rights, Order and Security, Regulatory Enforcement, Civil Justice, Criminal Justice, Informal Justice. These areas show certain similarities with the so called “Copenhagen Criteria”. Therefore, considering the universality of basic values towards efficiency, prosperity and justice; Turkey should focus on the political reforms not only to chase EU membership dream but also as part of its global role.
IV. Turkey’s Analysis in Terms of Copenhagen Economic Criteria: An Economic Power House on the Southern Margins of Europe

Turkey has presented an outstanding economic performance over the last 15 years. The economy grew with an average annual GDP growth rate of 4.7 percent over the period between 2002 and 2014. It is also important to point out that while many developed countries were struggling with the aftershocks of the recent global economic crisis, the Turkish economy has proved its resilience to external shocks. Indeed the Turkish economy grew by 9.2% in 2010 and 8.5% in 2011. These indicators show that Turkey is one of the fastest growing economies in Europe. Turkey opened up to foreign trade and finance, harmonized many laws and regulations with EU and greatly expanded access to public services.

Furthermore, the implementation of structural reforms played a key role in helping Turkey’s fast recovery from the global crisis and it contributed also to its robust economic growth. Without doubt, the accession process with the EU presents an important anchor for Turkey’s ongoing structural reforms. The main objectives of these reforms were to increase the role of the private sector in the Turkish economy, to enhance the efficiency and resiliency of the financial sector and to provide the social security system a more solid foundation.

Turkish economy in 2015 was resilient to the outside turbulence and recorded a significant growth figure. In the Turkish political scene in 2015 there were two elections. Turkey’s GDP growth rate in 2015 was 4% despite the global and domestic challenges, geopolitical risks and performed better than many countries in the world and in the EU. While the EU’s GDP was 1.9% and the Euro Area 1.6%. Turkish economy ranked as the 18th largest economy in the World and 7th in Europe in 2015. Turkey is one of the largest upper middle-income with a Gross Domestic Product (GDP) of nearly $800 billion in 2015; Turkey is the 18th largest economy in the world and the 7th largest economy in Europe.

The Turkish economy grew by 3.1 percent in the second quarter of 2016, lower than the forecasts of around 3.4 percent, due to the unfavourable conditions resulting in industrial investments and foreign demand. In the first half of the year the Turkish economy grew by 3.87%. The contribution of the exports to this growth is 1.8% while the contribution of the domestic demand is again high, which is 5.5%.

Turkey’s export grew by volume and composition as a result of the economic reforms achieved over the past decade. Since 1995, the Customs Union between the EU and Turkey has contributed enormously to the development of trade over the past 20 years. Turkey has succeeded in reaching a high level of alignment with the technical arrangements of the EU in various sectors. Due to the fact that the Customs Union covers the goods with the exception of the
agricultural and the services sectors, currently deepening the cooperation between the EU and Turkey is planned by expanding the customs union to these two sectors which are not covered previously.

When examining the economic outlook of 2017 we should focus first on the extraordinary political scene in mid 2016. Turkey witnessed a failed military coup attempt on 15 July 2016. There were negative effects of this coup attempt on the economy. A short term volatility in money and capital markets occurred. Despite a decline in the value of the Turkish lira against major currencies and the decrease in Turkey's credit ratings right after the coup the markets recovered in a short period of time. The financial institutions including the banks, stock exchange, commodity markets and commerce centres opened without interruption on the following business day. The effect of the rise in the interest rates and in foreign currencies was not devastating for the financial markets and the stock exchange decline was not sharp considering the severity of the coup attempt. The economy shrunk by 1.3% in the third quarter of 2016 compared to the same quarter of the previous year. Whereas in the last quarter of 2016 the growth rate rebounded and reached 3.5%, which is a rate above the expectation. Although the quarterly rates were higher the 2016 annual growth rate was recorded as 2.9% due to the contraction in the third quarter.

In the aftermath of the failed military coup attempt, the Turkish government payed great attention at taking the necessary measures in order to prevent this political turmoil to lead the country into a severe economic crisis. The Central Bank announced on 17 July 2016 a series of precautionary measures to minimize the adverse effects of the coup attempt and to ensure the efficient functioning of the markets. In order to restore confidence among investors and stabilize the financial market, the Central Bank ensured first of all that unlimited liquidity will be provided to banks. The Central Bank has taken additional measures to support the efficient liquidity management of banks. For instance the Central Bank cut its overnight lending rate on 19 July 2016 by a quarter points from 9% to 8.75%. The Bank also lowered the late liquidity window interest rates from 10.5% to 10.25%.

Furthermore following the announcement of state of emergency, the government ensured that these developments would affect neither the Turkish economy nor the daily life of the people. It has been emphasized that the economy will continue to function under market rules. The immediate response taken by the Turkish government to reduce the negative economic effects of the coup attempt were also welcomed by international institutions. For instance, IMF Managing Director Christine Lagarde stated that “the Turkish authorities, Central Bank, finance ministers and treasury operations have all reacted very strongly, in a concerted way, in order to make sure that there would be liquidity available, that the banks would function. In the main, there was an orderly functioning of the markets after something that was massively disorderly”.

The immediate measures taken by the Turkish government to minimize the adverse effects on the economy are of great importance for restoring the confidence among foreign investors. Furthermore, a new incentive package for both national and foreign investors is envisaged by the Turkish government that will improve the investment environment of the country. This package includes a tax exemption of 20 years in strategic sectors such as defence, health, petrochemicals and electronics. The Turkish government has also presented a draft law to TGNA which aims to improve the access to finance for SMEs. In this respect, the law foresees the possibility to present transportable and pledged properties as collateral for loans.

The government established a Sovereign Welfare Fund in order to ensure the sustainability of Turkey's economic growth and to limit the possible negative impacts of the political turmoil on the Turkish economy. The fund is expected to boost Turkey’s economic growth by an additional 1.5% within the next decade. The law on the establishment of the Turkish Sovereign Wealth Fund which is approved by the TGNA is envisaged to be financed from the government’s asset sales program, cash surpluses from the privatisation fund and other government institutions.

Banking Regulation and Supervision Agency is also carrying out various studies to structure deferred receivables, including consumer loans and credit card debt. It is expected that while deferred credit card debts will be waived, others will be restructured with low interest applied.
Turkey is continuing to focus on the structural reforms to improve the functioning of the markets. These reforms will contribute to enhance the overall productivity of the country and contribute to the robust economic growth of Turkey.

On 21 July 2016 the credit rating agency S&P cut Turkey’s credit rating one level to BB, two steps below investment grade and assigned a negative outlook. The decision of the institution came shortly before the president of the state announcement on the imposition of a three months state of emergency. Following S&P Moody’s, the credit rating agency downgraded Turkey’s credit rating on 23 September 2016. Thereby Turkey’s long term bond rating has been reduced to Ba1 from Baa3. This decision came at a moment while the Turkish economy was growing and yet the confidence in the economy rose by 21 percent in August. In fact macroeconomic indicators follow a strong path with a sound unemployment rate and interest rates, despite the failed, July 15 coup attempt. Fitch Ratings has downgraded Turkey’s long-term foreign sovereign credit rating from BBB- to BB+ on 27 January 2017, which is its lowest investment-grade rating. The rating institution cited that political and security developments undermined economic performance and institutional independence.

S&P revised its outlook for Turkey’s sovereign credit rating from stable to negative and affirmed the country’s long-term foreign credit rating at BB on 27 January 2017, stating the rising inflationary and currency pressures, which could weaken the financial strength of the countries companies and banks, and which could have negative impact on growth and fiscal outcomes.

Recently, on 17 March 2017 Moody’s has downgraded again its outlook for Turkey’s sovereign credit rating to negative from stable and the country’s long-term foreign credit rating stayed at Ba1. The credit rating institution argued the erosion of institutional strength, weaker growth outlook and heightened pressures on public and external accounts; and increased risk of a credit shock.

The Turkish economy has continued its course of strong and stable growth while continuing to reduce its current account deficit in 2016 after the 26.1 percent decline in 2015. Our current account deficit fell 13 percent to 19.1 billion dollars in the most recent period of January-June 2016. Turkey is also a country whose growth performance has had a positive impact on the labor market. The unemployment rate in May 2016 is 9.4 percent, which is the second lowest rate in the last 12 months. According to the latest figures released, the unemployment rate in 2016 rose to 10.9%, compared to 10.3% in 2015. Turkey surmounted a tough year due to the terrorist attacks and the coup attempt on July 15th.

Turkey’s Economic Performance Through Main Economic Figures

After a GDP growth rate of 4% in 2015 it is noteworthy to point out that in the first quarter of 2016, Turkey recorded a 4.8% of economic growth which is one of the highest in emerging economies. With regard to the sectoral distribution of the 4% of 2015 growth rate, the share of the agricultural sector was 7.6% while the rate of growth in services was 4.8% and of industry 3.3%. Turkey’s economic growth in 2015 was mainly driven by the increase in the domestic demand. The growth rate in the second quarter in 2016 was on the rise with 5.3%. Whereas the third quarter revealed the negative effects of the coup attempt as 1.3% of contraction in growth was recorded. The growth recovered in the third quarter and the rate rose to 3.5% which is above the expectations. Due to the negative growth figure in the third quarter the annual growth rate in 2016 finalised at 2.9%.

Expansion in the public spending contributed to growth as well. Consumer spending expanded by 5.5% with the help of lower oil prices and the easy financial conditions. In 2016 the consumer spending increase was 2.3%. But the contribution of the consumer spending to the growth is still high with 59.5%. The consumer spending continued to be the main driver of the growth.
Turkey’s fiscal and monetary policy mix proved relatively successful in the aftermath of the global financial crisis. In addition to the fiscal and monetary stimulus measures, the implementation of strict regulatory and supervisory regulations on banks and financial institutions enabled the Turkish economy to improve the resilience of the economy and thus overcome the effects of the global economic crisis in a short period of time.

In the last period, exports which shrunk in 2013, recovered in 2014 by 3.8% increase. Whereas due to the weak revival in global trade, geopolitical problems, developments in euro/dollar exchange rate and the limited growth levels in the EU countries, exports in 2015 decline by 8.7 compared to the previous year. Exports to some of the traditional export markets of Turkey, including Russia and the Middle East, performed poorly. The production sector’s exports declined by 8.6%, which constitutes the main part in the total exports plays an important role in the total decline of the exports.

The recession in the global economy and weak demand have limited the price changes and led the inflation rate to progress in low levels. The Inflation rate by the end of 2015 in Turkey was recorded 8.81% according to Consumer Price Index. The cumulative increase in exchange rates and high level of food prices led the inflation rate to rise to the level higher than the 5% target level. The inflation rate in March 2016 is 7.5%. As the reforms have strengthened the macroeconomic fundamentals of the country over the past 15 years, inflation decreased drastically to single digit levels down from 68.5% in 2001 to 8.8% in 2015. With the Central Bank succeeding in reducing the inflation rates, more stability has been brought to the financial markets in Turkey.

In 2015 the labour force supply increased and followed a strong path due to the rise in the supply of the labour force. The employment rate in 2015 increased by 0.5% compared to the previous year and recorded 46%. On the other hand, the work force increase being higher than the employment rate limited the unemployment rate decline and the unemployment rate rose to double digit levels. The unemployment rate for 2015 is 10.3%, which is 0.4 percentage points higher than the previous year. In January 2016, unemployment rate is 11.1% while seasonally adjusted unemployment rate is 10.1%. After Russia, Germany, England and France, Turkey has the 5th largest labour force among the European countries. (2014, Economist Intelligence Unit)

The low level of growth in the global economy and downside risks remained in the course of the year. Despite the limited level of global capital flows along with the problems in the neighbouring countries and the uncertainty arising from the period of two elections in Turkey, the country’s foreign direct investment inflows increased. While in 2014 the FDI inflows declined by 13.2%, in 2015 it rose by 34.3. The measures adopted after the coup attempt are expected to contribute in ensuring the good functioning of the financial system and improving the investment environment. It is also important to stress that the Turkish economy presents strong macro fundamentals that will help limit the negative economic effects of the political turmoil.

As a gateway to Europe, the Middle East, North Africa and Central Asia, Turkey is considered as an important hub for trade and foreign direct investments in its region. Turkey’s successful economic performance over the past decade, along with its qualified and competitive labour force and liberal and reformist investment climate are key factors that drive investments in Turkey. Furthermore, along with its strategic geographic position, the highly developed infrastructure and logistics network are also important factors for attracting foreign investors. By the end of the year 2015, the number of foreign firms active in Turkey exceeded 46.000 and 916 foreign firms have established liaison offices. The total amount of foreign direct investments exceeded $165 billion in 2015. Turkey’s strong economy and its attractiveness for foreign investors will not be undermined by the failed military coup attempt.

The budget deficit to GDP ratio is remarkably lower in Turkey. In 2013 it is 1.2% followed by 1.3% and 1.2% in 2014 and 2015 successively. The figures recorded are remarkably lower than that of many EU countries rates. The Government Debt to GDP ratio in 2015 is 32.9% down from 33.5%, in 2014 and the Turkish government debt fell to 32.6% to GDP in 2015. It is worth pointing out that Turkey is in better position than most of the Member States of the EU in terms of the budget deficit and the public debt. Turkey has been meeting since the year 2004 the Maastricht criteria concerning
the gross debt to GDP ratio that should not exceed 60%. Moreover, in 2015, the central government budget deficit to GDP is at the level of 1.2% which is also lower than the Maastricht criteria for the budget deficit determined at the level of 3%. Turkey has budget deficit and debt performance better than 25 EU member states.

Figure 1: GDP Growth Rate (in percentage)

Source: TÜİK

<table>
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<tr>
<th>Year</th>
<th>Budget deficit (% of GDP)</th>
<th>Public Debt (% of GDP)</th>
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<td>39.1</td>
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<tr>
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<td>2.1</td>
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<tr>
<td>2015</td>
<td>1.2</td>
<td>32.9</td>
</tr>
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Source: Undersecretary of Treasury
Figure 2: General Government Debt Stock/GDP (2015, %)

Source: Undersecretary of Treasury

Figure 3: Public Deficit/GDP (2014, %)

Source: Ministry of Economy
Turkey as a Functioning Market Economy

The Turkish economy is a functioning market economy as it is required under the Council Conclusions in Copenhagen June 1993. The Medium Term Programme (MTP) covering the 2016-2018 period aims to increase the growth by structural reforms and by reducing the current account deficit and inflation gradually. The main objectives of the MTP’s are to raise stable and inclusive growth, to decrease inflation, to maintain fiscal discipline and to decline the trend of current account deficit together.

Following the 2016-2018 period, the Medium Term Programme for the period 2017-2019 was published on 4 October 2016. The programme’s main aims are to reduce inflation while conserving the financial discipline and macroeconomic stability; to ensure steady, inclusive and sustainable growth without causing current account deficit increase. The programme is prepared specifically with a context that supports investments and production. The main priorities of the programme are increasing the domestic savings, ensuring the private investments and export led growth and accelerating the structural transformation, enabling the economy to become more competitive in international markets by increasing the technology and productivity level. Structural reforms and fiscal discipline will again be at the core of the new program.

Five strategic steps are to be implemented while reviving the goals specified in the government’s medium-term program: Developing human capital; activating the labour market; enhancing technology and innovation capacity; strengthening physical infrastructure and improving institutional quality. The 2016 growth forecast has been revised after the July 15 coup attempt and several terrorist acts to 3.2 percent in the new Medium Term Programme, having been initially announced as 4.5 percent. The government announced that the envisaged structural reforms will be implemented at full speed with no interruption by the current conditions of the state of emergency.

The Economic Reform Programme for 2015-17 which set out a medium-term macro-fiscal policy framework together with key structural reforms aimed at supporting the framework is submitted to the European Commission in March 2015. It covers a macroeconomic scenario in which GDP growth strengthens while unemployment, inflation and the current account deficit decrease. Under the programme, structural reforms are planned to be implemented as part of Turkey’s 10th Development Plan, covering the period 2014-2018.

Thanks to the reforms in the economy, the regulatory and supervisory institutions take roles in all main sectors and carry out their activities effectively. Privatisation of the state-owned enterprises is on-going in line with the Medium-Term Plan (2016-2018). Due to the downward trend in the global economic conditions, privatisation also slowed down. Following a surge in 2013, privatisation activity has decelerated recently, with the total volume of completed deals decreasing from EUR 9.4 billion (1.5% of GDP) in 2013 to EUR 4.8 billion (0.8% of GDP) in 2014. In 2015 the privatisation practices of approximately 2 billion Dollars were recorded. The share of the energy sector in privatisation is high. Privatisation revenues totalled as 8 billion Dollars in the period of 1986-2003 whereas in 2004-2015 58 billion Dollars. In total the privatisation revenues between1986-2015 reached 66 billion Dollars. The privatisation revenue is going well, even exceeding the budget target. 5 billion Dollars’ worth of privatization revenue is expected for the end of 2016 the year end, and TL 13 billion next year.

According to the 2016-2018 programme research activities will be conducted towards shale gas and other new technologies by taking into account the cost-benefit balance. The restructuring of Turkish State Railways will be completed and private sector will be allowed to enter freight and passenger transportation by railways. The fiscal burden of Turkish State Railways on the treasury will be reduced to a sustainable level. TÜDEMSAŞ, TÜLOMSAŞ and TÜVASAŞ will be restructured in a way that will meet the market expectations, which occurred after new legislative arrangements in the railway sector. Privatisation implementations will continue based on a program within the framework of macroeconomic policies and long term sectoral priorities. Public offerings will be heavily utilized in the implementation of privatisation schemes.
V. Cyprus Talks Heading Towards A Make-or-Break Moment: A Game Changer for Turkey’s EU Accession Negotiations

The Cyprus issue has been on the international agenda for six decades and has remained intractable despite countless mediation efforts. Since the accession of Cyprus to the EU as a divided island, with the Greek Cypriot Administration as the sole representative, the Cyprus issue has become a major stumbling block for Turkey’s EU accession prospects. The momentum generated in the latest round of UN-sponsored reunification talks with Mustafa Akinci and Nicos Anastasiades in the driver’s seat, has created an expectation that a solution to the decades-long Cyprus problem is within reach. This chapter is intended to shed light on the new dynamics which have increased the hopes for a solution and assess the state of play in the current round of talks. The chapter will also touch upon the implications that the unilateral accession the Greek Cypriot Administration prior to a solution to the Cyprus problem has had on Turkey’s EU prospects and aim to shed light on the eventual effects a solution in Cyprus could have on Turkey’s accession talks.

Explaining the Current Window of Opportunity for a Cyprus Solution

To date, seven UN Secretaries-General and twenty five UN envoys have undertaken the Sisyphean task of facilitating a solution acceptable to the two communities in Cyprus. The intractability of the Cyprus problem and the sheer number of UN envoys involved in the talks, have earned the island the reputation of “diplomats’ graveyard”. The resumption of the Cyprus reunification talks under the leadership of two pro-solution leaders, Turkish Cypriot President Mustafa Akinci and Greek Cypriot leader Nicos Anastasiades has created optimism that the solution to one of the most enduring frozen conflicts in Europe is finally within reach.

The last time the two communities came close to a deal was in 2004. The comprehensive settlement deal named after the then UN Secretary-General Kofi Annan, which was put to separate simultaneous referenda on both sides of the Green Line on 24 April 2004, was endorsed by two-thirds of the Turkish Cypriot community. However, the plan became void due to being rejected by over three quarters of the Greek Cypriot community. One week after the failure of the Annan Plan, the Greek Cypriot Administration acceded to the EU as the sole representative of the entire island.

The unilateral EU accession of the Greek Cypriot Administration has created an anomaly which imported the Cyprus problem into the EU yet impaired the EU’s ability to contribute to its solution. Despite their constructive pro-solution stance, the Turkish Cypriots were left out in the cold. Initiatives put forward by the European Commission to end the economic isolation of the Turkish Cypriot community failed to materialize due to opposition from the Greek Cypriot
Keeping Together in the Face of Multiple Challenges

Administration which held a seat, thus veto power in the EU Council of Ministers. The trauma generated by the failure of the Annan Plan, further contributed to the crisis of confidence between the two sides. Following a four-year stalemate, full-fledged reunification talks resumed in 2008 and have since been going on and off. On 11 February 2014, the agreement by the two sides on a Joint Declaration outlining the main principles upon which the new partnership state would be established marked a turning point. However, the talks experienced a major interruption in October 2014 over a dispute concerning the offshore hydrocarbons around the island. Following an eight-month impasse, the latest round of reunification talks were relaunched between the newly elected TRNC President Mustafa Akıncı and Greek Cypriot leader Nicos Anastasiades.

The current round of talks is hailed as the most realistic chance for a settlement, since the Annan Plan. Senior diplomats and leading decision-makers share the view that ‘stars are uniquely aligned for a settlement in Cyprus’. Comments by leading EU officials including European Commission President, Jean-Claude Juncker, President of the European Council, Donald Tusk and President of the European Parliament, Martin Schulz who visited the island to voice their support for the reunification process, also confirm the upbeat mood of the international community for a settlement in Cyprus.

Various different dynamics coming together at the same time have increased the prospects for a settlement. First and foremost, the leaders sitting on the either side of the negotiation table are genuinely interested in a solution which has been a rarity in the Cyprus talks. The former mayor of the Turkish sector of Nicosia, Mustafa Akıncı campaigned for the Annan Plan in 2004 and won the presidential race based on his moderate and pro-solution stance. Similarly, his opposite number in the talks, Nicos Anastasiades was the only Greek Cypriot political party leader that rallied for the Annan Plan back in 2004.

Second, the financial crisis in Southern Cyprus has been a wakeup call for the Greek Cypriot side. Exposure to Greek debt and the size of the financial sector brought the Greek Cypriot banking sector to the brink of collapse and left it seeking a 10 billion euro rescue package from international creditors. The financial crisis has further highlighted the potential gains to be made from a prospective settlement. Therefore, a prospective settlement is perceived as a major opportunity to attract the much-needed investments to the island and to gain access to the 76 million-strong Turkish market.

Third, hydrocarbon resources have recently entered the Cyprus equation as a factor that requires cooperation between the two communities. In 2014, tensions culminated as a result of the unilateral actions of the Greek Cypriot side concerning the offshore hydrocarbons. This latest episode of tension over the exploitation of the island’s shared natural resources confirms that the natural resources would serve as a curse, rather than a blessing unless the Cyprus issue is resolved. Another natural resource; water also requires the two sides to work together. Given the scarcity of water in the island, upon a settlement the Greek Cypriot side would be able to benefit from water coming from Turkey under the TRNC Water Supply Project inaugurated in October 2015.

Finally, guarantor states and key international actors converge in their support for a settlement in Cyprus. Ministers and senior diplomats from numerous countries and institutions including the US, Germany, France and EU have wasted no time to rush to the island to express their support for the current round of talks.

Considering all these factors, there is reason to believe that the current effort by Akıncı and Anastasiades is the best and probably the last realistic chance for a settlement to the Cyprus question based on the established parameters. In a joint statement, marking the first anniversary of the resumption of the talks, while acknowledging that difficulties and differences do exist, Turkish Cypriot leader Akıncı and Greek Cypriot leader Anastasiades confirmed the progress made and pledged to intensify their efforts with the aim of reaching a comprehensive settlement by the end of 2016.

Crunch Time for a Cyprus Settlement

Since the resumption of the latest round of the talks in May 2015, the two leaders made substantial progress on key aspects of the Cyprus issue. According to UN Secretary-General’s Special Adviser on Cyprus Espen Barth Eide, despite a number of outstanding issues, the two sides have managed to reach convergences in the areas of governance and power sharing, EU matters, economy and property. It is important to note that during the course of the negotiations for the first time the two sides have held detailed discussions on the property issue which has been regarded as the Gordian knot in the talks. According to Eide, the talks have entered a crucial stage in which even the most intractable aspects of the Cyprus problem have become tractable and that there are no longer issues that constitute a taboo in the talks\(^\text{16}\). Then UN Secretary-General Ban Ki-moon also expressed hope about the current round of reunification talks and indicated that the two leaders have made unprecedented progress on key issues\(^\text{17}\). Two of the most complex and emotionally-charged aspects of the Cyprus problem namely territorial adjustments, and security and guarantees were left to be discussed at the very end of the negotiations.

Upon the completion of the parliamentary election period on the southern side of the Green Line, the reunification talks have entered an intensive period. On 14 September 2016, in a joint statement marking the end of the second round of intensive talks, the two leaders confirmed their resolve to intensify their efforts to reach a settlement by the end of 2016, and called on the UN Secretary-General to step up his personal engagement in the reunification process\(^\text{18}\). Akıncı and Anastasiades held a trilateral meeting with then UN Secretary-General Ban on 25 September 2016. Although the meeting did not yield a timetable as expected by the Turkish Cypriot side, it was symbolic in demonstrating the UN Secretary-General’s support for the talks and his readiness to provide support in whatever way necessary\(^\text{19}\). The leaders launched a fresh round of intensive talks on 4 October 2016.

In November 2017, the parties moved on to discuss territorial adjustments and held two separate sessions in Mont Pèlerin, Switzerland. The Mont Pèlerin talks experienced difficulties due to maximalist stance displayed by the Greek Cypriot side, which on 21 November 2016 resulted in a stalemate in the talks. As the talks descended into uncertainty, key international actors have stepped in to bring the leaders back to the negotiation table and maintain the momentum in the talks.

The Five-Party Conference and Beyond

Putting their differences aside, on 1 December 2016, the leaders announced the resumption of the talks and presented the roadmap setting the stage for the five-party conference which would mark the final phase of the talks\(^\text{20}\). As foreseen in the roadmap, the talks were resumed in Geneva on 9 January 2017. On 11 January, the two sides for the first time in the history of the 49-year-long Cyprus talks presented the maps entailing their respective proposals for territorial adjustments. Despite the fact that each of the parties rejected the other’s proposed map, the exchange of maps marked an important first step in the process. On 12 January 2017, the landmark five-party ‘Conference on Cyprus’ brought together the leader of the two communities with the Foreign Ministers of the three guarantor powers Turkey, Greece and the UK.

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Greece and the UK. The five-party conference, which was chaired by the incoming UN Secretary-General Antonio Guterres - the seventh UN Secretary General to take over the highly complex Cyprus dossier, did not produce a final agreement, but it launched a dialogue on the most contentious chapter on the security and guarantees between the three guarantors and the two parties. The EU, represented by European Commission President Jean-Claude Juncker and High Representative Federica Mogherini, participated in the conference as a special observer. The Cyprus Conference was historic as it marked the first time since 1960 that the parties came together around the same table.

The main outcome of the conference was a statement\textsuperscript{21} which outlined the next steps in the process. The conference decided to establish a technical working group at the deputy-level to identify the main questions and proposed mechanisms to resolve those, negotiations on outstanding issues on the other chapters were to be resumed between the two sides in Cyprus and the Cyprus Conference would convene at the political level to review the outcome of the technical working group meeting.

As foreseen by the statement, on 18-19 January the technical working group met in Mont Pèlerin to identify specific questions concerning security and guarantees, and the instruments needed to address them. According to a statement by Special Adviser Eide, the working group meeting was held in a positive atmosphere and the working group successfully completed its mandate.

Meanwhile the two sides continued their negotiations with the aim of furthering their convergences on the internal aspects of the Cyprus questions. The two sides mandated UN Special Adviser Eide to engage in shuttle diplomacy between the guarantor states with a view to convene the next session of the Conference on Cyprus in early March. However, a controversial move on 10 February 2017, by the Greek Cypriot House of Representatives to introduce the commemoration of the 1950 enosis plebiscite at public schools in the south poisoned the atmosphere surrounding the talks. The idea of enosis (i.e. union with Greece) is seen as the basis of the tragedies in Cyprus. Despite repeated calls from the Turkish Cypriot leadership, the failure by Greek Cypriot leader to overturn the bill, has led to a crisis in the negotiation process. The enosis commemoration row has mutated into a crisis of confidence threatening to derail the process.

Potential Deal-Breakers

It is important to note that some fundamental differences that exist between the parties put into jeopardy the convergences so far achieved in the talks. “Nothing is agreed until everything is agreed” continues to be the principle underpinning the talks. Although the governance and power-sharing dossier has been largely agreed on, rotating presidency, which is sine quo non for ensuring the political equality of the Turkish Cypriot side, is perceived unacceptable by the Greek Cypriot side. The Turkish Cypriot side is adamant that there will be no referenda unless there is an agreement on the rotating presidency. Other crucial issues which could be defining for reaching a settlement centre on how and more importantly by whom the potential settlement deal which is estimated to cost billions of dollars would be financed, which areas would need to be transferred to the prospective Greek Cypriot constituent state and whether a formula that strikes a balance between the diametrically-opposed security needs and threat perceptions of the two communities is attainable.

In regard to financing a settlement, it is clear that the international actors would need to shoulder a large part of the costs involved. The World Bank and the IMF expert groups have been working on the economics of a prospective Cyprus settlement. A concentrated funding effort would have to be organised. The foreign ministers, who visited the island in the course of 2015, have promised to assist with financing the settlement. Moreover, the EU has pledged to allocate 3.1 billion euros in case of solution\textsuperscript{22}. However given the dismal record of the international donors’ conference ahead of the Annan Plan referenda which raised less than a billion dollars, the two sides remain cautious.


The future security architecture of the island and the future of the system of international guarantees are the most contentious issues on the table. The Greek Cypriot side is categorically opposed to the continuation of the 1960 Treaties of Guarantee and Alliance that gives the three guarantor powers namely; Turkey, Greece and the UK the right of unilateral intervention in case of a breach of constitutional order. The Greek Cypriot side backed by Athens argues that the system of guarantees is anachronistic and calls for its discontinuation. Moreover, the Greek Cypriot side insists that a substantial number of Turkish troops would need to withdraw on the first day of the implementation of the prospective settlement deal. The Turkish Cypriot side, for which the memories of episodes of inter-ethnic violence that occurred in 1963-74 period are fresh, view the continuation of Turkey’s guarantor status vital for their survival in a reunified Cyprus. It is important to note that the Athens and South Nicosia have become more vocal in denouncing the guarantees system following the 15 July failed coup attempt in Turkey. Turkey has strongly denounced the comments aimed to establish a link between the attempted coup and Turkey’s guarantor status. The positions of the guarantor states will also play a role in discussions on security and guarantees. Turkey on its part strongly supports a solution, and regarding the discussions on security and guarantees underscores that the sensitivities of both communities should be taken into consideration. The Turkish Cypriot leadership is positive that coming up with a formula that takes into account the sensitivities of both communities is possible. In that sense, the Turkish Cypriot side has not ruled out adapting the current system of guarantees to bi-zonality and the new conditions. The issue was taken up at the five-party Geneva Conference on Cyprus, which has been regarded as a positive initial step. As a follow up to the Geneva Conference, the two sides and the representatives of the guarantor powers met to determine the key questions and possible mechanisms to address those. The differences between the parties on the issue persist.

Territory is another major issue, on which the parties seem to hold different accounts. Key questions concern where the internal boundary between the two prospective constituent states in a united federal Cyprus would lay, what percentage of territory and more importantly; which areas would be returned to the Greek Cypriot constituent state, the number of Greek Cypriots that would be allowed to resettle in northern Cyprus and the percentage of coastline each constituent state would control. It is important to note that it is the first time in the 49-year-long negotiating history of talks that the parties have been discussing territory directly. In the past, territory proposals would be tabled by third parties. According to reports, the TRNC has made an opening and agreed to reduce its territory from the current amount of over 36% of the total area of the island to 29.2%. However, despite two rounds of talks in the Swiss resort of Mont Pèlerin the negotiations failed to produce the necessary progress on the issue due to the maximalist stance of the Greek Cypriot side. The crisis that put risked derailing the entire process was overcome thanks to the involvement of key international actors, however disagreements over territorial adjustments persists.

Discussions on territory continued in Geneva on 11 January 2017, where the two sides for the first time in the history of the Cyprus talks, presented maps entailing their respective proposals for territorial adjustments. The maps were submitted to the UN and then sealed in a UN vault. Each of the two parties rejected the map submitted by the other.

The town of Morphou is said to be in the centre of the debate. Recently, the Greek Cypriot side has increased its demands for the return of Morphou. The Turkish Cypriot side, which argues that it has made a lot of investments in the town of Morphou over the last decade, is against its return.

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Time is Ticking for Reaching a Deal

The coming months will be highly critical for the window of opportunity could close by late 2017. 2017 has brought new uncertainties and challenges to the process. Leadership change at the US has raised questions as to where the Cyprus problem would rank in the incoming US administration’s list of foreign policy priorities. Encouragement and support by the US would affect the talks positively. Trump administration’s highly unpredictable foreign policy stance creates additional uncertainty. It is important to note that although the Trump administration is not likely to be as engaged with the Cyprus question as the Obama administration, a major policy shift concerning the US support to the talks is not considered likely.

Internally, the upcoming presidential elections in Southern Cyprus scheduled for February 2018 and the possibility of a fresh round of exploratory drilling in disputed waters off the shores of the island are two factors increase the pressure on the leaders to reach a settlement. The pre-election campaign period will undoubtedly increase the pressure on Greek Cypriot leader Anastasiades and limit his room for manoeuvre rendering bold steps and compromises on thorny issues difficult. If a settlement could not be reached by the summer to be put before the two communities in simultaneous referenda, then there is a strong possibility that it could fall prey to internal politics in Southern Cyprus. The prospects of restarting the talks will need to delayed to a date after the February 2018 elections at best.

Furthermore, recent statements by international gas companies such as Italy’s Eni and France’s Total that they will start exploratory drilling for hydrocarbons in disputed waters off the southern shores of the island in 2017, not only heighten the likelihood for potential tensions between Turkey and the Greek Cypriot Administration, but also risk undermining the atmosphere surrounding the talks. Given the fact that a similar episode in 2014 had led to the collapse of the talks, there is reason to believe that exploration activities unilaterally permitted by the Greek Cypriot Administration in total disregard for the Turkish Cypriots’ legitimate rights are highly likely to cause friction between the two communities as well as between the South and Ankara.

It is important to note that the prospective settlement deal will have to be approved by the two communities. Given the low level of trust between the two sides, it is essential that leaders step up their efforts to build bridges between the two communities which have lived separately for five decades. As the leaders are preparing to overcome the deadlock in the talks and come back to the negotiation table in April 2017, they should intensify their efforts in implementing the confidence-building measures (CBMs) they previously agreed. The leaders had agreed on a package of CBMs including the interoperability of GSM networks on both sides of the island, which could not be realised due to the Greek Cypriot side’s reluctance.

13 years after the initial hope and the subsequent trauma generated by the rise and demise of the Annan Plan as a result of rejection by an overwhelming majority of Greek Cypriots, the current round of talks with the Akinci-Anastasiades duo in the driver’s seat, is regarded by many as the best and probably the last chance for a settlement in Cyprus at least according to the established UN parameters namely; the creation of a bi-zonal and bi-communal federation with political equality. As the older generations cease to exist, time is not on the side of Cypriots. There is the risk that younger generations on both sides, who lack memories of co-existence with the members of the other community, could be more tempted to explore different options and permanent division could be on the cards.

Therefore, it is imperative that a settlement is reached before this historic window of opportunity closes and the current attempt, which President Akinci rightly regards as ‘the last effort of their generation’, becomes the latest addition to the divided island’s long history of missed opportunities.


The atmosphere has already been damaged due to the enosis commemoration row and the Greek Cypriot side’s reluctance to accept the political equality of the Turkish Cypriot side. At the time of writing, the two sides were in the process of exploring ways to overcome the deadlock in the talks. We hope that they succeed in overcoming their differences and bringing one of the most enduring frozen conflicts in the world to a successful end.

**Turkey’s EU Accession Process and the Cyprus Issue**

Despite Turkey’s attempts at avoiding any possible linkage between its EU bid and the Cyprus issue, the two issues have become intertwined especially following the EU’s decision to declare the Greek Cypriot Administration recognized by the EU as the sole ‘legitimate’ representative of the ‘Republic of Cyprus’ as a candidate state. The Helsinki Presidency Conclusions, which confirmed Turkey’s status as ‘a candidate state destined to join the EU’, cemented the link between the settlement of the Cyprus issue and Turkey’s EU prospects. Following its unilateral membership to the EU on 1 May 2004, the Greek Cypriot Administration has not hesitated to use its seat and veto power in the Council of Ministers in an attempt to extract concessions from Turkey regarding Cyprus.

Upon the accession of ‘Cyprus’ to the EU, which effectively meant the accession of the Greek Cypriot Administration, Turkey was obliged to sign Additional Protocol extending the implementation of the Turkey-EU Association Agreement (i.e. Ankara Agreement) to the ten member states acceding to the EU in May 2004 including the Greek Cypriot Administration. Ankara signed the Additional Protocol on 29 September 2005 but made a declaration stating that its signature did not amount to any form of recognition of the ‘Republic of Cyprus’. The EU interpreted the issue as a restriction on free movement of goods and issued a counter-declaration urging Turkey to fulfill its obligations emanating from the Ankara Agreement, and warned that progress in the relevant chapters of the acquis, as well as the overall pace of the negotiations will depend on Turkey’s implementation of the Additional Protocol. Meanwhile, European Commission’s initiative to end the economic isolation of the Turkish Cypriot community by allowing direct trade with TRNC (i.e. Direct Trade Regulation) failed to materialize due to vocal opposition by the Greek Cypriot Administration. The Additional Protocol and the EU’s failure to circumvent the Greek Cypriot veto in ending the isolation of the Turkish Cypriots created a deadlock. On 11 December 2006, the General Affairs and External Relations Council suspended the provisional closing of all and the opening of eight chapters associated with the Customs Union on the grounds of Turkey’s failure to fully implement the Additional Protocol. Thus, Turkey’s EU accession process has become partially suspended. Additionally in December 2009, citing Turkey’s non-implementation of the Additional Protocol, the Greek Cypriot Administration issued a unilateral declaration suspending negotiations in six chapters of Turkey’s accession talks.

From that perspective, the unilateral accession of the Greek Cypriot Administration as the sole representative of the island, prior to the resolution of the Cyprus problem, has led to a paralysis Turkey’s EU accession process. Currently, negotiations on a total of 14 out of 35 chapters continue to be blocked due to the Cyprus problem. Similarly, the resolution of the Cyprus issue has become a precondition for the provisional closure of all chapters. In other words, the resolution of the Cyprus issue constitutes an opening benchmark for 14 chapters and a closing benchmark for all chapters. Moreover, the issue serves as a convenient excuse for Turkey-sceptic circles and policy-makers inside the EU.

Ironically, most of the chapters blocked by the Greek Cypriot Administration, in essence concern vital aspects of the Turkey-EU relationship. And the veto on those renders an effective cooperation between Turkey and the EU impossible, thus inevitably harms the EU’s vital interests.

28 Chapters suspended by the Council are: 1- Free Movement of Goods, 3- Right of Establishment and Freedom to Provide Services, 9- Financial Services, 11- Agriculture and Rural Development, 13- Fisheries, 14- Transport Policy, 29- Customs Union and 30- External Relations.

Keeping Together in the Face of Multiple Challenges

A case in point is the Chapter 15 on ‘Energy’, at a time when the EU is trying to reduce its energy dependency on Russia, by diversifying its energy routes and suppliers. Turkey’s potential as an energy hub and a transit country could not be fully exploited due to the Greek Cypriot Administration’s veto in the Council. Instead, the European Commission is exploring alternative ways of cooperation independent of the accession process. To this end, the Commission launched the Turkey-EU High Level Energy Dialogue in March 2015.

The same is true for Chapter 31 on ‘Foreign, Security and Defence Policy’. The increasing humanitarian toll of the Syria crisis, the fight against ISIS in Turkey’s and the EU’s shared neighbourhood, as well as the crisis in Eastern Ukraine have yet again proven the urgency and the necessity to foster foreign policy cooperation and coordination between Turkey and the EU. Moreover, the European Commission’s initiative to address Chapter 31 early in the accession talks provides another rationale for opening this chapter. Against this background, the discussions between Turkey and the EU on foreign policy issues should take place in the context of Chapter 31. However, since this chapter is blocked by the Greek Cypriot Administration, the EU has initiated a high level political dialogue with Turkey, which allows regular exchanges at the ministerial level. However, there are doubts that even the high level political dialogue is sufficient for cooperation and coordination on foreign policy issues.

Among the chapters blocked by the GCASC are two key chapters that deal with the rule of law (chapters 23 and 24), areas to which the EU has attached increasingly more significance due to the problems still experienced by the rather premature enlargement to Bulgaria and Romania in 2007. Drawing from the lessons learnt from the experience of Bulgaria and Romania as well as Croatia, the EU has increased its emphasis on the rule of law and introduced the ‘new approach’ which foresees chapters 23 and 24 to be among the first chapters to be opened and the last ones to be closed. In Turkey’s case, the new approach cannot be implemented as chapters 23 and 24 are blocked by the Greek Cypriot Administration. As a result of Greek Cypriot Administration’s veto, the opening benchmarks for the two chapters have not been conveyed to Turkey, nor have they been agreed in the Council. Given the fact that most of the criticism directed at Turkey fall within the scope of chapters 23 and 24, as acknowledged by European officials the opening of chapters 23 and 24 is the most effective way to address Turkey’s shortcomings regarding the rule of law. The failure to open chapters 23 and 24 deprives Ankara of the much-needed direction to address its deficiencies regarding the rule of law.

The vetoes introduced by the Council and the Greek Cypriot Administration severely reduce the effectiveness of the accession process as the main framework of Turkey-EU cooperation. Against this background, the European Commission has launched several initiatives including a ‘Positive Agenda’ in May 2012 and high level dialogue processes on a range of issues from economy to energy with the aim of reenergizing Turkey’s EU bid. However, these initiatives have fallen short of addressing the root causes of the stalemate in Turkey’s EU accession process.

Cyprus Solution as a Catalyst for Turkey’s EU Bid

As things currently stand, any attempt to re-energize Turkey’s EU accession talks comes down to the need to resolve the Cyprus issue. Despite the recent revival in the relations between Turkey and the EU largely as part of the refugee crisis, no breakthrough has been achieved in the accession talks. Furthermore, the commitments made in the Turkey-EU Summits of November 2015 and March 2016 to re-energize Turkey’s accession process are likely to remain on paper, unless there is a breakthrough in Cyprus. Despite the intensive efforts by European Council President Donald Tusk ahead of the 18 March 2016 Turkey-EU Summit, the Greek Cypriot Administration did not think it was politically feasible to lift its veto on the chapters it blocks.

Having opened 16 chapters and provisionally closed one, there are three chapters that Turkey can open to negotiations (two additional chapters on ‘Institutions’ and ‘Other Issues’, previously blocked by France, are to be opened when negotiations on all other chapters are completed). The problem is that these three chapters deal with issues such as public procurement, competition and social policy in which the adjustment costs are high. Therefore, in the previous enlargement rounds these chapters were traditionally dealt with at the final phases of the accession process.
Currently, Turkey does not have the incentive to open these chapters. Therefore, it would not be an overstatement to claim that Turkey will eventually run out of chapters to negotiate, unless the Cyprus issue is resolved.

A lasting solution in Cyprus could mark the beginning of a new era in Turkey's EU accession process. With the resolution of the Cyprus issue, the vetoes on the opening of 14 chapters and the closing of all would be automatically eliminated and Turkey's EU accession process would gain considerable impetus. Turkey would be able to open the currently blocked chapters and provisionally close the chapters on which negotiations have been finalized. From that perspective, the resolution of the Cyprus issue would inject a sense of ‘normalcy’ into Turkey’s EU accession process. With the accession process back on track, Turkey would be more willing to undertake the key reforms required for membership. Furthermore, this would improve the EU’s largely tarnished credibility in the eyes of the Turkish public. Although not a sufficient condition for the successful completion of the accession process in itself, a solution to the Cyprus problem could also generate the necessary momentum for the political reform process in Turkey.

In the case of a resolution of the Cyprus problem, the vetoes in Turkey's EU accession negotiations on the stated grounds of “Turkey's non-implementation of the Additional Protocol”. However, new vetoes may emerge and a possible contender for veto-wielding could be Austria. Austria's Minister for Foreign Affairs, Sebastian Kurz expressed Austria's position several times and argues for the suspension of Turkey's EU accession negotiations at the General Affairs Council meeting prior to the December 2016 European Council Summit. The rise of extreme-right wing parties and politicians in leading countries such as France, Germany, Netherlands, and Austria make it difficult for the EU to significantly revise its position vis-à-vis Turkey's EU membership bid. It should also be noted that 2017 will be an electorally challenging year for the EU with elections scheduled in five member states, three of which are founding EU members namely; the Netherlands, Germany and France. This will undoubtedly increase voter pressure on governments.

Considering the deteriorating security situation in Turkey in the aftermath of the New Year Eve's attack in Istanbul and taking into account that the state of emergency has been prolonged for the second time on 3 January 2017, it would be futile to expect a return of democratic reforms in Turkey in the near future. Failing that, the revitalisation of the accessions process in the near future could be a quite challenging task. In the event of a resolution of the Cyprus problem, chapters related to the customs union could be opened in parallel with the negotiations for the modernisation of the Turkey-EU Customs Union. To end with a positive note, the lifting of the 2006 decision of the Council not to open 8 chapters related to the Customs Union and not to provisionally close any of the negotiating chapters would in any event trigger a new momentum in the accession process towards the fulfillment of the closing benchmarks in the already opened chapters.

30 These chapters are: 25- Science and Research (provisionally closed), 20- Enterprise and Industrial Policy, 18- Statistics, 32- Financial Control, 21-Trans-European Networks, 28- Consumer and Health Protection, 6- Company Law, 7-Intellectual Property Law, 10- Information Society and Media, 4- Free Movement of Capital, 16- Taxation, 27- Environment, 12-Food Safety, Veterinary and Phyto sanitary Policy, 22-Regional Policy and Coordination of Structural Instruments, 17-Economic and Monetary Policy, 33- Financial and Budgetary Provisions.
VI. Modernisation of Turkey-EU Customs Union: An Opportunity for Deeper Economic Integration

In the past few years, the discussions over the revision of Turkey-EU Customs Union were high on the agenda in Turkey-EU relations. In May 2015, Turkish and European authorities decide to modernize the Customs Union which includes the revision of its framework and the expansion of its scope. The negotiations regarding to the modernisation of Turkey-EU Customs Union will expected to start in 2017. This will create an opportunity for both Turkey and Eu to deepen their economic integration as well as for Turkey to facilitate its participation to the TTIP.

Why the need to modernize the Customs Union has arisen?

Following the changes in the global economic and trade conditions, the need to revise the scope and the framework of Turkey-EU Customs Union has arisen. In the new global context, the Customs Union which regulated the economic and trade relations between Turkey and the EU became obsolete and outdated. Since the framework of the Customs Union was drawn with the Ankara Agreement (1963) and details were laid down by the Additional Protocol (1971) not only Turkey and the EU but also world trade have gone through tremendous changes.

Turkey has undergone a profound economic transformation, lifting the country from the status of a developing country to an emerging market. In the same time frame, the EU has been taking steps to further deepen its economic integration with the establishment of the Economic and Monetary Union and Single Market. Moreover, when the Customs Union was being built up between Turkey and the EU, it was envisioned that Turkey will join the EU soon. But since the entry into force of the Customs Union, 13 countries became members of the Union whereas Turkey is still a candidate country undergoing accession negotiations since 2005.

In parallel to the transformation in the economic structure of Turkey and the EU, the international trade scene has been also undergoing important changes. Along with globalization, the world trading system is facing an increase of trade in services, an expansion of international investments, emergence of global value chains, an increase of economic interdependence among countries, the rise of new economic actors and new emerging trade related topics such as intellectual property rights, competition and state aid rules, public procurement. While important achievements have been made in reducing the tariffs on goods, it became essential to deal with new forms of protectionism and to better tackle non-tariff measures in multilateral trade negotiations in order to push the trade liberalization further. With its 163 members, it has become nowadays even more difficult to find consensus on complex issues among countries and to
Keeping Together in the Face of Multiple Challenges

advance in the multilateral trade negotiations conducted under the auspices of the WTO. The failure to still conclude the Doha Round which was officially launched in 2001 is a clear indication of this impasse.

With the difficulties in further liberalizing trade at multilateral level, aiming to access new markets and increasing their exports, global economic and trade actors shifted their efforts by focusing more on regional and bilateral free trade agreements. Within this context, the EU has been one of the frontrunners in terms of negotiating and signing Free Trade Agreements as a means to further enhance trade relations with third countries. Over the past ten years, the number of trade agreements signed by the EU with third countries has increased and the scope of these agreements went beyond the simple tariff reduction. Indeed, the agreements lately signed and under negotiation not only foresee the tariff reduction in goods, but they also aim better market access with the elimination of non-tariff barriers and the liberalization of trade in services. These agreements also cover a wide range of trade related issues such as intellectual property rights, public procurement, investment, competition rules, regulatory cooperation and sustainable development (labour rights and environment).

It goes without saying that EU’s new trade policy and its attention shifted towards Free Trade Agreements had direct impacts on Turkey, since the latter has committed itself with the Customs Union to align its trade policy to EU’s preferential trade regimes. While at the beginning, the conclusion of free trade agreements between EU and third countries did not constitute such a big threat to Turkey’s competitiveness, this began to be perceived as a major source of concern once EU started to deal with stronger trade partners such as the United States and Japan but also with emerging and competitive countries such as South Korea, China and India. At an early stage, Turkey was already facing difficulties in convincing some of the countries (such as Algeria and Mexico) with whom the EU has signed FTAs to conclude a separate one. By signing a FTA with EU, these countries benefit from the free movement of goods ensured by the Customs Union since they can enter to Turkish market via the European market without paying the customs duties. While this is the case, Turkey does not benefit in return from the same concessions granted to EU in terms of trade facilitation. As a result, this creates an asymmetric situation that goes against Turkey’s economic and trade interests. The main problem lying beneath this asymmetric situation is Turkey’s absence in the negotiation and decision making processes of EU’s trade policy while these agreements concluded with third countries cover the customs union area to which Turkey belongs along with the current 28 EU Member States. And this has taken a new upturn with the ongoing negotiations of the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the USA.

The application of quotas to Turkish trucks and visa to Turkish businessmen have also been important causes of concern for the representatives of the Turkish private sector since these discriminatory treatments put the free movement of goods in jeopardy.

Today, the EU is Turkey’s number-one import and export partner; meanwhile, Turkey ranks seventh in the EU’s top import and fiftieth in export markets. Turkey’s exports to the EU are mostly machinery and transport equipment, followed

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Source: TUIK
by manufactured goods whereas EU exports to Turkey are dominated by machinery and transport material, chemical products and manufactured goods. Additionally, the EU is the main source of FDI in Turkish economy.

The negotiations ahead

On 12 May 2015, the European Commissioner for Trade Cecilia Malmström and Turkish Minister of Economy Nihat Zeybekci announced their decision to revise the framework and to expand the scope of the Customs Union between Turkey and the EU that was established 20 years ago. This represents an opportunity for both parties to strengthen their bilateral economic and trade relations.

Turkey-EU Customs Union needs to be revised not only in the light of the new global tendencies of world trade but also in the light of shortcomings resulting from Turkey’s absence in the decision making process and the obstructions encountered in the free movement of goods. In this respect, it is essential not only to revise the framework of the Customs Union but also to expand the scope of the agreement to new areas such as agriculture, service and public procurement. Further liberalization in agricultural products together with strong sanitary and phytosanitary measures and enhanced cooperation on geographical indications will also be part of the negotiations in the coming years. Apart from those the modernisation of the Customs Union also entails the following items:

- Better customs cooperation to improve the free movement of goods;
- Improve the framework for the implementation of the existing commitments related to Intellectual Property Rights;
- Improve the framework for the implementation of the existing commitments regarding to Technical Barriers to Trade;
- Establishment of an efficient dispute settlement mechanism.

Before the negotiations start for the revision of Turkey-EU Customs Union, both parties are conducting impact assessments and consultation of stakeholders. The European Commission finalized its impact assessment and is going to announce it in coming months. On the other hand, Turkey’s impact assessment is still under preparation and when its results will be shared with the public is unknown.

Although the modernisation of Customs Union represents an opportunity for both parties to strengthen their bilateral economic and trade relations, the negotiations shall be carried out in a more transparent and participatory way. Since the increasing critics in EU regarding the big trade deal negotiations like TTIP and CETA, the Commission is trying to increase the transparency in trade negotiations through sharing the official positions, providing more information, facts and figures, increasing the accessibility to the trade documents, the same efforts are needed on the Turkish side. Moreover the business world of both parties are going to be the ones who are directly affected the modernisation of Customs Union. Therefore ensuring the active participation of the business world to the negotiations through consultation will not only help to carry out the process more successfully, but also give the business world the necessary impetus to prepare themselves to the challenges of this transformation. For that purpose the business world shall start to conduct its own sectoral and micro impact analysis. The results of those analysis will create valuable input for the Turkish negotiation team.

The modernisation of the Customs Union is also important to further liberalize Turkish economy and increase its integration to the global markets. Although Turkey is not the part of the ongoing TTIP negotiations between EU and USA, she will be directly affected if they will be finalised and come in to effect. Some studies reveal that Turkey will face loss in term of economic welfare due to its being left out of this TTIP process. According to the evaluation of the EU-Turkey Customs Union carried out by the World Bank, it is estimated Turkey will undergo a welfare loss of at least 130 million dollars. Another study conducted by the German IFO Institute lists Turkey with a 2.5 percent of GDP among countries that is foreseen to face a loss in terms of welfare following the conclusion of TTIP. The possible economic losses put aside, it is essential for Turkey to take part in the TTIP which will constitute an important benchmark for future FTAs to be negotiated but also for setting new trading standards at global level.
VII. Turkey-EU Refugee Cooperation and Visa Liberalisation Dialogue:
What Has Been Achieved, What is Left to Be Achieved?

As a longstanding EU candidate since 2005, Turkey has a broad array of relations with the EU in many different domains and perspectives. One of these domains, and which is of utmost importance to both parties is with respect to migration and how to better control and manage migration flows between Turkey and the EU. Considering current migration crisis regarded among the most critical issues on the global agenda; Turkey and the EU are the key stakeholder through overcoming the crisis.

As such, the parties had signed the Readmission Agreement on 16 December 2013 and the agreement entered into force on 1 October 2014. Henceforth, the signature of the Readmission Agreement also marked the launch of the Visa Liberalisation Dialogue between the parties. Undoubtedly, it marked a milestone in Turkey’s quest to visa liberalisation with the EU, since the agreement is an integral part of the roadmap for a visa-free regime. Within the framework of the agreement, it is stipulated that the readmission of nationals of the two signatory states, along with stateless persons as well as nationals of third countries with which Turkey had signed bilateral agreements will take place. As such, one can say that the Readmission Agreement has swiftly established a reciprocal system which foresees the rapid readmission of individuals who have entered the parties’ respective territories in an irregular manner.

The European Commission has consistently stressed that thanks to the full and effective implementation of the Readmission Agreement, it would facilitate the opening of negotiations between the parties vis-à-vis the Visa Liberalisation Dialogue, henceforth opening negotiations towards the establishment of a visa-free regime for Turkish citizens travelling in Schengen area countries. One should nonetheless remind that there are also other requirements which ought to be fulfilled by Turkey such as aligning with the EU’s migration and asylum system, notably in line with international standards and provisions in that respect. Such requirements are included within the framework of the benchmarks of the Visa Liberalisation Roadmap.

Marathon Race to Fulfill the “72 Criteria” has Commenced

There are a total of 72 benchmarks within the roadmap which Turkey, as any other state which envisages with visa-free travel for its citizens within the EU has to fulfill. These benchmarks are divided into five thematic blocks as follows: document security, migration management, public order and security, fundamental rights and readmission of irregular
migrants. These included a very broad scope of domains such as the issuing of new passports in a biometric form, in compliance with ICAO and the EU standards, anti-corruption provisions, ensuring the effective expulsion of illegally residing third-country nationals, signing and ratifying provisions of the Council of Europe regulations with respect to a broad scope of domains such as action against human trafficking, fight against money laundering, cybercrime, and so forth.

The European Commission adopted its First report on progress achieved by Turkey in fulfilling the requirements of its Visa Liberalisation Roadmap on 2014. One has also to bear in mind that with the tense international context, especially the ongoing Syrian civil war, and the growing migration flows in that respect, have put more and more to the forefront Turkey’s strategic importance from the EU’s perspective. In that context, a Turkey-EU Summit was realised on 29 November 2015 where the parties agreed on the modalities to further deepen their cooperation, notably in managing the refugee crisis stemming from the Syrian civil war along with addressing irregular migration and finding comprehensive and long-lasting solutions in coordination in that respect. The Summit showed the joint willingness of the parties in accelerating the fulfillment of the Roadmap, including the swift implementation of all provisions included within the framework of the Turkey-EU Readmission Agreement. During the Summit, the Turkish side had vocally expressed its full commitment not only to the acceleration in fulfilling all of the remaining criteria as stipulated within the framework of the Visa Liberalisation Roadmap, along with the application of all of the provisions of the EU-Turkey Readmission Agreement, with the clear objective of obtaining visa liberalisation by October 2016. The Commission not only noted Turkey’s commitment and progress but also encouraged Turkish authorities in further persevering in that respect.

On 4 March 2016, the Commission adopted its Second report with respect to the progress achieved by Turkey in fulfilling the requirements of the Visa Liberalisation Roadmap. The report was accompanied by a Commission Staff Working Document (CSWD). Taking a broader look to the CSWD, one could see a detailed account of the progress realised by Turkey since the First Report.

**Visa Liberalisation and Migration Management: Two Intersecting Stories**

The CSWD also further included an assessment of the possible impacts of Turkey’s visa liberalisation upon the ongoing migratory situation within the EU. This is a very delicate issue as one may recollect that both parties have shown not only willingness to cooperate but have effectively worked hand in hand in finding long lasting solutions to curb the arrival of irregular migrants within the territory of the EU as Turkey had pledged to do its bid during the 29 November 2015 summit between the parties.

One should remind that in the context of the 18 March 2016, the Turkey-EU Statement, in its 5th point, noted the following: “The fulfillment of the visa liberalisation roadmap will be accelerated vis-à-vis all participating Member States with a view to lifting the visa requirements for Turkish citizens at the latest by the end of June 2016, provided that all benchmarks have been met”. With respect to the issue of the arrivals of irregular migrants, the statement stipulated that as of 20 March 2016, all irregular migrants entering into Greek islands from Turkey would be returned to Turkey. It is of utmost importance to highlight the fact that the statement read that such readmissions would be pursued in full accordance with international and EU law, and thus with full respect for the principle of non-refoulement. One other aspect of cooperation which needs to be stressed in that area is the fact that Turkey and Greece have taken the necessary precautions, assisted by EU institutions and agencies in order to tackle the issue of irregular migrant flows hand in hand. Therefore, it had been decided to dispatch Turkish officials present on the terrain, on the Greek islands and likewise, Greek officials in Turkey in order to facilitate the operations. The EU did not omit also to signal that each cost of the return operations would be fully covered on its behalf. In the context of the UN Vulnerability Criteria, both parties agreed to the principle that “for every Syrian being returned to Turkey from the Greek islands, another Syrian will be resettled from Turkey to the EU”.

Henceforth, a mechanism has been established, with the support and full assistance of the Commission, EU agencies as well as of other Member States and international organisations such as the UNHCR for a swift and effective implementation of the mechanism. In that context, a point which needs to be further highlighted is the fact that the parties have agreed wholeheartedly that the mechanism would integrate a priority given first and foremost to migrants
who hadn't entered the territory of the EU before in an irregular fashion. As the Member States had agreed in concert, resettlement is scheduled to be operational within the framework of this mechanism. It is worth mentioning, in that respect, that the Member States had reached the conclusion to have resettlement places for a limit of an additional 54,000 people. Moreover, the mechanism may be reviewed in the event of insufficient support in meeting the objective of ending the tide of irregular migration. In contrast, it stipulated that if the number of returns of irregular migrants is superior to the numbers provided above, the mechanism would be suspended.

Unfortunately, as one can recollect, the EU judged that all benchmarks had not been fulfilled by Turkey as of June 2016, and hence the visas were not lifted in that date. At the current moment, as of September 2016, Turkey has successfully fulfilled, as also noted by the European Commission, 65 of these benchmarks. The Commission noted that further work towards achieving fulfillment is needed with respect to the following benchmarks:

- Issue biometric passports in compliance with ICAO and EU standards (document security, benchmark 1);
- Continue implementing the National Strategy and the Action Plan on the Fight against Corruption and the recommendations of the Council of Europe Group of States against Corruption (GRECO) (public order and security, benchmark 42);
- Provide effective judicial cooperation in criminal matters, including in extradition matters, to all EU Member States (public order and security, benchmark 47);
- Conclude and implement an Operational Cooperation Agreement with EUROPOL (public order and security, benchmark 54);
- Adopt and implement legislation on the protection of personal data in line with the EU standards (public order and security, benchmark 56);
- Revise – in line with the ECHR and with the European Court of Human Rights (ECtHR) case law, the EU acquis and EU Member States practices – the legal framework as regards organised crime and terrorism, as well as its interpretation by the courts and by the security forces and the law enforcement agencies, so as to ensure the right to liberty and security, the right to a fair trial and freedom of expression, of assembly and association in practice (fundamental rights, benchmark 65);
- Implement the EU-Turkey readmission agreement in all its provisions (readmission of illegal migrants, benchmark 68).

Follow up to the Refugee Deal Between Turkey and the EU

Taking into consideration current fast paced nature of the migration crisis as well as the domestic politics both in the EU and Turkey; European Commission published numerous reports concerning the state of play under European Agenda on Migration on 28 September 2016, before publication of 2016 Progress Report on Turkey in near future. Undoubtedly, Third Report on the progress made in the implementation of the Turkey-EU Statement is constituted as the most critical part of this series of publications on 28 September.

Third Report proves the substantial fall in both irregular crossings from Turkey to the EU (mostly Greece) and fatalities of migrants. According to the numbers shared by the Commission, since the Second Report, average daily irregular arrivals from Turkey to Greece recorded around 81. Comparing the same period of previous year, numbers considerably decreased. Between June-September 2015, average arrivals were 1,700 a day. Also a significant fall in the number of fatalities at Aegean Sea recorded vis-à-vis the previous year. Since the implementation of Turkey-EU Statement, only 11 people died trying to reach Greece from Turkey by irregular means. This achievement is among the most noticeable success of joint burden sharing and cooperation efforts of two sides.
On the other hand, some serious concerns and areas requiring improvement have reflected to the Third Report. Mainly, Member States’ operational and personnel support at hotspots in Greek Islands falling short of needs according to the Commission. Member States should urgently increase their support to Greece through EU Agencies. And the current shortfall of 59 experts for the European Asylum Support Office and shortages for Frontex must be filled until the end of 2016.

Slow pace of processing of asylum applications by the Greek Asylum Service and the return process of the irregular migrants from Greece to Turkey is the second critical issue. Since June 2016, 116 migrants including 22 Syrians were returned to Turkey from Greece. Further effort is necessary both in Turkey and the EU to increase the capacity of reservation centers and enhance living conditions of the asylum seekers. To this end, in conjunction with the performed amendments to the legislation concerning foreigners (especially Syrians) and international protection as well as some capacity building efforts; over 8,000 work permit applications from Syrians have been approved. This represents a doubling of the figure for the whole of 2015. Increased numbers of the work permit applications of Syrians happens to be a reflection of further integration of Syrian population to Turkish social-economic structure.

The failed coup attempt of 15 July which presented a grave threat to Turkish democracy has also been on the Migration Agenda of both Turkey and the EU recently. The EU strongly condemned the coup and expressed its full support and solidarity to Turkey through different platforms, instruments and actors. Albeit, as mentioned within the Third Report, aftermath of the coup attempt in Turkey affected the implementation of Turkey-EU Statement and Turkey-EU migration management/law enforcement cooperation negatively.

State of emergency period just after the coup attempt was the scene to recalling of the Turkish liaison officers stationed in Greece back to Turkey; deceleration of the administration, operation and implementation aspects of the Turkey-EU Statement and a modest increase in numbers of irregular migration from Turkey to the Greek Islands. Yet, the recovery has been occurring in an accelerated manner; and the migration cooperation started to be normalized as expressed within the Third Report.

Issue of “3+3 Billion Euros” and Other Major Steps

Last critical topic concerning the current state of play regarding the Turkey-EU migration cooperation is allocation of the “so-called 3 billion” euro by the EU within the framework of Turkey-EU Statement for humanitarian and non-humanitarian assistance in terms of overcoming the refugee crisis. Since 15 June 2016, total amount allocated has reached 2,239 billion euro for 2016-2017. In addition to this, for humanitarian purposes, already 512 million euro has been contracted. 348 million euro of this contracted amount was signed with World Food Programme to implement Emergency Social Safety Net which will be the EU’s largest ever humanitarian programme. Of course most critical issue with respect to humanitarian and non-humanitarian assistance is the efficient, transparent and accountable execution of funding, contracting and practice stages of the relevant projects. All counterparts needs to manage the process within the most integrated manner considering the funds and aids have been allocated with the aim of overcoming one of the most critical tragedies of recent history. This attributes further importance to “watchdog” role of the international, national and local civil society.

Apart from that, the Commission revealed critical data and actions concerning the resettlement and relocation of migrants recently. According to the latest numbers, under the 1:1 scheme, 1,614 Syrians were resettled from Turkey to the EU in total. Also, the numbers of persons that are ready to be resettled are 509. The Commission, civil society representatives and activists keep underlining that the pace needs to be maintained. To this end, enhancing increased relocation of persons from Greece and Italy to other Member States is on the top of the Commission’s agenda. Currently 5,651 asylum seekers have been relocated since October 2015. On the other hand, populist and conservative narrative within the EU and its appeal on European citizens has been challenging the relocation concept as a whole.
Increasing Need for an Efficient Integration Policy

As stressed above, current measures being taken tackling the migration and refugee crisis are far from adequate level for both sides in longer term. Political will to accelerate the burden sharing and cooperation in migration management is the essential factor. To this end, both sides need developing medium term to long term migration policies.

One of the weakest points of Turkey’s migration policy has been integration of nearly 3 million Syrians currently registered in Turkey. Starting from the crisis in Syria, Turkish discourse has been referring the Syrians in Turkey as “guests”. But after the legislative amendments towards work permit and considering current nature of Turkey-EU deal, this has been changing and enhanced integration policies should be on the agenda to be able to tackle the crisis in medium term. “Access to the basic needs” consisting of access to health services, labour markets and education regarded as the fundamental of an enhanced integration policy. Moreover, effective access of the Syrians to labour market is a critical issue to be able to benefit the diversity, prosperity and positive effects of migration to Turkish economy in long term. This requires circulating the political will towards cooperation concerning other domains of Turkey-EU relations, not only the current crisis. The most effective migration cooperation between Turkey and the EU could be established just only if this cooperation include a clear visa liberalization and positive dialogue within other domains.

Current Stance and Future of the Visa Liberalisation Dialogue

Visa liberalisation dialogue has been part of every high level meeting on migration between authorities from Turkey and the EU and every joint statement from two parties since the end of 2015. Within this context, having a broad repercussion among Turkish media and public, acceleration of visa liberalisation dialogue has been a key component of 18 March Turkey-EU Statement. Therefore future of the Turkey-EU migration cooperation is deeply rooted with the future of the visa liberalisation debate.

Currently European Parliament holds a firm position concerning the visa liberalisation towards Turkish citizens. Relevant Committee (LiBE) which would make first instance evaluation regarding lifting the visas has sent a clear message underlining that EP would not discuss the topic until Turkey fulfills every benchmark within the Roadmap. Therefore it takes critical importance to keep technical and political dimensions of the process separate.

The failed coup attempt and the state of emergency in addition to Turkey’s struggle against multiple terrorist organizations no wonder have been force majeure before acceleration of reform steps towards fulfilling the remaining criteria. At this point, benchmark 65 (Revise – in line with the ECHR and with the European Court of Human Rights (ECtHR) case law, the EU acquis and EU Member States practices – the legal framework as regards organised crime and terrorism, as well as its interpretation by the courts and by the security forces and the law enforcement agencies, so as to ensure the right to liberty and security, the right to a fair trial and freedom of expression, of assembly and association in practice) is being considered as the most controversial criteria left.

Yet, there are some other areas that two parties could form a consensus which would ensure fulfillment of remaining criteria directly in fragile and tense times like these; such as protection of personal data. With data protection legislation in line with the EU acquis, Turkey would fulfill benchmark 54 and benchmark 56 together since it would lead Turkey to be granted safe country status. Hence, Law on Protection of Personal Data has entered into force on 4 April 2016 to be able to align the EU standards concerning data protection in Turkey. Within the Third Visa Liberalisation Report published on 4 May 2016, the Commission asserts the recent Law entered into force on 4 April hasn’t fully complied with the EU standards and Turkey should ensure the independence of the relevant authorized body.

Spreading the discussions to other remaining criteria rather than being only locked to the benchmark 65 and focusing common interests and grounds would be in benefit of all parties. Eventually a successful visa liberalization and fully effective refugee cooperation is essential for both sustainability of the EU integration project and Turkey’s membership hopes.
VIII. Re-Energizing Turkey-EU Relations: High-Level Dialogues

There is no doubt that current regional issues of foreign policy area require a shared responsibility and cooperation between parties in order to support international and regional stability. More specifically, as a candidate country for the EU Membership, Turkey’s contribution to the area of foreign policy is to ensure international and regional stability and peace. Furthermore, the nature of bilateral foreign policy between Turkey and the EU belong to each other in many areas that will remain the key objectives in relations.

On the other hand, Turkey-EU relations is still struggling with some political reasons caused by Member States. Although Turkey’s accession process with the EU is ongoing, it stuck on political decisions blocking 14 chapters in negotiation process. This is a great barrier not only for Turkey but also for the EU in tackling regional issues side by side and supporting economic, social and trade cooperation between both sides.

The meeting of EU Heads of State with Turkey held on 29 November 2015 created a new momentum in relations: By re-energizing Turkey’s accession process, high level political dialogue underlined the framework of cooperation between Turkey and the EU in order to discuss common and interests in bilateral relations.

According to the decision of the High Level Political Dialogue Meeting held in Ankara on 9 September 2016, High Representative for Foreign Affairs and Security Policy Federica Mogherini and Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn underlined that Turkey is an important partner and candidate country to the EU. Moreover, the EU is ready to work together in the areas of terrorism, Syria and other issues in which both side struggling with. These statements are vital to keep the relations warm, honest and stable.

During the meeting held on 9 September, leaders discussed details for the near-future plans in which both sides can work together to facilitate Turkey's accession negotiation process and to find the solution for the common challenge in regional issues. Regarding the Syrian conflict, leaders agreed on a political solution in Syria rather than military solution. In the area of Kurdish issue, the EU committed that PKK is on the Union’s terrorist list and they will continue to fight against the presence in the EU of the PKK. Believing that visa liberalisation, the upgrade of Customs Union, and Syrian refugees, in particular focusing on the education of children remain some of the key elements of the dialogue. Leaders stated that the Facility of Refugees in Turkey needs to be finalized in line with commitments mentioned on 8 march. During the meetings, that was also important to mention that accession negotiation process is still cornerstone of Turkey-EU relations. Leaders also welcomed the ongoing settlement talks in Cyprus.

Hereby, High Level Political Dialogue is essential in relations in order to bring Turkey and the EU closer each other.
Turkey-EU High Level Energy Dialogue

Energy is one of the most important chapters, whose opening to negotiations is in the interest of both Turkey and EU. Although Turkey made enough progress in aligning its legislation with the acquis communautaire, the energy chapter cannot be opened to the negotiations because of Greek Cypriot Administration of Southern Cyprus’ veto. With launching the High Level Energy Dialogue Turkey and EU aimed to strengthen their relations in energy policy and to support Turkey’s progress in alignment with the EU acquis especially with regular meetings at ministerial level.

European Commission’s proposal to Turkey to upgrade cooperation by launching high-level energy dialogue was announced during the first meeting of the Advisory Council of the Southern Gas Corridor that kicked off in Baku on 12 February 2015. One month later, on 16 March 2015, Turkish Minister of Energy and Natural Resources Taner Yıldız and Vice President of the Commission Šefčovič announced the launch of Turkey-EU High Level Energy Dialogue. The role of Turkey as an energy hub between energy sources in the Middle Eastern and Caspian Regions and EU energy markets was emphasized in the joint declaration. It was also stated that both Turkey and EU will benefit if Turkey becomes an energy hub.

In the communication on Energy Union, it has been stated that “as part of a revitalised European energy and climate diplomacy, the EU will use all its foreign policy instruments to establish strategic energy partnerships with increasingly important producing and transit countries or regions such as Algeria and Turkey; Azerbaijan and Turkmenistan; the Middle East; Africa and other potential suppliers”. Considering this statement, one can easily argue that the launching of the High Level Dialogue with Turkey will contribute to EU’s ambition to play a stronger role in global energy markets.

Another important development during the visit of Vice President of the Commission Šefčovič’s was the groundbreaking ceremony of the TANAP pipeline, which sets up the Southern Gas Corridor with South Caucasian Pipeline (SCP) and Trans Adriatic Pipeline (TAP). As it is well known, the Southern Gas Corridor envisages the delivery of gas from Azerbaijan’s Shah Deniz II field to Europe via Turkey, Greece and Italy. As it was pointed out in the first EU official documents in 2008, Southern Gas Corridor is one of the priority energy projects that will increase EU’s energy supply security. The Southern Gas Corridor reveals to be of great importance since it will ensure the diversification of both energy route and source. Considering EU’s dependency on imported energy, mainly the high level of dependency of East Europe towards Russia, it became urgent for EU to realize the Southern Gas Corridor since Russia uses easily its advantage on energy as a political leverage. At the ceremony, Vice President of the Commission Šefčovič not only did he underline the importance attributed to the TANAP (with its 1850 km route the main part of Southern Gas Corridor) but also the role of Turkey as a reliable energy partner for EU.

For Turkey, the importance of TANAP for its own as well as EU’s energy security will help to contribute to its goal of becoming an energy hub and to improve its regional clout.

The second meeting of Turkey-EU High Level Energy Dialogue was held in Istanbul on 28 January 2016, where Turkey is represented by Minister for Energy and Natural Resources Berat Albayrak and the EU by the EU Commissioner for Climate Action and Energy Miguel Arias Cañete. In the second meeting both sides announced that they’ll continue further cooperate on securing and diversifying energy supply sources as well as ensuring that supply meets demand under the competitive market conditions. The importance of Turkey as a key country for EU’s energy security and as a regional energy hub was underlined and the joint commitment to the successful implementation of the Southern Gas Corridor was re-affirmed.

One of the most important items on the agenda of the second dialogue meeting was the idea to work together more closely in order to optimize natural gas supply to Turkey and through Turkey to the EU and improve storage and LNG capacity that will contribute to Turkey’s position as a regional gas hub in the medium and long term. Moreover

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both parties welcomed the agreement signed on 14 January 2016 between the Turkish national transmission system operator TEIAS and the European Network of Transmission System Operators for Electricity ENTSO-E, which allows TEIAS to become the first observer member of ENTSO-E since its creation in 2009. This advanced level of cooperation means that electricity can flow freely in two directions to the benefit of consumers on both sides.

Without doubt, there are still more areas of opportunities to exploit in Turkey-EU energy relations. However one shall not oversee that opening the chapter on energy to negotiations still remains the higher priority on the agenda.

Turkey-EU High Level Economic Dialogue

In the European Union (EU) Summit of 29 November 2015 it was decided to re-energize accession process which constitutes the backbone of Turkey-EU relations, acceleration of visa liberalization dialogue, burden sharing in migration management, updating Customs Union and high level dialogue in the areas of common interest such as economy, energy as well as international issues. As an important part of this process the European Union and Turkey held the first High Level Economic Dialogue (HLED) in Istanbul and Ankara on 25-26 April 2016, which was co-chaired by Deputy Prime Minister Mehmet Şimşek and Vice President of the European Commission Jyrki Katainen.

The first HLED brought together the Turkish ministers in charge of economic policy-making and EU relations and their counterparts from the European Commission together with major Turkish and European business community representatives for the first time. The EU side was presented by Vice President of the European Commission for Jobs, Growth, Investment and Competitiveness Jyrki Katainen, EU Commissioner for Economic and Financial Affairs, Taxation and Customs Pierre Moscovici, EU Commissioner for Neighbourhood Policy and Enlargement Johannes Hahn, EU Commissioner for Environment, Maritime Affairs and Fisheries Karmenu Vella whereas Turkish delegation consisted of Deputy Prime Minister Mehmet Şimşek, Minister of EU Affairs and Chief Negotiator Volkan Bozkır, Minister of Economy Mustafa Elitaş and Minister of Customs and Trade Bülent Tüfenkci. The first day event, EU-Turkey Business Dialogue in Istanbul, allowed participants to discuss how to create a better business environment and deepen bilateral trade and investment links.

On the second day of the HLED ministerial-level discussions were held in Ankara. Both parties discussed the outlook for the EU and Turkish economies and underlined the need for structural reforms and creating a business friendly environment both in Turkey and EU.
IX. Turkey and the EU from a Security Perspective

It is well-known that one of the most important dimensions of Turkey-EU relations is security cooperation especially with regard to fending off threats emanating from the South towards the European region. The Middle East is currently experiencing a period of crisis, which impacts severely on geopolitical order and security in the region and the adjacent areas. The collapse of state authority over particular areas in certain political contexts (e.g. Syria, Iraq), combined with the emergence of new proto-state entities is deeply affecting the security environment from many aspects. On the other hand, the current geopolitical situation offers several opportunities for both parties for collaborating in the security field; however, the effective implementation of a regional partnership will greatly depend on the political will of the EU and Turkey.

Turkey and EU Stances in the Face of Instability in the Middle East

It can be argued at the outset that both the EU and Turkey have the capacity for closer cooperation in better addressing their security challenges and interests in the Middle East. The EU lacks reliable local allies in dealing with current threats, since Brussels is still largely incapable of involving countries and new regional entities in achieving its regional goals. This is particularly problematic as many of the current security issues emanating from the conflict in Syria (refugee crisis, illegal migration, and terrorism) have a supranational character. Ankara is potentially the best candidate for becoming the main regional partner of the EU on these issues, as it shares most of its security priorities with the EU and has the political capacity to be an essential constructive actor for stabilizing the Middle East.

As far as Turkey is concerned, its main priority is to keep the emergence of a Kurdish entity in the north of Syria from jeopardizing its internal stability in the Kurdish-majority eastern regions. In addition, the operations against Turkey-backed rebels in the area of Aleppo (2015-2016) are a source of great concern for Ankara. Furthermore, Turkey has been a target of terrorist attacks, allegedly carried out by IS and Kurdish separatist groups, and is now dealing with a flow of refugees from Syria. The possibility of a pragmatic partnership based on shared interests could succeed if both sides recognize the benefits it could bring to the regional stability of the Middle East and to their own security interests.

In addition, Ankara could benefit from a closer partnership with the EU to help restore its image of a constructive actor and regain influence in the Middle East. This could aid Turkey in realizing its ambition to become a source of political inspiration for the Middle East countries by means of a combination of increasing economic penetration, a larger role in conflict mediation and an effective use of soft power. Furthermore, Turkey could also be a key security partner of Brussels in the non-Arab periphery of the Middle East since it started to normalize its relations with the regional countries such as Israel and Iran which has been largely frustrated since 2011. The remaining part of this chapter will home in more specifically on these issues where both Turkey and the EU can cooperate.
The EU, Turkey and the Conflict in Syria

As regards to the conflict in Syria, Ankara can play a more constructive role in the security matters that concern the European states, such as the flow of foreign fighters, human trafficking and the fight against IS. Furthermore, Turkey could also make a greater contribution to exchanging intelligence information and accommodating the entry of refugees from Syria. The recognition of Ankara as the main EU partner could also potentially help in finding a long-term solution to the Syrian conflict, as Turkey has the leverage to make local militias in Syria engage in a constructive dialogue regarding the post-civil war scenario. The involvement of Turkey in the EU policy in the region might also be helpful in dealing with the current humanitarian crisis in Syria and neighbouring countries. Ankara could further benefit from the EU’s help in dealing with the current humanitarian crisis. Such cooperation is already well underway following the recent EU-Turkey cooperation agreement which pledges 3 billion euros to Ankara to help with the refugee crisis.

The acknowledgment of Turkish interests as legitimate and consideration of its priorities in this conflict are also crucial for the enhancement EU-Turkey Security cooperation in the region. Turkey has specific priorities in the Syrian conflict; it considers the emergence of a Kurdish proto-state (Rojava) just beyond its border the main threat to its internal security. This is the reason why Ankara, which is involved in sustaining anti-Assad militias and fighting the so-called Islamic State (IS), is also conducting military operations against Kurdish forces in northern Syria, where some parts of the territory are controlled by People Protection Units (YPG). The emergence of this militia as a key player in the Syrian crisis is seen as a major threat by Ankara, given that the armed group is de facto connected to the Democratic Union Party (PYD). This political organization is ideologically linked to the Kurdistan Workers’ Party (PKK), even though it denies being its Syrian branch. Ankara has struggled with the PKK for 30 years and it concerned with the potential spill over of the Syrian crisis to its Kurdish population.

Many EU member states do not share the same concern, as they consider the PYD/YPG an essential ally for fighting IS. However, this might be a strategic miscalculation as the emergence of a PYD-led Kurdish entity in northern Syria is potentially destabilizing for the future of this country. In particular, the hegemony of PYD in the Syrian context arouses concern in the rival Kurdish National Council (KNC), mostly formed by parties which have strong ties with the Kurdish Democratic Party of Iraq (KDP): the main political force in the Kurdish Regional Government (KRG). These political forces (e.g. the Kurdish Democratic Party of Syria KDPS) have a long history of rivalry with the PYD in competing for leadership among Kurds in northern Syria. Contrary to more radical Kurdish parties, the KNC-affiliated groups advocate a federal solution for the Kurdish region within a prospected Syrian republic, but lack a broad political constituency in this area and recently boycotted the local Rojava elections.

The EU could work towards making this Kurdish group a constructive player that contributes to, rather than thwarts, European interests in Syria, conditioning military assistance and political support of its member states on building inclusive governance institutions and setting a limit to its expansion. This would greatly reassure Turkey, which fears the unification of the Afrin Canton with the areas of Jazira and Kobane. Furthermore, the EU could also act as mediator between different Kurdish parties. Brussels could also push to allow a significant number of Iraqi Peshmerga to be deployed in Syrian territory. This would also guarantee greater protection to parties that opposed the PYD, helping to strengthen political pluralism. Such a development would ultimately reassure Turkey, at least partially, that its internal security would not be jeopardized by the creation of a Kurdish entity in Syria. The KRG has, in fact, positive relations with Ankara and it shares with Turkey the strategic goal of limiting the influence of the PKK in the Kurdish political spectrum in the long term. In addition, such a deployment might be accepted by PYD, both on the basis of common efforts in the fight against IS, which already proved to be very productive in the battle of Kobane (2014) and Sinjar (2015). The presence of a consistent number of non-PYD forces would also reassure the international community that the creation of an autonomous Kurdish region could be included in the framework of a post-Assad federal Syria.
The EU, Turkey and the Non-Arab Middle East

Turkish leadership recently proved capable of taking pragmatic decisions with regard to Israel. The recent decision of Tel Aviv and Ankara to re-open their embassies as a first step towards normalizing their relations is a promising development that may be seen in the context of a general reorientation of Ankara’s foreign policy to create good relations with its neighbouring countries after a period of regional isolation. The first steps were made on 27 June, 2016. The Israeli security cabinet approved the Reconciliation agreement on 29 June, on 20 August it was approved by the Turkish parliament and signed by Turkish president Recep Tayyip Erdoğan on 31 August. The EU could guarantee that this plan will succeed by making partnership with Turkey a new cornerstone of its policy in the region.

At this point, it would be remiss to not mention the role of energy also as a factor in enhancing EU-Turkey security relations. As it can be remembered, in 2010, Israel discovered the Leviathan gas field – a mammoth discovery of 16 trillion cubic feet of natural gas worth $95 billion on its shore. The Israeli gas fields might not only improve Israel’s energy security; natural gas produced at these fields can also be used for exports. With both Turkey and the EU mostly relying on Russian gas, it is no secret both have been looking for opportunities to diversify their sources of imports. Turkey can serve as an energy link to Europe. With the Trans-Anatolian pipeline already under construction from Azerbaijan and Turkish Stream back on the table after renewed ties with Russia, normalising relations with Israel will pave way towards further market diversification. This economic cooperation can strengthen the security interdependence between Israel, Turkey and the EU.

Turkey’s warming of relations with Israel has been the focus of much analysis. However, an equally—if not more—important development, the improvement of Turkey’s relations with Iran, has gone largely unreported if not totally unnoticed. A number of factors have contributed to this development. First, the Turkish government has come to realize in the past few months that IS, not Assad, should be its primary concern in Syria. This realization dawned upon Ankara with the escalation of IS’s terror attacks in the country, which have left scores of people dead. The attack on the Istanbul airport on June 28, which killed forty-one people, proved to be the final blow that exploded the myth that Assad posed a major threat to Turkish security. It made clear that Syria’s neighbours—Iran, Iraq and Turkey—faced a common, some would even say existential, threat in the shape of IS. It further made clear that Iran and Turkey must move toward devising a joint strategy in order to eliminate this threat.

Assad thus became a secondary problem from Turkey’s perspective. Turkey’s changing stance toward the Assad regime was evident from the statement made by Turkish Prime Minister Binali Yıldırım on 13 July 2016 that “I am sure that we will return [our] ties with Syria to normal... We need it. We normalised our relations with Israel and Russia. I’m sure we will go back to normal relations with Syria as well.” This change in the Turkish stance has paved the way for the improvement of relations with Iran, which is actively involved in defending the Syrian regime indirectly through its ally Hezbollah and directly through elements of the Islamic Revolutionary Guard Corps (IRGC) in advisory and sometimes battlefield roles against Syrian insurgents.

Secondly, the Syrian insurgency has brought home the fact both to Ankara and Tehran that the principal beneficiaries of the breakup of Syria—which is likely to happen if Assad falls—will be the Syrian Kurds and especially the PYD, which has strong links not only to the PKK in Turkey but also to the PJAK, the Kurdish insurgent movement engaged in fighting Tehran. The PYD has moved in to control the bulk of the Kurdish areas in Syria as the Syrian regime’s control over these regions bordering Turkey and Iran has eroded. While initially this led to some acrimonious exchanges between Ankara and Tehran, with the former accusing the latter of encouraging Kurdish forces in order to destabilize Turkey, it soon dawned upon both that they had to cooperate in order to mitigate the damage that could be inflicted on the territorial integrity of both states by the Kurdish regions’ successful secession from the rest of Syria. Any form of Kurdish independence is anathema to both Turkey and Iran.

Third, the coming into force of the Iran nuclear deal in January 2016, and the consequent lifting of economic sanctions imposed by the UN Security Council, the EU, and the United States on Tehran, is perceived in both Ankara and Tehran as a major boost to their trade relations. Trade between the two countries had been hampered by the imposition of financial restrictions on Iran, which prevented Turkey from paying for the energy resources it imported from Iran,
therefore restricting the flow of gas and oil. Turkey traditionally buys about a quarter of its oil and about a fifth of its gas from Iran. The lifting of sanctions, according to projections made in both countries, is likely to triple the volume of trade between the two countries to $30 billion in two years.

This new phase in the Turkey-Iran relationship is likely to be critical for the entire Middle East and for the future of EU-Turkey relations in this region. Both Turkey and Iran, for different reasons, have recently sought Europe as a partner in overcoming their specific problems—the influx of refugees in Turkey's case and economic isolation in Iran's case. Progress in these areas might pave the way for further cooperation, provided that the EU comes out with a strategic vision to enlist both countries against what it perceives as the twin threats of terrorism and immigration. In this vein, a Turkey-EU deal backed up by Turkish-Iranian cooperation in Syria could have positive humanitarian effects while also addressing the EU's perceived threats, essentially serving to keep the Syrian people in Syria.

Iran is also well situated to emerge as an alternative energy supplier for both the EU and Turkey and is desperate for European investments to start accruing the economic benefits of the nuclear deal. Turkey has been willing to facilitate the transfer of Iranian gas to the Western markets and sees a commercial opportunity in helping Iran to overcome the adverse effects of international sanctions, given that both Turkey and Iran need alternative modalities for economic growth.

The possibility of a pragmatic partnership based on shared interests could succeed if both sides recognize the benefits it could bring to the regional stability of the Middle East and to their own interests. Although the current geopolitical situation offers several opportunities for collaborating in the security field, the effective implementation of regional partnership greatly depends on the political will of the EU and Turkey. A closer collaboration requires a general paradigm shift that aims at restoring mutual trust and setting a different standard for a renewed alliance. In this context, it is necessary for Brussels to conceive of Ankara as an assertive partner with its own interests and priorities that could be included in a broader European strategy for the region, rather than as a reluctant ally. Turkey should realize that it is not possible to achieve its regional objectives on a stand-alone basis. Ankara could engage its allies in handling an issue which cannot be solved only in military terms but requires a long-term political vision.
X. The Challenge of Keeping Enlargement Alive in Turbulent Times

Enlargement has been regarded as the most powerful foreign policy tool of the EU. It was through the promise of membership and the application of political conditionality that the EU was able to guarantee democratic consolidation in Southern Europe in early 1980s, and ensure ‘the return to Europe’ for the Central and Eastern European countries in early 2000s. However, the current context within which the EU is operating is dramatically different from what it was 12 years ago during the historic 2004 ‘Big Bang’ enlargement round.

The new realities and challenges faced by the EU and the countries covered by the EU’s current enlargement agenda are multiple and different. First, the EU is faced with a plethora of crises that raise existential questions about the future feasibility of the European project. Challenges posed by the need to restore growth in the aftermath of the Euro crisis, the massive influx of refugees, security threats in EU’s immediate neighbourhood and finally the UK’s decision to leave the EU, all threaten the basic tenets and most significant achievements of the EU, such as the single currency, open borders and the very concept of EU membership. Question marks over the fundamental achievements of the EU and the cracks in EU’s unity that have become increasingly visible in the face of these challenges, also risk reducing EU’s appeal and gravitational pull in the eyes of the enlargement countries.

The EU’s current enlargement agenda covers the six Western Balkan countries (candidates; Montenegro, Serbia, Macedonia, Albania, and potential candidates; Bosnia and Herzegovina and Kosovo) and Turkey. The challenges faced by the enlargement countries are numerous. Fundamental challenges concerning the rule of law, independence of the judiciary, fundamental rights, freedom of expression functioning of democratic institutions, and with the exception of Turkey, low levels of investment and problems in economic governance continue to plague the enlargement countries.

It is important to note that Turkey occupies a special place in EU’s current enlargement agenda. It is clearly different from the Western Balkan countries in terms of its population size, its economic and geopolitical weight. As the world’s 18th largest economy and one of the fastest growing countries in the world, Turkey is well ahead of the Western Balkan countries which do not classify as functioning market economies. Moreover, an important NATO ally, Turkey is a key strategic partner for the EU whose importance for EU’s foreign and security policy interests is unparalleled. Certain circles within the EU have questioned Turkey’s European credentials based on cultural and ideational reasons and have taken advantage of Turkey-sceptic sentiments among their publics to score better in domestic politics. Although the refugee crisis has increased Turkey’s importance for the EU and led to enhanced cooperation with Turkey, it has so far failed to translate into a breakthrough in Turkey’s EU accession process. Statements underscoring Turkey’s strategic importance and praising its role in hosting around 3 million refugees have usually been accompanied with buts or ifs whenever Turkey’s EU membership prospects are mentioned. This in turn has created bitterness among the Turkish public.
The new realities which have overtaken the EU, have made it increasingly inward-looking and further enlargement has dramatically dropped down in the EU’s list of priorities. The EU, as it stands today, is not in a position to make bold and visionary decisions when it comes to enlargement. In July 2014, the incoming European Commission President Jean-Claude Juncker announced that no new round of enlargement would take place during his term in office. Juncker’s announcement was a statement of the obvious, as none of the countries covered by EU’s enlargement agenda are likely to qualify for membership until 2019. However, by transforming the Commission’s Directorate General for Enlargement to the ‘Directorate General for European Neighbourhood Policy and Enlargement Negotiations’ Juncker aimed to make clear that enlargement will not constitute a priority during his cabinet’s term in office.

Juncker’s decision to announce a five-year moratorium on enlargement was reflective of the EU public sentiments on enlargement. The notion of enlargement fatigue has been a major problem on the supply-side of enlargement. Due to challenges faced by the EU, in parallel with the rise of populism and the growing crisis of confidence between EU’s citizens and its institutions, EU citizens have grown largely wary of further enlargement. The increasing politicization of enlargement has also played a role in this dangerous trend.

Public support for enlargement has eroded. In November 2004, shortly after the Big Bang enlargement, over half of the EU population (53% for, 35% against) was in favour of future enlargement of the EU. A decade later, nearly half of EU citizens (49% against, 39% for) are opposed to further enlargement, the share of those against further enlargement reached over 50% in 14 member states. With opposition to enlargement reaching 71% in Austria, 67% in Germany and 64% in France, it would not be realistic to say that the current context is conducive to further enlargement.

Moreover, the EU’s expansion to integrate 13 new members over a period of less than 10 years, with 10 members joining in 2004 alone, has reopened the debate on the EU’s ‘absorption capacity’ which was originally expressed in the June 1993 Copenhagen Criteria. Increasing references to the EU’s absorption capacity has caused unease in the candidate countries especially in Turkey. Since the absorption capacity is a vague notion, there is a danger that it could easily be used by adversaries of enlargement as an argument to bring enlargement to a halt.

The increasing hostility towards further enlargement also demonstrates that the phenomenon of enlargement fatigue should not be underestimated. The term ‘enlargement fatigue’ entered the EU jargon in the aftermath of the rejection of the Constitutional Treaty in the Dutch and French referenda. Although the rejection of the Constitutional Treaty had little to do with the Big Bang enlargement, blaming the newcomers seemed more convenient than dealing with the widening gap between the EU and its citizens. It is important to note that the Big Bang enlargement and the inclusion of three more members in 2007 and 2013 did not disrupt the efficiency of EU decision-making. Despite the fact that newcomers have had little to do with the challenges that the EU is currently faced with, there is an evident tendency to blame the new member states for these problems. The enlargement fatigue, has translated into ‘reform fatigue’ in the enlargement countries; namely the tendency to postpone costly reforms because the benefits associated are vague or long-term.

In addition, the crises have weakened the European Commission’s relative power within the EU’s institutional hierarchy as the Council representing the interests of member states has taken a centre stage in decision-making. This intergovernmental tendency has been reflected in the domain of enlargement as well, leading to a phenomenon which Hillion calls ‘the creeping nationalisation of enlargement policy’. With the Commission losing its role as the driving force behind enlargement, the Council, rather than the Commission has been setting the benchmarks for further enlargement.

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35 Ibid.
The Bar for Accession is Set Higher

EU’s enlargement policy has dramatically evolved over the last decade. As a result of the lessons learned from previous enlargement rounds and the experience of Croatia, the latest country to join the EU, the rules for accession have become stricter. In that sense, it would not be wrong to argue that the process is more demanding compared to the way it had been for preceding members and the bar for accession has been set even higher for the current enlargement countries. Following Bulgaria and Romania’s rather premature accession in 2007, which have proved to be a test case for post-accession monitoring due to their persisting problems in the fight against corruption and organised crime, the EU has increased its emphasis on the rule of law. To this end, the European Commission has devised the ‘new approach’ prioritising the two chapters dealing with rule of law issues namely; Chapter 23- Judiciary and Fundamental Rights and Chapter 24- Justice, Freedom and Security. According to the new approach, Chapters 23 and 24 are set to be opened at the beginning of the accession process only to be closed at the end of the process.

Moreover, the EU has diversified the tools at its disposal by introducing stringent controls and interim benchmarks to measure progress in the areas covered by Chapters 23 and 24. The EU conditionality for the Western Balkans and Turkey is more rigorous and complex compared to previous enlargement rounds, with increased focus on implementation rather than adoption of reforms. In other words, the enlargement policy is no longer perceived as a ‘box-ticking’ exercise.

Taking into account the specific needs and challenges of each enlargement country, to aid them on their respective paths towards the EU, the Commission introduced tailor-made mechanisms to address their internal problems and keep the reform momentum alive. In Turkey’s case, the Commission initiated a ‘Positive Agenda’ with Turkey in May 2012 and high-level dialogues in a variety of areas including economy and energy. Similarly, a ‘High-Level Accession Dialogue’ with Macedonia, a ‘High-Level Dialogue on the Accession Process’ with Bosnia and Herzegovina and a ‘Structured Dialogue on the Rule of Law’ with Kosovo were initiated. It is important to note that the effectiveness of these mechanisms in addressing the root causes of the stalemate on the respective EU paths of the enlargement countries is questionable.

Another novelty in the context of the enlargement policy has been the emphasis on ensuring ‘fundamentals first’. First announced by the Commission in its 2013 Enlargement Strategy, the ‘fundamentals first principle’ indicates the following as priority areas in EU’s enlargement agenda: the rule of law, economic governance and competitiveness, strengthening of democratic institutions and fundamental rights. Furthermore, there is increased emphasis on good neighbourly relations and resolution of bilateral conflicts.

Another major lesson from the 2004 enlargement round has been to never allow a country with unresolved bilateral conflicts in the EU. Although the use of veto by member states against their neighbours in the EU’s waiting room with which they have unresolved issues is not a new practice as seen in the case of Italy against Slovenia, later Slovenia against Croatia and still in the case of Greece against Macedonia, the accession of Cyprus as a divided island with the Greek Cypriot Administration as the sole representative, has caused huge problems for the EU.

The decision to let the Greek Cypriot Administration to the EU regardless of a solution to the Cyprus issue is still regretted as a huge mistake by key EU decision-makers. The Greek Cypriot Administration’s excessive use of its veto power and its abuse of EU decision-making procedures based on unanimity has caused major headaches for the EU. Not only has the Greek Cypriot Administration used its seat in the Council to derail Turkey’s EU accession process, but the situation has also hindered NATO-EU institutional cooperation at highly critical times. Therefore, the EU has become more rigorous on peaceful resolution of disputes prior to accession. This condition is extremely important in the case of Western Balkan countries. Given their history of recent violent conflict and the presence of numerous unresolved issues left over from the disintegration of former Yugoslavia, letting a country in without resolving the bilateral disputes it has with its neighbours, could act as a ‘time bomb’.
The Future Trajectory of Enlargement

Once praised as the most successful foreign policy tool of the EU, the enlargement policy, no longer constitutes a priority for the EU. Although over three quarters of the current EU member states are former enlargement countries, the mood for enlargement could not be less optimistic. The rising discontent with the European project at the society level and the politicization of enlargement led to a dramatic decrease in the support for further enlargement. Judging from the experience of Croatia, whose accession talks lasted over eight years, and Juncker’s 5 year pause to enlargement, it is clear that no enlargement is foreseen until 2020 (unless a real breakthrough is achieved in Turkey’s accession talks). Furthermore, the enlargement policy has become more demanding for the current aspirants, as a result of the lessons learned from the previous enlargement rounds and the specific challenges in the enlargement countries. With an enlargement-sceptic European public, an inward-looking EU and the membership bar set higher, the road ahead for the Western Balkans countries and Turkey will not be easy. Moreover, with the UK’s decision to leave the 28-member bloc, Western Balkans and Turkey will be losing a key proponent of enlargement.

Despite this rather unfavourable climate, enlargement has not stopped. In fact, since the Juncker Commission’s coming to power in November 2014 despite Juncker’s declared moratorium on enlargement, Turkey and the Western Balkan countries continued to advance on their path to the EU albeit with different speeds. The last two years saw the opening of 12 chapters in Montenegro’s accession talks and two chapters in Turkey’s accession talks, bringing the total number of chapters opened to 24 for the former, 16 for the latter. Serbia opened the first chapters in its accession talks and has so far opened four chapters. Albania, a candidate since June 2014, has undertaken the necessary judiciary reform and awaits a green light to start accession talks, soon. Sadly, Macedonia has remained an exception. Despite the Commission’s consecutive favourable opinions recommending the launch of accession talks, Macedonia remains stuck in the EU’s waiting room. To make things worse, the deadlock in the country’s EU path has led to a deep political crisis risking the country’s EU prospects. Meanwhile, potential candidate Bosnia and Herzegovina overcame the deadlock on its EU path and submitted a formal application for EU membership in February 2016, the Council mandated the Commission to present its view on Bosnia’s membership application. For Kosovo, last year saw the entry into force of the Stabilisation and Association Agreement with the EU which in the case of Western Balkan states is regarded as a precondition to submit a membership application.

EU’s enlargement policy has proved to be not only the most effective anchor for reform and transformation in the aspirant states and a means to stabilize previously conflict stricken countries, but also the most effective tool for strengthening the EU’s security. Therefore, stepping up its engagement with Turkey and Western Balkans and keeping them in its orbit should be a top priority for the EU. Our aim is not to suggest that EU should abandon its policy of ‘strict and fair conditionality’, but rather to state that this approach should be accompanied with additional emphasis on a credible and genuine EU perspective. To avoid disillusionment with the process on part of enlargement countries, it is of paramount importance that the EU delivers on its commitments and keeps Turkey’s and Western Balkans’ European perspective credible.
XI. The Way Ahead and Recommendations for a Roadmap

It is not merely a truism to say that the EU and Turkey need each other. The continuing relevance of this statement should guide both parties to take action to improve relations, deepen Turkey’s ties to Europe and expand the European integration process to encompass Turkey. As threats to European values and way of life become ever more serious emanating both from the vicinity of Europe as well from inside the Continent, it becomes ever more vital that Turkey’s EU perspective should continue with a renewed credibility. The multiple problems Turkey is experiencing at the moment, in terms of terror threats as well as threats to freedoms and democracy are even stronger signs that the EU perspective should be enhanced via a revitalized accession process, strengthened cooperation regarding migration and free movement, revision and modernization of the customs union as well as foreign policy and security cooperation.

Turkey is going through a state of emergency in the aftermath of the July 15 coup attempt, is involved in the military operation in Syria and Iraq, faced with multiple terror threats and experiencing problems in terms of rights and freedoms in the country. While relations between Turkey and the EU took a turn for the worse in November and December of 2016, both sides successfully managed the crisis and succeeded not to completely break off relations. In November, the European Parliament adopted a resolution recommending the suspension of accession talks, and in December Austria demanded that the Council put on hold Turkey’s negotiations with the EU. President Erdoğan and other Turkish functionaries accused the EU of keeping Turkey waiting in anticipation of membership for such a long time and not fulfilling its promises such as visa liberalisation and 3 billion aid to Syrian refugees. Fortunately the European Council did not adopt a formal decision to suspend negotiations while at the same time it also became apparent that no new chapters would be opened to negotiations under the prevailing circumstances.

Following the April 16 constitutional referendum in Turkey, response by the EU was quite reserved and hesitant. The Statement by Commission President Juncker, High Representative Mogherini, and Commissioner Hahn noted that “…The constitutional amendments, and especially their practical implementation, will be assessed in light of Turkey’s obligations as a European Union candidate country and as a member of the Council of Europe38. The debate on Turkey held at the EP following the referendum results witnessed the voicing of several views concerning “what to do about Turkey” including proposals to halt the negotiations and introduce political conditions to the opening of customs union modernization negotiations.

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It is possible to discern two main approaches regarding EU policy towards Turkey in the wake of the constitutional referendum:

1- To apply sanctions against Turkey by suspending the accession process, deleting all references to a future membership and to impose sanctions by tying the opening of customs union modernization talks to the fulfillment of political criteria.

2- To take action in order not to isolate Turkey further, to reinvigorate the relations with a view to maintaining the credibility of the EU anchor and not to desert the 49% who have voted against the transition to an executive presidency in Turkey.

Ministers of Foreign Affairs of the Member States under the leadership of the High Representative for Foreign and Security Policy adopted an approach in line with the second opinion cited above. The informal meeting of Ministers of Foreign Affairs held on 28-29 April produced a more lenient approach towards Turkey. In the press conference following the meeting, Ms. Mogherini said the following:

The European Union has a clear interest in a stable, secure, economically successful and democratic Turkey which is a relevant partner, a relevant player on many different issues. Our intention is not and will never be of doing anything that could damage Turkey or the Turkish people. On the contrary, we are seeking cooperation - constructive cooperation on many different things - for the benefits of our citizens respectively: all Turkish citizens, all European Union citizens.

This lenient and tolerant approach to Turkey was also received favourably in Turkey. Minister of Foreign Affairs Mevlüt Çavuşoğlu who also attended the gymnich meeting, noted that “the EU leaders realized their mistakes and began to ask how they would be able to restore the relations”. He also remarked that if the EU wanted to have dialogue and cooperation, this should be real and genuine, and free of double standards.

Looking ahead into the rest of 2017 and further, it may be predicted that conditions in the EU and Turkey will not be conducive to a sudden turn towards revitalisation in the relations. While Turkey’s internal agenda will be very much focused on internal politics following the referendum, other prevalent issues are likely to revolve around the terrorist threat and eradicating terror, fighting against the remnants of the FETO, implementing a viable policy towards Syria and Iraq, and recalibrating relations with the USA in the first months of the Trump era.

On the EU side, items on the agenda that we have to look out for would be the probable start of Brexit talks following the June elections in Britain, debates on the future of European integration without Britain, and keeping the integrity of the Union in the face of right-wing populism. In the same vein, critical elections will be held throughout the year following the Dutch elections in March: Presidential elections in France in April and May and parliamentary elections in Germany at the end of September. Hence, the threat from the far right, be it from Wilders’s PVV (Partij voor de Vrijheid), Le Pen’s FN (Front National) or Petry’s AfD (Alternative für Deutschland) are likely to determine the shape of politics in these prominent Member States of the EU. The strong anti-immigration, anti-EU, anti-globalisation and anti-Turkey approach of these political movements and parties will have a restraining effect on the EU’s enlargement policy and its approach towards Turkey.

In 2017 and onwards, economics is likely to be the determining factor in Turkey and EU relations while the refugee issue, visa liberalisation and accession negotiations will continue their relevance. For Turkey the negative downturn in the economy following the 15 July attempted coup, loss in tourism revenue following the crisis with Russia and consecutive terrorist attacks, and slowdown in investments and industrial production necessitates a new dynamism,

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Keeping Together in the Face of Multiple Challanges

i.e. a “new narrative” that will rekindle the economy’s potential. On the side of the EU, Trump’s refusal to continue the TTIP process and the ongoing need to spur further growth in the European economy, are factors that may induce the Union to further develop and utilize the potential of economic relations with Turkey. Hence the modernization of the customs union is likely to be the number one issue that may act as the locomotive of Turkey EU relations in 2017 and 2018 by tapping into the potential of the association relationship based on the Ankara Agreement, trigger Turkey’s harmonisation with EU acquis in related fields, and intensify Turkey’s integration to the Single European Market.

Having noted the significance of the economic interdependence likely to give a spur to the relations in the coming period, it should also be underlined that Turkey’s EU perspective is going through a tumultuous phase. In a time when the global system is undergoing a rapid transformation both in terms of the pace and intensity of globalization and the balance of power among leading states and regions, the geostrategic context of Turkey-EU relations is also experiencing a re-evaluation. The Turkish leadership has come to a point where the EU membership perspective is being reassessed in the run-up to a referendum on amendments to the Constitution. It is not only Turkey’s EU perspective that is under discussion but rather Turkey’s whole set of relations with the West including the US and NATO. Despite the high level of reliance of Turkey’s trade to the EU –with 48% of exports going to the EU in 2016- the pre-referendum period witnessed a deepening crisis with EU Member States over the refusal by Germany and the Netherlands to allow campaigning by Turkish Ministers. The criticism and outright rejection of the EU approach to Turkey and serious accusations of racism and even Nazism to leaders of these Member States had a damaging effect on the relations. At the same time, worsening of Turkey’s image in mainstream media and serious criticisms regarding deteriorations of freedom of speech, democracy and rule of law in Turkey by the EU and organs of the Council of Europe such as the Venice Commission, marked Turkey’s drift away from EU values.

Under such harsh conditions, it is much more than Turkey’s EU membership that is at stake; rather it is the whole gamut of Turkey-EU relations and the continuation of Turkey-EU cooperation. While it would be against the EU’s interests to further alienate Turkey and promote anti-EU sentiments in this country, it also does not befit Turkey’s well-being to isolate itself from Europe and feed an antagonistic relationship with the EU. Therefore, before it is too late, both the EU and Turkey should take steps towards each other, recalibrate the relations and base Turkey and EU relations on a more sustainable path.

For the upcoming period the following points may provide a roadmap for Turkey-EU relations:

1- Organize a high-level meeting between Turkey and the EU after the April 16 referendum to be followed by regular summits twice a year.

Following the July 15 attempted coup in Turkey, relations with the EU have soared and continued its downward spiral. Internal politics in Turkey associated with the referendum on the constitutional amendments and change to an executive presidential system coupled with the pressures of dealing with multiple security threats intensified the indignant attitude and discourse towards the EU. Similarly the elections in 3 leading states of the EU, Netherlands, France and Germany and the pressure from the rise of the extreme right politicized Turkey-EU relations and hindered EU leaders to adopt a pro-active approach towards Turkey. EU politicians played in to the hands of right-wing politics by choosing to isolate the Turkish President and othering Turkey. The crisis which emerged over the referendum campaigns that Turkey’s Minister of Foreign Affairs and Minister of Family and Social Policies aimed to realize in Germany and the Netherlands dealt a further blow to Turkey-EU relations. The refusal by the Dutch government to allow the convening of meetings in the Netherlands geared towards influencing the Turkish-origin immigrants living there and the use of force by the police against Turkish protestors, infuriated the Turkish President and ministers leading to a protracted dispute.
President Erdoğan referred several times to the lack of support shown by EU countries to Turkey in the aftermath of the coup attempt and openly argued that the EU is advocating for a “No” vote in the referendum on Turkey’s Constitutional changes. In the several speeches he made in the run-up to the April 16 referendum, President Erdoğan severely criticized the EU and EU leaders for trying to obstruct Turkey’s progress by working against his leadership and the bid to change the regime to a presidential one.

Following the April referendum, it may be expected that the President and other members of the government will not continue the polarized political debate surrounding the referendum issue, curtail the derogatory discourse towards the EU, while the EU will try to find a way to work with post-referendum Turkey, and both sides will have an urge to open a new chapter in the relations. Turkey and the EU should come together to set a date for a high-level summit meeting where bilateral issues can be discussed frankly and face-to-face. Such high-level meetings should be held regularly between the two sides at least twice a year and whenever a need arises. Taking into account the fact that Turkey currently has a leader-oriented political system even before the adoption of amendments to the Constitution, engaging with the highest level official in the country, i.e. the president seems to be a necessity in order to establish a modicum of normalcy and stability in the relations. It should also be underlined that the lack of engagement by EU leaders right after the coup attempt of July 15 was one of the main factors contributing to a deterioration in the relations.

2- Support a solution in Cyprus within the framework of a comprehensive package involving a revitalization of Turkey’s relations with the EU.

In Turkish, a process or series of events that has been going on for a considerable time without an end in sight is called as a "snake’s tale". This phrase can be used with reference to the talks between Turkish and Greek Cypriots with a view to finding a comprehensive solution to the Cyprus dispute. The talks had faced a new crisis following the resolution of the Greek Cypriot Parliament regarding the commemoration of the Enosis referendum held in 1950 in schools. The crisis was resolved when the Greek Cypriot Parliament repealed the above-mentioned resolution, hence opening the way for the restart of negotiations on April 11. It is yet to be seen whether a consensus will be achieved on sensitive issues such as territorial distribution between the North and South, and the fate of Turks who migrated to the island following the 1973 intervention. Taking into account that the resolution of the Cyprus issue requires the acquiescence and active support of major world powers as well the guarantor powers such as Turkey, Greece and the UK, the conditions prevalent in global and regional politics should also be taken into consideration. Faced with growing populism in the West, the prolongation of the war in Syria and Iraq, expansive strategies adopted by Russia in Ukraine and Syria, and the protectionist and non-conventional approach of President Trump in the US, it may be rational to deduce that the international climate is not conducive to a swift resolution of the Cyprus dispute. Under such conditions, it seems that the resolution of the Cyprus issue would be most effective if embodied within the framework of a wider package including Turkey’s relations with the EU. This would also be a valuable instrument to enhance Turkey and EU relations and prove to be a remedy against the further marginalisation of Turkey in Europe. In such a case, the resolution of the Cyprus issue would also involve a direct reference to Turkey’s EU accession negotiations and refer to the lifting of the blockages brought about as a result of the Council decision of 2006 and Greek Cypriot veto in 2009. Inclusion of such a reference would also enhance Turkey’s enthusiasm regarding the resolution of the Cyprus dispute, contribute to progress in the EU’s foreign policy actorness and reactivation of its enlargement policy that has lost its effectiveness in the recent period, and be testimony to a cooperative and problem-solving approach in international relations which has been lacking in the last couple of years.

3- Lift the blockages on the accession process and make sure the possibility of its progression based on Turkey’s fulfillment of the opening and closing of benchmarks is effectively promoted.

Turkey’s accession negotiations to the EU have been opened on 3 October 2005 to be decelerated by the decision of the Council of the EU not to open 8 chapters in relation to the customs union, France’s unilateral veto blocking the opening of 5 more chapters in 2007 under the Sarkozy administration and Greek Cypriots’ veto to open a further 5 chapters in 2009. Leaving aside the argument about whether it was Turkey’s failure to recognize Cyprus or to open its ports to Greek Cypriot vessels or the EU’s failure to facilitate the reuniting of Cyprus by way of the Annan plan before the entry of the Greek Cypriot Administration as the sole representative of the island in the EU, that was responsible for the problem, we should focus on getting rid of the mostly artificial obstacles blocking progress in the accession negotiations. The accession process already has built-in obstacles that prevent a country which has not fulfilled the necessary conditions for opening or closing a chapter. The detailed opening and closing benchmarks for each of the 35 chapters in the negotiations constitute sufficient guarantees for making sure that the candidate country will be ready to join the EU once it has fulfilled all the conditions and successfully completed the negotiations. Even after that phase, the internal ratification process of the treaty of accession in the member states and Turkey will make sure that accession will not take place unless approved by the majority of the population. Hence Turkey’s EU accession negotiations will have to be recalibrated with a view to not losing sight of the essentials of the process and allowed to proceed on the basis of fulfillment of the opening and closing benchmarks. What should be emphasized in this perspective is the fact that the negotiating country, in this case Turkey, should not have any suspicions regarding the sincerity and resolution of the other party with respect to the final aim of the process. Only in this way can the EU recover the effectiveness of the conditionality factor in the relations and re-emerge as a vital player in its vicinity.

4- Support Turkey’s harmonization and alignment to the EU acquis under the pre-accession process and promote functional cooperation in diverse areas.

As a candidate to join the EU, Turkey is placed under the pre-accession strategy involving procedures and priorities embodied in the accession partnership, participation in EU programmes, agencies and committees, pre-accession assistance, political dialogue and monitoring by the Commission. Turkey participates in several EU programs such as Erasmus and Horizon 2020, makes use of EU funds under the IPA assistance for technical and administrative adaptation to the EU and engages in civil society dialogue with European counterparts. This framework facilitates Turkey’s technical harmonization with the EU acquis as well as societal and cultural integration which involves sharing of common norms and values. Continuation and promotion of such technical cooperation and functional integration is a prerequisite for maintaining momentum in Turkey and EU relations.

5- Continue cooperation on irregular migration and refugee issue with a view to fair burden-sharing.

The refugee crisis which had erupted as a result of the Syrian war acquired a critical place in Turkey and EU relations. With ever-increasing numbers of migrants and refugees passing the Aegean to reach the Greek islands, The EU turned to Turkey to negotiate a deal to control the irregular eastern Mediterranean migration route. The joint action plan agreed on 29 November 2015 and the Turkey-EU Refugee Statement of 18 March 2016 laid the ground for effective cooperation between the two parties on this issue. While it could be evaluated as a package deal involving additional measures to revitalise Turkey-EU relations, the deal achieved to significantly decrease irregular transits through Turkey to Greece, i.e. its intended aim: “In order to break the business model of the smugglers and to offer migrants an alternative to putting their lives at risk, the EU and Turkey today decided to end the irregular migration from Turkey to the EU” (EU-Turkey Statement, 18 March 2016).
Although this joint initiative worked to ignite Turkey-EU relations for a period, the problems in the completion of the visa liberalisation process, July 15 attempted coup and the souring of relations in its aftermath, EP’s resolution regarding the suspension of negotiations, as well as problems regarding freedom of expression and rule of law during the ongoing state of emergency and the growing threat of terrorism in Turkey obstructed the process. Delay and disagreement over the appropriation of the 3 billion euros of aid to Syrian refugees in Turkey, and non-fulfilment by several EU member states of their share of the agreed refugee quota system lowered Turkey’s enthusiasm further in complying with its side of the bargain. Nevertheless, to this day we have not yet observed the restart of full scale migration from the Turkish Aegean coast to Greece through the Eastern Mediterranean route.

The issue of migration and asylum from the Middle East, Central Asia, and Africa is likely to endure as one of the priorities of the EU in the coming years. This will require the EU to continue to work together with Turkey in fending off unwanted migration and engaging in cooperation with a view to controlling borders and mobility.

6- Complete the visa liberalisation process.

The issue of visa liberalisation assumed an important place in Turkey and EU relations in the recent period. Visa for Turkish citizens began to be implemented first by Germany in 1980, to be followed by other Member States. With the adoption of a common visa policy under Schengen regulation, Turkey became one of those States whose citizens needed to be in possession of a visa to enter the Schengen area. Turkey protested this situation and argued that it was in contravention of the Law of Association between Turkey and the EU. In 2013 a visa liberalisation dialogue was started between Turkey and the EU in parallel with the signing of the Readmission Agreement. Intensifying cooperation between Turkey and the EU in the face of a surge in Syrian refugees targeting Europe in 2015 led to a renewed emphasis on visa liberalisation. The EU-Turkey Action Plan regarding refugee cooperation agreed on November 29 set a target date for visa liberalisation while the March 18 refugee statement brought the date earlier to June 2016. Turkey intensified its reform agenda with a view to fulfilling the 72 criteria embodied in the visa liberalisation roadmap. The European Commission’s third report published in May 2016 hailed Turkey’s progress in fulfilling the conditions for visa liberalisation save for 5+2 unfulfilled criteria and recommended the lifting of the visa for Turkish citizens to the Council and the Parliament. The process could not be fulfilled since the July 15 coup attempt and the ensuing state of emergency in Turkey in parallel to the intensification of Turkey’s involvement in the Syrian war and its fight against ISIS prevented the fulfillment of the remaining criteria. Especially one of the remaining conditions proved to be a stumbling block, i.e. the revision of the Turkey’s anti-terror legislation. For the sake of freedom of travel for short visits to the EU by Turkish citizens, as well as revitalisation of Turkey-EU relations, both parties should renew the will to see the process through to its completion in the coming period by engaging in constructive dialogue and cooperation.

7- Aim to start and complete the negotiations for the customs union modernization in a timely manner with a view to resolving the structural deficiencies of the customs union and extending it to include agriculture, services and public procurement.

The modernization of the Turkey-EU customs union presents one of the most fruitful areas of progress in the relations. It is based on mutual interests, involves the business sectors which may act as powerful lobbies for the betterment of the relations, and embodies a huge potential to also act as a locomotive for the improvement of other areas of the relations such as visa issue and harmonization of Turkish legislation with that of the EU. Negotiations for the customs union are set to start in 2017 and the foreseen framework of the negotiations are to focus on the following: 1) reforming and upgrading the customs union in order to resolve some of the problematic aspects such as Turkey’s lack of participation in the shaping of the EU’s trade policy, the negotiations of free trade agreement between Turkey and a third country in parallel with the EU’s negotiations, the resolution of the transport quota problem and effective dispute-resolution mechanisms; 2) expanding the trade relations between Turkey and the EU to go beyond a customs union concerning industrial goods to agricultural goods, services and liberalisation of public procurement markets.
Hence if these initial aims are realized as a result of negotiations, the modernization of the Turkey-EU customs union embodies an important opportunity to upgrade the trade relationship between Turkey and the EU, facilitate Turkey's integration into the EU's agricultural and services markets, enhance the adaptation to EU norms and standards in areas such as sps measures, and mutual recognition of qualifications as well as opening up of public procurement creating a more transparent and accountable system of governance. According to economic impact analyses, the liberalisation of agriculture promises extensive gains in terms of competitiveness but in addition carries within itself important risks due to high adjustment costs. It should be underlined that the EU's support will be vital in surpassing such difficulties since Turkey will liberalize trade in agricultural goods without benefiting from the EU's common agricultural policy.

Unless it is obstructed by political blockages or by a lack of vision on either party, the modernization of the customs union should be one of the priority areas where both Turkey and the EU should work on with a view to facilitating Turkey's further integration to the EU single market. The involvement of business interests and sectoral bodies including consumer organizations on both sides to this process is absolutely necessary since they will be directly affected by its consequences.

8- Establish a standing civil society forum involving both Turkish and EU opinion leaders from business, media, academia, literature and other representative organisations.

The negotiating framework adopted by the EU in 2005 as a guide for accession process included an important reference to civil society dialogue:

Parallel to accession negotiations, the Union will engage with Turkey in an intensive political and civil society dialogue. The aim of the inclusive civil society dialogue will be to enhance mutual understanding by bringing people together in particular with a view to ensuring the support of European citizens for the accession process.\(^\text{41}\)

Civil society organisations are the primary actors in this process as a supporting mechanism and driving force keeping up public support for Turkey's eventual integration to the EU. It should also be added that Turkey's accession to the EU is such an important aim that it cannot be left only to the workings of governments. Without an effective presence of civil society actors, the accession process will become a totally political and administrative process. Civil society's participation and support is necessary in order to represent different interest and opinion groups in the process, guarantee that reforms carried out during the accession process are acknowledged and internalized by civil society actors and make sure that they do not just remain on paper but are also implemented.

The faltering accession process necessitates a strengthened involvement of civil society actors, hence our proposal to establish a standing civil society forum. Influential leaders from civil society organizations, business world, media, academia, literature, arts, faith-based and other representative organizations will participate in this forum coming together to exchange views on the progress of the relations, issuing statements and meeting with EU and Turkish officials at regular intervals. The involvement of civil society is expected to have a positive impact on activating Turkey-EU relations and supporting Turkey’s integration to the EU.

9- Develop an effective communication strategy to go beyond stereotypes and come up with a fresh approach to Turkey and EU relations.

The image of Turkey in the EU and the EU in Turkey may be said to have declined to an all-time low. While Turkey and its leadership is depicted as an other of Europe with increasingly authoritarian and anti-EU approach, the EU is mostly associated with decay and double standards in Turkey. The ministry of EU Affairs of Turkey initiated a communication strategy in 2010 and updated it in 2014. However due to several negative developments in Turkey-EU relations the strategy could not be effectively implemented. The strategy had two important aspects; i.e. targeting the EU audience regarding Turkey and Turkish audience regarding the EU. It may be said that at least some of the negative opinion and depictions about Turkey in the EU emerge out of real developments while a significant portion may be related to historical and cultural stereotypes and scapegoating strategies by politicians. Several Europeans only view Turkey behind the veil of stereotypes and simplified preconceptions about Turkey. On the other hand, Turks usually have either an idealized perception or a denigrated perception of Europe, neither staying true to actual developments. Moreover most Turkish citizens tend to view the EU as a block, failing to notice the vast differences among the Member States and regions in the EU. EU citizens, on the other hand, fail to appreciate the variety of cultures, lifestyles and worldviews existent in Turkey which may change according to region, ethnicity, political view, class, gender or other characteristics. An innovative and creative communication strategy is needed to act as a safety valve in the relations not only with a view to fostering membership but even to support better and cooperative relations between Turkey and the EU.
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