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Running Around in Circles? The Cyclical Relationship Between Turkey and the European Union

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Since the establishment of the republic, Turkey's political and socio-economic development has evolved in ebbs and flows. Periods of growth, modernization and political liberalization have alternated with years of political instability, violence and economic crisis. In more recent times, particularly since the 1990s, these cyclical trends of the country have run parallel to its relationship with the European Union. As Turkey has proceeded along the EU accession path, domestic political and economic developments have become increasingly intertwined with the state of Turkey-EU ties.

A first contention of this article is that EU relations have acted and increasingly represent a key external factor for Turkey. This is not to say that the Union, alone, has or can act as the principal explanatory variable of Turkey's development trajectory. Endogenous elements, and wider international changes carry much more weights in determining Turkey's successes and failures. It is rather to say that EU-Turkey relations have and will continue to represent a fundamental explanatory variable, precisely because of the ways and means in which they interact with endogenous determinants.

This article will first outline briefly the chronology of Turkey's turbulent path to Europe, and the matching trends in its domestic environment. It will seek to understand why EU relations have had a profound impact on Turkey's development trends. It will then delve into the endogenous drivers of Turkey's domestic evolution, ranging from the state of party politics, to the economy and the role of real and perceived security threats. By way of conclusion, it will seek to understand how and why the EU dimension has interacted with domestic and international factors affecting Turkey's development path.

The long path of EU-Turkey relations

Turkey's first contractual tie with the then European Economic Community (EEC) dates back to 1963, when the association agreement, known as the 'Ankara Agreement' was signed and endorsed. The agreement envisaged the progressive establishment of a customs union and opened the door to accession if and when the political and economic conditions were met.

The subsequent decades witnessed a series of ups and downs in EEC-Turkey relations, mainly as a result of the political and economic difficulties experienced by Turkey throughout the 1970s and 1980s. The military coups in 1971 and 1980 and the Turkish military intervention

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in Cyprus in 1974 created important tensions with Europe. However, Turkey never abandoned its long term goal of moving closer to the Community. In 1987, when the domestic political situation had improved, Turkey submitted a formal request for membership. But the end of the 1980s was not a propitious moment for considering Turkey's candidacy. The EEC's attention was turned towards the inside, as all energies were devoted to the internal market project. Moreover, the problematic state of Turkish democracy, still shaken by the vestiges of military dictatorships despite the openings made during Turgut Ozal's rule, was also not conducive to a positive response. Not to mention the situation in Turkey's south-eastern provinces, where the conflict between the Turkish state and the separatist PKK was escalating. Turkey's application was turned down and the fate of Turkey's European future was left pending.

Meanwhile, the nature of European integration was changing. From a purely economic project, the Community gradually developed a political dimension, which was legally recognized in the 1993 Maastricht Treaty. In this important transformation, the now European Union had come to define itself increasingly as a system of norms and values, based on the notions of freedom, rights and democracy.

The end of the Cold War and the disintegration of the Soviet Union brought about radical changes to the wider geo-strategic environment. Turkey's role as western guardian against Soviet expansionism came to an end and the country found itself open to the growing instability of its neighbouring regions. Lying at the crossroad between the Middle East, the Balkans and the Caucasus, Turkey could hardly avoid being affected by the political uncertainties and conflicts erupting in its backyard. Geo-strategic upheavals induced an intense soul searching exercise. Options such as pan-Turkism or the re-positioning of Turkey's role as a regional leader were carefully examined.

Yet despite the 1989 rejection, Turkey's domestic debate eventually converged back to a renewed emphasis on the EU project. Turkish political *démarchès* intensified, lobbying for the eventual conclusion of the custom union agreement with the Union. In this context, Turkey's ties to the Union were progressively strengthened

The entry into force of the customs union on 1 January 1996 was the starting point for higher levels of economic integration, including the free circulation of goods and the immediate or progressive approximation of legislation in the fields of customs, trade policy, intellectual property, competition and state aid, consumer protection, environment, agriculture etc. The agreement had an increasingly positive impact and it resulted in rising trade flows. In Turkey, however, the customs union was also and primarily considered an important step towards full membership, rather than a substitute for it. Ankara's political determination to seek EU accession remained unscathed.³

With the rapprochement of the 1990s, Turkey's situation in the field of democracy and human rights – still partly restricted under the 1982 Constitution in force – came increasingly under the spotlight. The EU institutions consistently voiced concerns about Turkey's human rights record and, on occasions, harsh EU criticisms became temporary stumbling blocks in the relationship. One important example was during the process of ratification of the customs union agreement when, following the arrest of the pro-Kurdish DEP members of the Turkish Grand National Assembly, the European Parliament delayed the ratification of the agreement

³ For a good summary of EU-Turkey relations see EU-Turkey Relations dossier in *Observatory of European Foreign Policy* website

and froze the EU-Turkey joint parliamentary committee. While snubbing the pressure, Turkey eventually modified a controversial article of its anti-terror law, unblocking the ratification.⁴ These incidents illustrated how the link between Turkey's domestic reform agenda and EU-Turkey relations was beginning to take shape, opening the way for an influential EU impact on Turkey's political and socio-economic structures and practices.

A temporary reversal of the virtuous circle set in motion by the customs union agreement, occurred in December 1997. At the European Council meeting in Luxemburg, the EU reiterated Turkey's eligibility for accession, but underlined that the political and economic conditions to accord candidacy were not in place. The Council offered Turkey a strategy for accession based on full exploitation of the Ankara Agreement; an intensification of the customs union; the implementation of financial cooperation (that had been blocked by Greek vetoes); the further approximation of laws in compliance with the *acquis* and Turkey's participation in selected EU programmes and agencies. The European Council also stressed that Turkey needed to move further in pursuit of reforms, including in "the alignment of human rights standards and practices with those in force in the European Union; respect for and protection of minorities; the establishment of satisfactory and stable relations between Greece and Turkey; the settlement of disputes, in particular by legal process, including the International Court of Justice; and support for negotiations under the aegis of the UN in search of a political settlement in Cyprus on the basis of the relevant UN Security Council Resolutions".⁵

EU finger-pointing on the one hand and the new rejection of Turkey's candidacy on the other (together with the EU's acceptance of accession negotiations with the CEECs and the divided island of Cyprus) provoked acute resentment in Ankara. In response, Turkey rejected the EU's proposals, announcing a series of retaliatory measures, including the threat of withdrawing its membership application, of freezing political dialogue with the Union and of integrating with the unrecognized Turkish Republic of Northern Cyprus. All in all, Turkey and the Turks felt discriminated against, and interpreted the Union's behaviour as blatant double standards motivated by essentialist features of the Turkish republic, including its culture, size, location and religion.

Unsurprisingly, the 1997-99 period was characterized by a vicious circle in EU-Turkey ties and in Turkey's domestic development. Turkey displayed a dichotomous approach to EU affairs, a dichotomy which would become a recurrent pattern in the years ahead. While the government stepped up its campaign and political pressure to obtain EU candidacy, the country moved into an EU bashing mood. In addition, little was done by way of reforms a part from a few amendments to the Penal Code,⁶ the reduction of police custody for suspected crimes⁷, the and the removal of military judges from serving State Security Courts (SSCs).

The tide turned again with the December 1999 Helsinki European Council, when Turkey's long-sought candidacy was finally recognized along with the other 12 candidates in the fifth enlargement wave. In its conclusions, the Council stated that Turkey, like other candidates, would benefit from a pre-accession strategy which would 'include an enhanced political

⁴ Stefan Krauss (2000), 'The European Parliament in EU External Relations: The Customs Union with Turkey' *European Foreign Affairs Review*, Vol.5, pp.215-237.

⁵ Luxemburg European Council (1997), *Presidency Conclusions*, 12-13 December 1997.

⁶ Amendments made in 1997 to Sections 141, 142 and 163 and in 1999 to Sections 243, 245 and 354.

⁷ Act n.4229 adopted on 06/03/1997.

dialogue, with emphasis on progressing towards fulfilling the political criteria for accession with particular reference to human rights'. The opening of accession negotiation was directly linked to a positive EU assessment over the fulfillment of the Copenhagen political criteria and the European Commission was given mandate to monitor progress through its Regular Reports.

Following the Helsinki decision, the EU approved a first Accession Partnership (AP) document in February 2001. Under the heading Enhanced Political Dialogue and Political Criteria, the document identified 11 short term and 9 medium term priorities which would need to be addressed prior to a positive decision on the opening of negotiations. The EU also adapted its financial assistance to match Turkey's new candidate status. A pre-accession programme was approved by the Council in December 2001 and, over time, funding was increased. A number of financial and technical assistance instruments and community programmes already open to other candidate countries were also put at Turkey's disposal.

In the aftermath of the Helsinki decision, consensus in Turkey on joining the EU was broad and the project enjoyed great popularity among all social groups. The European Commission's Eurobarometer survey 2001 indicated that 77% of the Turkish electorate would vote for EU membership during a possible referendum, although in general knowledge about the Union was very limited (only 19% felt that they knew much about the EU).

Yet despite the positive momentum generated by the Helsinki decision and the wide popular support for membership, steps towards reform were initially tentative and slow in coming. The first major breakthrough was made in October 2001, when 34 constitutional articles were amended, opening the way for modifying secondary legislation in a number of areas. The reform package was a key move in breaking the ice.

Indeed, following the first reform breakthrough, the virtuous circle in EU-Turkey relations accelerated significantly. The Laeken European Council in December 2001 underscored the steps made by Turkey, and to encourage further progress, mentioned the possibility of opening accession negotiations. Turkey was also invited to take part in the Convention on the Future of Europe on an equal basis with the other candidates.⁸

The next major step in Turkey's reform drive (following a minor harmonization package in February 2002), was made in August 2002, when the Turkish Grand National Assembly (TGNA) in record time and with an overwhelming majority approved a far-reaching third harmonization package. This included the abolition of the death penalty; the right to broadcast and teach in languages other than Turkish; the liberalization of freedoms of association, assembly and speech (including lifting penal punishments for criticizing the armed forces and state institutions) and the recognition of religious minorities' properties rights.

Although the impact of these reforms could only be assessed over time (in view of the need to amend accompanying regulations and ensure implementation), the adoption of the package represented a revolutionary step. Many taboos were broken and the reform signaled that the country was now serious about candidature. Although the package was the evident result of hard fought compromises, it showed that all political actors had understood what was at stake.

⁸ European Council Meeting in Laeken (2001), *Presidency Conclusions*, 14-15 December 2001.

The next step came from the EU. In view of Turkey's progress, the Copenhagen European Council in December 2002 concluded that 'if the European Council in December 2004, on the basis of a report and a recommendation from the Commission, decides that Turkey fulfils the Copenhagen political criteria, the EU will open negotiations without delay'⁹. In spite of some initial disappointment in Turkey, whose new Justice and Development Party (AKP) government had lobbied hard for an unconditional date to begin accession talks, the Copenhagen decision further consolidated the determination of the new reformist rulers to pursue EU related political and economic reforms.

Indeed, 2003-2004 was a high-intensity period in the reform process. Another major constitutional reform, five additional legislative packages and numerous new laws and regulations modified most of the restrictive features of the Turkish legal system. Reforms increased legal safeguards for freedoms of speech, press, association and demonstration; further recognized cultural rights of minorities; strengthened the fight against torture and maltreatment; limited the possibility to close down political parties; eliminated State Security Courts; permitted re-trial in cases upheld by the European Court of Human Rights; amended the Anti-Terror Law; introduced new civil and penal codes; improved women and children rights, lifted the state of emergency in all provinces and strengthened civil control of the military. All in all, progress in terms of legislative reforms went way beyond any initial expectation and surprised many both inside and outside Turkey.

Actual implementation of the packages was cause for some concern. Since the early days of the reform process, Turkey has been criticized often for failing to rapidly translate legal reforms into real change on the ground. Most observers realized that change, particularly when it involves the transformation of beliefs, values and modes of operation, can be painfully slow. However, underlying these criticisms was the distinct feeling that the government had not paid sufficient attention to implementation or that while the government and parliament firmly backed the reform drive, other actors within the institutions sought to dilute the momentum for change. Nonetheless, in 2003-04, as the government exerted more effort in this direction, the rate of implementation increased. Although the impact on the ground was uneven, reforms were beginning to shake and modify the system in a visible and profound way.

As a result of these two years of commitment, the Commission Report in October 2004 recognized that 'important progress' was made in the implementation of political reforms, even though it needed to be 'further consolidated and broadened'.¹⁰ The Report concluded that 'in view of the overall progress of reforms attained (...) the Commission considers that Turkey sufficiently fulfils the political criteria and recommends that accession negotiations be opened.' The Commission also proposed a three pillar strategy for Turkey's EU accession: First, in order to ensure sustainability and irreversibility of change, the EU would continue to monitor the state of reform, establishing new priorities in revised Accession Partnerships and reviewing progress on a yearly basis. To this, an important negative conditionality was added: negotiations would be suspended 'in the case of a serious and persistent breach of the principles of liberty, democracy, respect of human rights and fundamental freedoms and the rule of law on which the Union is founded'. Second, an intergovernmental negotiation framework would be established, with agreed-upon benchmarks for the closure of each negotiation chapter. Third, a degree of uncertainty was added to the deal. The Commission

⁹ European Council meeting in Copenhagen (2002), *Presidency Conclusions*, 12-13 December 2002.

¹⁰ European Commission (2004) Regular Report on Turkey's Progress Toward Accession, available on www.ccc.eu.int

emphasized that negotiations would be open-ended and that long transition periods and permanent safeguards could be envisaged. Finally, a dialogue between civil societies would be established and supported by the Union. In December 2004, the Brussels European Council approved the Commission's recommendation and invited the Commission to propose to the Council a draft framework for negotiations with Turkey. The date for opening negotiations was set for 3 October 2005.

All appeared in place for a continuation of the virtuous dynamic. Yet over the course of 2005, signals emanating both from the Union and from Turkey cast some new clouds of uncertainty. Beginning with Turkey, the reform momentum appeared to slow down in the early months of 2005. Partly as a natural fatigue effect following two marathon years of reform aimed at securing the long-sought 'date' and partly in view of the absence of adequate structures and incentive mechanisms to ensure effective implementation, the government's determination appeared less convincing. In addition, worrying signals emanated from EU capitals. The declarations of popular European politicians, the French decision to hold a referendum on Turkey's future entry in the Union, the EU constitutional crisis triggered by the French and Dutch 'no's and the dispute over Turkey's putative recognition of the Greek Cypriot Republic of Cyprus, all contributed to shed new shadows over Turkey's future in Europe.

Accession negotiations are set to begin as planned. But their conduct promises to be far from linear. The well-known hiccups in EU-Turkey relations, while likely to occur along a generally positive and forward looking track, are likely to remain part of the EU-Turkey landscape.

Understanding the dynamics behind EU-Turkey ties

What emerges from the account above is that for better or for worse, and particularly since EU-Turkey ties have been set in the framework of expected (or desired) membership, the EU's decisions, actions and inactions have affected profoundly the pace and form of Turkey's political and socio-economic development. Why has this been the case?

The primary answer rests in the value accorded by the Turkish establishment and public to the goal of EU membership and its accompanying willingness to go the extra mile in terms of domestic transformation in order to achieve that goal. Throughout its republican history, Turkey has consistently looked westwards in search of political and economic models. Mustafa Kemal Atatürk and the military elite which founded the new republic genuinely ascribed to pro-western and pro-European ideals and these in turn had a significant impact on the creation of the nation-state. Born from the ashes of the empire, the republic abolished the sultanate and the caliphate, severed its ties with its Ottoman past and set to thoroughly modify the religious-based nature of statecraft and social relations. This vocation consolidated as time went by. Over the years, European secularism and nationalism remained at the core of the Turkish state and the nation-building processes. Westernization and modernization became the end goals of the republican project.

The objective of being recognized as a member of the European family of nations persistently guided Turkey's foreign policy. After WWII, the country joined all major Western and pan-European international organizations – OECD, the Bretton Woods Institutions, the Council of Europe, NATO and the OSCE. Moreover, since its early days, Turkish authorities openly

manifested their desire to accede to the European Community. Being part of the EEC was seen as the natural economic corollary of the country's long standing geo-strategic orientation - as well as a reflection of trade realities, which already in the 1960s registered 38% of exports and 34% of imports with the EEC.¹¹

Up until the 1990s, EU ties were articulated primarily as a dominant pillar of Turkish foreign policy, which took the form of ever closer economic ties. As the Union adopted a distinct political character and as Turkey's ambitions translated into concrete membership aims, the EU dimension gradually shifted into the domestic political domain.

On the EU side, the political criteria for entry were clarified. Article 49 of the 1993 EU Treaty identified liberty, democracy, the rule of law, human rights and fundamental freedoms as the basic principals on which the Union is founded. In the Copenhagen European Council the same year, the criteria for membership were further spelled out, adding to the list the protection of minority rights and emphasizing the need for stable institutions guaranteeing the respect for all the above mentioned values and norms. The definition of political, democratic and human rights standards was based on the binding international and European conventions to which EU member States are parties. With the launch of Turkey's accession process, the Union could found itself in the position of being able to rely on a clear and refined framework to exert political influence on Ankara.

Given the specific history of the Turkish republican project and its close association with Europe, the initial and ostensible first reaction of the Turkish body politic to the Copenhagen criteria was positive. This was not least because the establishment as a whole initially believed that despite minor hiccups, Turkey already displayed most of the necessary prerequisites of membership. In addition, there was wide popular support for the accession goal. Turks had many reasons to be enthusiastic about entering the 'rich nations' club'. Membership was seen as a means to anchor the country to Europe, thus finally realizing Ataturk's longstanding aspiration of modernization and development through westernization and europeanization. Moreover, the national debate stressed that accession could cure some of Turkey's most intractable diseases: underdevelopment, regional imbalances, poverty, corruption and poor governance. In the light of public opinion consensus, no major political force across the party spectrum could only stand out against membership. Moving towards the Union thus became the central element and a potentially unifying factor in Turkish politics.

Yet this primary answer explaining the EU's impact on Turkey does not account for the ebbs and flows in the relationship and in the pace of Turkey's domestic transformation. In order to understand the cyclical nature of the relationship, the Turkish domestic political 'black box' needs to be opened. Looking closely at the EU debate in Turkey, what emerges is that positions within the pro-EU majority have been in fact far more nuanced. One thing was accepting the goal of membership and paying lip-service the general Copenhagen criteria, quite another was having the determination to embark on the specific and almost revolutionary reforms embedded in the accession process. Particularly in a country with extreme sensitivity towards the issue of national sovereignty, many of the EU's requests in the political domain were perceived as undue interference in domestic affairs. On the issue of compliance with and implementation of the political criteria, many felt the need to make qualifications. The official Kemalist discourse stressed the specificities of the Turkish case and particularly the national security concerns which made it different from other EU

¹¹ On this topic see also Bahadır Kaleagasi (1995), 'Le défi européen ' in S. Vaner, D. Akagül, B. Kaleagasi (eds.), *La Turquie en mouvement*, Editions Complexe.

members and candidates. Some questioned the legitimacy and the appropriateness of the EU's requests to tackle issues like cultural and minority rights.

In addition, most Turkish actors doubted the sincerity of the Union to accept Turkey into the EU club. The credibility of the EU's offer was questioned at all levels of the elite and society. Mistrust for Europe was partly the result of history. The memories of over two centuries in which the Ottoman Empire had been on the retreat under pressure from the European powers and above all the trauma of the Treaty of Sèvres - which legitimized the partition of the country amongst WWI winning powers - had produced deep scars in the Turkish soul. And these scars seemed difficult to heal even under the new positive atmosphere created by the Helsinki decision. Turkish fears fed doubts about the EU's real intentions.

The press and some political actors constantly sought proof and speculated that Europeans were once again seeking ways and excuses to exclude Turkey. In turn, at every instance in which EU decisions or statements cast doubt over Turkey's accession, Turkish fears and mistrust re-awakened. This meant that paradoxically, as Turkey made progress in reform, Turkish mistrust towards the Union rose. This was also explained by the fact that some EU actors could no longer hide behind Turkey's democratic and human rights shortcomings when doubting Turkey's future membership. Underlying concerns and doubts about Turkey's place in Europe started to be increasingly aired in the open. Indeed, as Turkey's reform process gained ground, other, 'non-Copenhagen criteria'-related reservations were increasingly voiced. These included fears that Turkey's entry would dilute the loosely defined 'esprit communautaire', that it would entail rising Turkish immigration and that it would bring the Union dangerously close to the unstable Middle East. Some EU actors have also been openly reluctant to embrace a country with an allegedly 'different' culture and religion.

The increasing intensity of the EU debate on Turkey does not obviously mean that the Union has secretly decided against Turkey's membership, as some commentators in Turkey have argued. However, the very existence of a debate on the desirability of Turkey's membership raised Turkish insecurity, legitimizing Turkish euro-sceptics who resisted the EU accession drive. According to them, there was little point in engaging in the EU-driven domestic revolution if Europe would ultimately turn its cold shoulder to Turkey.

Furthermore, the long-term nature of the accession process further strengthened the euro-skeptic line. Despite the opening of accession talks in October 2005, membership itself is expected to occur at least a decade later. In its conclusions, the December 2004 European Council made clear that the 'long-run' would be after 2014. The uncertainty of the process both due to its timing and to the developments that may unfold in the meantime could affect negatively Turkey's incentives to engage in difficult reforms in the short and medium terms.

Since the beginning of Turkey's accession process, euro-sceptics and nationalists have portrayed Turkey as a special case. According to their argument, advances in democratization and human rights should be a welcome development, but to prevent reforms representing a threat to Turkish national security they should also be realized at the appropriate pace. The rhetoric from the nationalists has at times gone even further, hinting that the Copenhagen criteria could be used to break up the country along the lines of a second Treaty of Sèvres. When EU decisions have been forthcoming (in particular the 1999-2004) period, the credibility of nationalist actors has tarnished, allowing greater scope for the reform momentum to accelerate. Yet when trends in the Union have turned away from firm

commitments towards Turkey (1997-1999 and possibly after 2005), the doubts and fears feeding Turkish nationalism and conservatism have been reawakened.

Endogenous determinants

The offer of membership and the progress in the accession path on the one hand and the pending doubts concerning Turkey's future in Europe on the other provide a key explanation of the cyclical trends in EU-Turkey ties and of the pace of Turkey's domestic transformation. However, the latter has been and will remain determined principally by endogenous factors, as well as by wider international and regional developments.

Party politics

In so far as reform and the lack thereof is launched, hindered and managed by domestic political actors, understanding the trends in Turkish party politics provides a first domestic determinant of the reform process.

From the mid-1990s up until 1999, Turkish party politics was characterized by a relatively high degree of instability. This also meant that few steps forward were made in this period in terms of political and economic reform. The 1995 parliamentary elections failed to produce a stable government and power oscillated between several unwieldy coalitions including the Islamist Welfare Party, which was ultimately ousted by the so-called 'soft' military coup in February 1997. The exit of the Welfare Party in June 1997 failed to produce stability or coherence, and shaky minority coalitions alternated until the early 1999 elections.

The elections saw the rise of a three party coalition, led by veteran Bulent Ecevit (DSP) together with the liberal Motherland Party (ANAP) and the nationalist National Action Party (MHP). Ecevit's government came to power with an ambitious reform programme focusing on the banking sector and the social security system; the removal of military judges from State Security Courts; and the amendment of the political parties' law to make judicial closure more difficult. Some legislative reforms were approved and implemented in 1999, providing an incentive to the European Council to accord candidacy to Turkey in December 1999.

However, following the formal launch of Turkey's accession process, the overall attitude of Ecevit's cabinet towards reform became increasingly prudent. This was primarily because of the dynamics within the coalition (the conservative impact of the nationalist MHP, as well as of Ecevit's DSP, and the relative weakness of the liberal ANAP). For instance, in response to the priorities highlighted by the EU in the AP, in March, Turkey adopted a National Programme for the Adoption of the Acquis which, in the political criteria chapter showed a careful division between short and medium term priorities, postponing to the medium term the handling of the most complex political questions where consensus would be difficult to achieve.

The internal and mounting divisions between the DSP-MHP-ANAP coalition, and in particular between the nationalist MHP and the liberal ANAP, were pivotal in casting the reform drive in a higher gear and indeed led to the August 2002 reform package. Some issues took up a symbolic value in the debate, such as the abolition of the death penalty and the recognition of cultural rights. Eventually tensions came to a head, leading to early elections in

November 2002. The campaign and the elections were important litmus-tests for the state of the debate on reforms and the EU. Although no party ran on a clear EU platform, most of the political forces clearly indicated that fulfilling the EU criteria was a top priority in their programmes.

The Justice and Development party (AKP) obtained a landslide victory in November 2002, with 34 % of the ballot. The resulting parliamentary majority permitted a single party government to be formed, the first since the Ozal years of the 1980s. The party, which had been founded in 2001 after a split from the pro-Islamic Felicity party (the successor of the Welfare Party), defined itself as a democratic/conservative political force. Although strongly rooted in the social base of the movement, the AKP represented a novelty. The AKP tapped on the socially conservative values of its core electorate, but had abandoned Islamism as a political programme. AKP stood for modernization and democratization and looked to the EU as a natural way to achieve these. Its leader Tayyip Erdogan declared that ‘meeting the Copenhagen political criteria is an important step forward for the modernization of the country’¹². Indeed, the current government has frequently dubbed the accession criteria as the ‘Ankara criteria’.¹³

The EU agenda served the AKP’s interests in a number of ways. On the one hand, embracing EU-inspired reforms provided a ready made political and economic roadmap and would consolidate the AKP’s legitimacy and credibility both domestically and internationally. Delivering on reforms would also eliminate doubts and suspicions, particularly amongst the civil and military establishment, about the ‘real’ political intentions of the party and would strengthen its pro-western credentials. On the other hand, the party leadership believed that full endorsement of democratic and human rights reforms could bring about a lasting transformation of the country which would give the AKP a lasting guarantee to survive as a key actor in Turkey’s political life.

The rise to power of the AKP with its political will as well as capability (due to its strong parliamentary majority) to proceed along an ambitious reform process provides the single most important explanation of the two marathon years of reform in 2003-04. Yet following the European Council’s decision to begin accession negotiations in October 2005, the reform momentum appears to have slightly waned. Some commentators have taken this as an indication that the government is reducing its commitment to EU accession and reform. However, what the case might really be is that the ruling elite has turned its attention to other sectors of the electorate and the party base, whose priorities are not necessarily directly linked to EU membership. What may also explain the lull in the reform momentum is the absence of a sufficiently large cadre of professionals below the very top levels of government, necessary for sustained progress particularly in terms of reform implementation.

The economy

A second domestic determinant of the reform process has been the general state of and turning points in the economy.

¹² Quoted in Ihsan Dagı (2005), ‘Transformation of Islamist Political Identity in Turkey: Rethinking the West and Westernisation’, *Turkish Studies*, Vol 6, No. 1, pp.21-37, p. 30

¹³ Key note speech by Minister of the Economy Ali Babacan at an informal EU-Turkey Brainstorming meeting organized by the European University Institute and Sabanci University, Florence. 6-7 May 2004.

Since its opening up in the 1980s and throughout the subsequent two decades, Turkey's economy made important advances, showing increasing growth and export capacities. However, the country's economic development had been hampered by macro-economic instability, which gave rise to recurrent crises. The crises have both hindered and have induced the political reform process.

Following a sharp economic contraction, mainly provoked by the Russian crisis and the 1999 earthquake, Turkey signed a new stand-by agreement with the IMF in December 1999, aimed at reducing inflation, improving the fiscal position, addressing structural problems and raising growth levels. The new agreement was a repetition of a well known script, which had not been able to resolve Turkey's chronic diseases: huge fiscal deficits and public debt, soaring inflation and a large, inefficient and corrupt public sector.

However, following through with the IMF agreement the government was put in the condition of accepting external conditionalities as a necessary feature of domestic policy-making. The IMF programme and the accession process thus proceeded in parallel. In turn, in the course of 2000, Turkey made some progress in complying with the IMF loan conditions. Its fiscal deficit was reduced, some privatization of state corporations and utilities took place and a crawling pegged exchange rate was introduced to reduce inflation. On the negative side, speculative moves began to undermine the process.

In fact, these initial successes were wiped away by two major economic crises which struck Turkey in November 2000 and February 2001. In both cases, the Turkish lira collapsed and the stock market crashed, but while the November crisis was short-lived and contained, the February crisis hit the country profoundly. The initial spark was political. Tensions between the prime minister and the president created panic in the markets which resulted in a rush to the dollar. The central bank attempted to defend the currency peg but lost over \$7 billion and was forced, two days later, to float the lira, with an immediate 36% drop against the dollar. The financial system – the weakest link in the Turkish economy - risked a meltdown.

The crisis brought the economic reform programme to a halt. In the following months, the consequences of the crisis on the real economy emerged in full force. Industrial production and GDP shrunk by 7.5% by the end of 2001, while inflation had grown to almost 70%. Unemployment soared. Turkey was in its worst recession since the 1940s.

In the aftermath of the crash, a wide internal debate on the long standing illnesses of the country took place. The magnitude of the crisis showed that Turkey's problems were structural in nature, involving both political and economic spheres as well as the relation between the political system and the economy. Interestingly, the debate quickly led to a consensus on the diagnosis and prognosis. The level of external debt and the international reluctance to bail Turkey out indicated that the country's survival was at stake. If the root causes of the crisis were not tackled, the malaise risked becoming fatal. Half-hearted reforms were ruled out. Turkey could not afford to fall again into a cycle of short-lived adjustment, followed by uncontrolled public spending at the first signs of recovery. The political class had to take responsibility for long term change and good economic governance. The list of things to do was long: emphasis was placed on structural reforms; consolidating transparency and accountability; reducing state presence; and tackling corruption, cronyism and political influence over the economy.

In March, the government signed a \$12 billion agreement with the IMF, subscribed to a new reform programme, and appointed Kemal Dervis, a World Bank Vice President, as Economy Minister. Restructuring the banking system, budget cuts and privatization were at the core of the reform programme. The IMF package, the largest in history, was designed with bimonthly disbursements and conditioned to satisfactory progress reviews. Pressure to deliver on the reform was bound to remain high. Moreover, a strong political consensus over the paramount importance of the economic reform agenda solidified and brought about a positive change of attitude. This change and the appreciation of the close inter-linkages between the political and economic domains also spilled over into a renewed commitment to pursue the political reforms called upon by Turkey's accession process. Finally, the deep recession created a high level of public discontent with the government and its policies and in turn a strong push for political change, which translated into the results of 2002 landslide elections.

The EU accession process was then aided by the success of the economic recovery and stabilization. With the exclusion of the period of political crisis and early elections in the summer and autumn of 2002, the IMF programme remained on track. The economy showed great resilience and already in late 2002 it returned to sustained growth, with a quarterly average of over 7%. Inflation was brought down to single digits, an historical achievement for the highly inflationary Turkish economy. Recently Turkey has also shown progress in reducing fiscal imbalances, obtained through strict discipline in managing public finances (the government has maintained a considerable primary surplus of approximately 7% GDP). Fiscal discipline has allowed sharp reduction in interest rates which in turn reduced the cost of debt. All in all, progress towards macroeconomic stabilization has proceeded at remarkable pace. Important structural reforms have also been realized. Electricity, sugar and tobacco have been liberalized, some price distortions have been eliminated through, for example, the reduction of agriculture subsidies. State presence in the economy has reduced. Reform of the banking system has begun and independent regulatory structures have been strengthened. Successful reforms have translated into a steadily increasing confidence, which has allowed the government to manage the financing of public debt and external imbalances.

There is widespread consensus that the IMF programme has provided a solid anchor for reform. IMF conditionality has allowed the Ecevit and Erdogan governments to remain on track despite inevitable social opposition brought about by the costs of reforming the economy. A new three-year agreement with the IMF, signed in May 2005, should continue to provide consistency and guidance. But much remains to be done. Bureaucratic red-tape, high tax burdens and corruption still represent serious obstacles to investment and sustained progress. On the social front, unemployment remains above 10%, and the high growth rates have not translated into new jobs yet. Turkey must continue to reform and modernize its economy in order to absorb a young and rapidly expanding workforce. At the same time, it will have to devote increasing attention to the education sector, in order to improve the quality of its workforce.

The security dimension

The 'security dimension' has always been central in modern Turkish history. This narrative goes well beyond the military sphere, ranging across the political, social and economic development of the country. 'National security' is defined as the protection and maintenance of the state's constitutional order, the national image, the state's integrity and interests, and

the laws underlying state policies.¹⁴ In order to successfully address all the insidious and pervasive (real or perceived) threats to the country, the state including the military have used in a coordinated way all the policy instruments at its disposal.

The security narrative took root in the country in view of the trauma of the Treaty of Sèvres - which legitimized the partition of the country amongst WWI victors - and the subsequent military occupation of Anatolia. Occupation gave rise to military resistance led by Mustafa Kemal, later known as Atatürk, whose victory led to the establishment of the Republic. Unsurprisingly, the military came to affirm itself as the guardian of the normative foundations, the national security and the territorial integrity of the new republic. Hence, the periodical military coups in Turkish history, when the armed forces felt that politicians were allowing politics to slip out of hand. The coups (and most notably the 1980-1983 period) turned the security narrative - already engrained in the politics of the country - into a centerpiece of Turkish political life. The population became increasingly accustomed to hear military leaders speak out on all major national issues and the army's status was reinforced by the widespread public perception of the immaturity and corruption of the political class.

After the military left power in 1983, the National Security Council was beefed up as an institutional mechanism allowing the military to retain an influential say in policy-making.¹⁵ Article 118 of the 1982 Constitution stipulated the government's obligation to take into account the NSC's recommendations on issues concerning the independence of the state, the unity and indivisibility of the country and the peace and security of society. The NSC was supported by an essentially military-staffed bureaucracy led by a military Secretary General with a highly developed and competent structure. The expertise and organizational capacities of the Secretariat General permitted the NSC to competently follow all issues of major interest. Prior to the 2003-2004 reform packages, the NSC met twice a month and thus could influence all major policy decisions. The military also had other informal ways to influence decision making. The Chief of Staff and other top officers made frequent interventions in public debate and declarations were widely reported by the media.

The political reforms undertaken under the EU accession process have begun to downscale the military's influence on politics. Institutionally, the NSC structure and command has been modified. Greater civilian control was introduced, including a change in the composition and the possibility to appoint a non-military person as Secretary General and increased civilian supervision over military spending. The mandatory and automatic nature of NSC meetings has also been changed making the NSC an advisory body meeting when called for. However, institutional changes do not automatically translate into a change in policy practice, underlying norms and beliefs. Indeed, while sustaining and ascribing to the national security discourse, the military is likely to retain a key role in politics so long as the security narrative indeed prevails.

The security narrative is also fed by other factors. Turkey's geo-strategic location and the internal and external threats that Turkey has suffered from have served to vindicate and strengthen the security discourse. Kurdish separatist violence, which throughout the 80s and

¹⁴ Aylin Güneş (2002), 'The Military Politics and Post Cold War Dilemmas in Turkey', in *Political Armies, The Military and Nation Building age of democracy*, K. Koonings and D. Kruijt (eds.), Zed Books, New York. p. 166.

¹⁵ The NSC is composed of the president; the prime minister and other key ministers; the Chief of the Turkish General Staff; and representatives of the army, air force, and navy. See Gareth Jenkins (2001), *Context and Circumstance: The Turkish Military and Politics*, Adelphi Paper 337, IISS, London.

90s resulted in 35,000 deaths and multibillion dollar costs, created a strong feeling of insecurity in the country. The ensuing rise in Turkish nationalism locked into euro-skepticism particularly during the Ocalan affair. During the months following his expulsion from Syria in October 1998, PKK leader Abdullah Ocalan toured throughout Europe in search of a safe heaven. Many European capitals showed ambiguity over the case and Italy was caught in a dilemma over accepting Ocalan's asylum request or extradite him to Ankara. The Ocalan case inflamed Turkish public opinion and sparked numerous anti-EU demonstrations. It also led to a sharp deterioration in the relationship, particularly at the bilateral level with Italy. Turkey reacted angrily to what it viewed as European double standards and lack of sensitivity. The case also reinforced the feeling that Turkey could only rely on itself when fundamental issues of territorial integrity and national security were at stake. The re-eruption of violence in 2004-05, albeit at a far lower level compared to the 1980s and 90s, has re-awakened dormant fears and nationalism across the country. Fears and nationalism have risen further in view of the trends towards Kurdish separatism in northern Iraq following the ousting of Saddam Hussein, the American occupation of the county and the US's reluctance to fight the PKK there.

National fears and nationalism have also been fuelled by political Islam. Political Islam emerged as a threat to the Kemalist Republic in the 1970s and 1980s and in particular with the rise of Necmettin Erbakan's National Order Party (renamed National Salvation, Welfare, Virtue and Felicity due to the successive closures of the party). The political instability of the late 1970s, and the electoral successes of Welfare in the 1990s, ultimately stopped by the so-called 'soft military coup' in 1997, represented the pinnacles of the Islamist threat. These peaks appear to be gone for good. But rather than the constitutional bans, it is the rise of the AKP that has perhaps acted as the most powerful antidote against mass Islamist movements. The recreation of a party with an Islamic background but with a clear and forward-looking mandate to establish itself as a conservative 'Muslim democratic' party on the centre-right of the political spectrum has drained the life line of political Islam. This is not to say that radical Islam no longer represents a threat in Turkey. But this threat is unlikely to translate into mass political parties that attempt to change the system through participation in parliamentary politics.

Conclusions

Turkey's progress in democratization and respect of human and cultural rights has been unprecedented in depth and speed. Many taboos have been broken and the Turkish state and society have begun a move into a virtuous circle of systemic change. Also on the economic front, the country has made impressive progress. By implementing the IMF reform programme, the economy has rebounded from a major crisis. Inflation and public deficit have been reduced and Turkey has displayed an impressive growth rate, positioning the economy for a possible boom in the coming years. Although incomplete, progress has been widely recognized and celebrated.

At the same time, the EU – although perhaps unwillingly - has turned into one of the key external factors shaping Turkish developments as well as the anchor of the reform process. Turkey appears to be increasingly dependent on EU signals and reactions. Developments in the EU – epitomized most recently by the French and Dutch popular rejection of the EU Constitutional Treaty and the public debate that preceded it – tend to provoke chain reactions which are difficult to control and anticipate.

Yet the EU, alone, does not and could not determine the form and pace of Turkish domestic reform. It is rather the interdependence and interaction between the EU dimension and a set of internal and other external factors that determine domestic transformation or the lack thereof. For example, in the summer of 2002, the internal disagreements within the former governing coalition constituted by the DSP, the MHP and ANAP came to a breaking point when pressure started mounting in view of Turkey's slow progress in EU accession reforms. It became gradually clear that Turkey would need to show concrete progress in order to shift the process forwards. This realization was a turning point for Turkey and began to transform Turkish political and economic dynamics. As the EU-inspired reform programme moved to the centre of the domestic political debate, political, institutional and economic forces across the spectrum started repositioning themselves around the issue of EU accession.

Another key example relates to the rise of the AKP. The coming to power of the AKP together with the conditional date for the start of the negotiations played a pivotal role in speeding up the reform momentum. After the AKP electoral victory, the atmosphere had changed. Doubts and resistance from the establishment and the state apparatus appeared to gradually diminish. At the same time, pro-EU forces in Turkish civil society became more vocal in their demands for change. Politically, the reform front appeared more united, as both the government and the opposition have shown an unprecedented readiness to support efforts exerted to meet the 2004 deadline.

There are also tight inter-linkages between the EU accession process and the economic reform drive. The EU accession process should increasingly ease Turkey's ability to tackle structural economic reforms. Although the EU anchor might be less solid than it was for the CEECs, Turkey will be able to use the EU entry process to create consensus and social acceptance of the necessary structural changes. Sustaining the reform momentum and proceeding along *acquis* harmonization should also allow Turkey in time to benefit from higher levels of foreign investment.¹⁶

On the complex terrain of security, changes are far slower. This is because the official discourse has constantly stressed that Turkey cannot afford to diminish its emphasis on national security without running the risk of compromising its fundamental values and integrity. Yet the security narrative is not set in stone. If, as and when the EU will progressively include Turkey in its own security community, Turkey's security narrative may well transform. By becoming an EU member state, Turkey's problematic borders would become EU borders and the complex problems arising from the neighbourhood would be shared with EU. The EU anchor would also provide a guarantee from internal threats to secularism and ethno-politics, thus allowing for a full adoption of EU democratic standards and reducing the role of the military as guarantor of Turkey's republican values. EU accession would also lead to the full incorporation of the Turkish armed forces in the emerging structures of European defense, inducing an accelerated europeanization of the Turkish military. It is important to note that, despite internal differences, top ranks in the military have supported the EU accession drive.

The EU dimension has re-shaped many of the paradigms underlying Turkey's political and socio-economic development. One last and fundamental question is whether the momentum towards modernization and liberalization will persist irrespective of EU pressures and

¹⁶ Katinka Barysch (2005), *The Economics of Turkish Accession*, Centre for European Reform, London.

influence. In other words, to what extent are the Turkey's reforms irreversible? Does Turkey still risk lapsing into the political and economic instability, violence and nationalism of the past, if the Union were to ultimately turn its back to Turkey? Clearly no conclusive answer can be provided yet. On the political front, the existing reform process has already shaken age-long beliefs and codes of action, changing what is perceived as a threat and the adequate response to it. It has affected institutions structurally, it has empowered civil society and it has generated a wider societal appetite for democracy and rights that is likely to persist in future. On the economic front, the claim to irreversibility is perhaps more difficult to defend. Although the Turkish economy has shows signs of inherent strength, the country needs the EU anchor and an EU perspective to reap the fruits of the long pre-accession period in terms of FDIs inflows and sustained growth and productivity.

Overall irreversibility is far from assured. What is clear is that Turkey is currently moving in a generally positive direction, which is nonetheless marred by moments of lull and possible steps backwards (as possibly in the current period). When and whether the inevitable negative shocks will remain isolated incidents on a generally positive path remains to be seen. What is equally clear is that at the current juncture the EU dimension remains as indispensable as ever to ensure that the moment of irreversibility will arise.