

European Union and Turkey in the Post Arab Spring Era: Mapping Strategic Interests in the Turbulent Neighborhood

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ABSTRACT *This article explores the strategic importance Turkey holds to the European Union and how Ankara could contribute to the EU's achieving the status of a veritable global power. It seeks to understand how the often contradictory threads (democratization vs. creeping authoritarianism) in the recent transformation of Turkish domestic politics affects its European credentials. The main argument of the paper is that it is in the core interest of both parties to align their policies in the neighboring regions, namely the Balkans, Caucasus, and the Middle East, especially in the post Arab Spring era. What hinders the genuine EU-Turkey partnership is often the political and tactical short-sightedness of both parties rather than the factual divergence of strategic interests.*

The dramatic reconfiguration of the EU's and Turkey's "shared" neighbourhood redefined the premises on which the decades-long debate on further enlargement was based. Along with the Arab Spring and the eastern neighbourhood gradually drifting towards "soft" authoritarianism, crisis-struck Europe is challenged with a fundamental and in fact existential question "whither thou goest without Turkey?" prompting a new debate about the need to revive the membership negotiations.

No matter what shape the new EU will assume following the crisis, it is difficult to imagine a strong European Union without Turkey. As an EU member, Turkey could contribute a considerable economic, military, human potential, as well as global ambitions thanks to the well-exploited legacy of its imperial past. The location of Turkey, which used to be NATO's southern flank, is again becoming strategically important in the turbulent social and political transformations in the Arab world, as well as Russia's assertive policy in its "near abroad." Ankara's geopolitical choices are of key importance to the EU in view of Russia's attempts to rebuild its superpower status in the post-Soviet area, as

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well as in the Mediterranean. However, a Turkey that remains outside the EU has no reason to back European ambitions. Turkey's involvement in the EU's foreign and defence policies will be directly proportional to it being guaranteed a European perspective, however distant it may be. The prestigious status of candidate country strengthens Turkey's position in its neighbourhood. This explains why the Turks show reserve toward the EU proposals of "enhanced cooperation," "privileged partnership," or "strategic relations", which do not imply membership, and maintain skepticism toward EU's integration initiatives in the region, for example the Union for the Mediterranean.

If Europe's architecture is redesigned towards closer integration (EU of several circles), with far-reaching changes to the Union's structure and functioning, earlier predictions about the consequences of Turkey's accession to the EU could prove outdated. A multi-speed Union could bring Ankara closer

to membership. One possible scenario envisions an "incremental" membership with the country moving through specific stages of integration, e.g. in the common market (the British model). In the long run, however, there arises a question as to how long and to what extent the ambitious Turkey will be willing to remain on the sidelines of the EU core decision-making processes. The most important dilemma for Ankara and the EU could be Turkey's membership in the eurozone, with all of its consequences.

For Turkey – notwithstanding its often ambivalent rhetoric – EU membership remains a civilization choice and a firm strategic objective that seals 150 years of Europeanization dating back to the Otto-

man Empire. At the same time, it is one of the principal projects of the republican era. Being part of Europe is also a matter of prestige, image and – in line with Atatürk's legacy – a symbol of modernity. Instead of turning its back on the West, Turkey is reshaping its foreign policy by defining its strategic interests in broader terms. When Turkish politicians invoke the Ottoman heritage, they draw on the identity of a country that has chosen to be European, with its ancient and Byzantine legacy of the Empire, longstanding presence in European politics and its roots in the Mediterranean culture. The European model of development and civil liberties continues to be attractive for Turkish society, while Turkey's soft power in the Middle East, the Caucasus and Central Asia is sustained by Ankara's strong ties with the EU. The consolidation of its position in the neighbourhood is not so much a reflection of neo-Ottoman nostalgia, but a bargaining chip and a trump card in the country's path toward Europe.

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Accordingly, it is the growing nationalism rather than the alleged Islamization that poses the real challenge. The process of Turkey's Europeanization is made more difficult because of the EU's ambivalence about Ankara's European aspirations combined with the weakness of the Turkish political system that hampers a transition from political hegemony to political competition. Equally important is the incompetence of the Kemalist opposition, which lacks a coherent programme and remains in thrall to its historical taboo. Its stance on the Armenian, Kurdish or Cypriot questions, the role of the army in the state, attachment to the concept of assertive secularism and exclusive concept of citizenship are all good cases in point. Meanwhile, it is in the EU's vital interest to forge the closest ties with an increasingly powerful Ankara, and to avoid the possibility of a "Gaullist" Turkey¹ exploiting, to the detriment of western interests, its assets as an ambivalent "global swing state."²

Geopolitics: Turkey as a *Multi-regional* Power

Turkey is situated in a region where the EU and Russian spheres of influence meet. Ukraine and the South Caucasus countries may be the EU's new eastern neighbours, but for Turkey they are old neighbours. It is the only country that can compete with Russia in trying to win over the hearts and minds of people in the post-Soviet region. For the local population, Ankara is tantamount with economic growth, visa liberalization, a main destination for job seekers, tourists, consumers, and small to mid size businesses. Turkey is also home to, among others, sizeable Abkhazian and North Caucasus diasporas, as evidenced by the integration of Adjara with the Black Sea coast of Turkey. Ankara is set to benefit from the democratization in this area, the extension of the European sphere of influence, the implementation of Southern Gas Corridor projects, and the resolution of frozen conflicts. Consequently, Ankara could become a valuable ally of the EU in resisting Russia's efforts to spread and consolidate its sphere of influence in the post-Soviet area.

Over the centuries, Turkey-Russia relations have been marked by wars and competition. Since 2000, Turkey and Russia have come closer together, but this development is better described as a tactical *rapprochement* rather than a strategic partnership. Ankara and Moscow are still more of natural rivals than regional allies. The two countries pursue diverging interests in their immediate neighborhoods, in such areas as security, energy, democratization, Karabach, Transnistria, the Balkans, Central Asia, and the eastern Mediterranean. Therefore, despite Russia's official backing of Ankara's European ambitions, the Kremlin sees Turkey as a potential threat to Russian interests in Eurasia. Even though both countries are wary of NATO's expanded presence in the region (albeit for different reasons), Turkey does not see the Black Sea region as possible Russian-Turkish condominium. Evidence of this is Ankara's involvement



European Commission President Jose Manuel Barroso, European Council President Herman Van Rompuy and Irish Prime Minister Enda Kenny attend a press conference after the European Union leaders summit on June 28, 2013 at the EU headquarters in Brussels.
AFP / Georges Gobet

in the BLACKSEAFOR task force and the Black Sea Harmony operation; its support for or neutrality towards Euro-Atlantic aspirations and NATO membership of Black Sea countries; military trainings and bolstering democracy in Georgia, Ukraine and Moldova. One exception – and a potential sign for the West – is the Caucasus Stability and Cooperation Platform, a Turkish initiative to solve the Georgia-Russia conflict that excludes the EU and the US.

Turkey's ambivalence about initiatives undertaken by the West in the region stems from Ankara's unwillingness to alienate Moscow. Turkey-Russia relations are asymmetrical, with Russia trying to make Turkey dependent on its energy resources. Turkey needs the West to counterbalance its relations with Russia. It is no coincidence that the problems in EU-Turkey relations benefit mostly Moscow, which instrumentalizes the Cyprus issue to hamper Ankara's EU aspirations. Turkey is concerned about the rise in its neighborhood of a new integration entity with Moscow as its centre, Russia's increased military presence in the Black Sea basin (the Russian fleet's stationing in Sevastopol extended until 2042 and the purchase of French-made Mistral ships) and in the Northern Caucasus. Ankara is wary of the suspension of the CFE, and the failure to implement decisions concerning the withdrawal from Georgia and Mol-

dova, which were reached at the 1999 OSCE summit in Istanbul. In response to Turkey's decision to place elements of missile defence at the Kürecik-Malatya military base, Russia threatened to deploy its missiles in the Northern Caucasus. Moreover, the two countries take completely opposing stances on the Syrian conflict. Turkey's closer ties with the West bolster the country's standing in relations with the stronger partner.

In view of their overlapping neighborhoods, the EU and Turkey should synchronize their policies. The Balkans and the Caucasus could serve as a laboratory for taking effective joint actions. The EU's and Turkey's interests converge on both counts. The Turkish policy in these regions is aimed at conflict resolution and mediation, promoting stability (Ankara's participation in EU missions, the work of the *Diyanet*, and military training), and linking these areas to Europe. Ankara's strategy in the Balkans corresponds well with EU goals, such as consolidating Kosovo's independence or stabilizing Bosnia. One of the challenges facing Turkey is to demystify the Ottoman rule in the region, as to how it is remembered ("the Ottoman yoke"). The recent rediscovery and revalorization of the Ottoman past in Turkey as well as in the Balkans countries could enhance Turkey's standing in the region, as well as its European credentials.

Linking Turkey permanently to Europe would also contribute in a major way to stabilizing the Middle East, while EU policy towards Turkey is important in the context of the strategic dimension of Europe's relations with Arab Mediterranean countries. What makes relations with Turkey very significant is the fact that the country can serve as a transition role model for the Middle East states. Until the Arab Spring, the "Turkish ENP" in the region was driven by trade (Kemal Kirişçi described Turkey as a "trading state"³), soft power, and visa liberalization. Current developments in the Eastern Mediterranean, the escalation of risks in Turkey's neighbourhood have led Turkey to return to its mid-1990s policy and securitisation of its external relations. Turkey's policy of "zero problems with neighbours" and the country's aspiration to act as a stabilizing force in the region have been recently hampered by tense relations with Israel and Syria, deteriorating relationships with Iran and Iraq, and the escalation of the Cyprus question. For the moment, this situation makes Turkey a less attractive role model and exporter of democracy to the countries of the region. Turkey's worsening relations with its neighbours tarnish Ankara's new image, which the country has tried so hard to create⁴. Destabilization of the Mediterranean has a direct adverse effect on Turkey's export-based economy. Until recently, Syria used to be a window to the Middle East.



Linking Turkey permanently to Europe would also contribute in a major way to stabilizing the Middle East

From the Turkish perspective, a stable neighbourhood represents one of the unwritten conditions of its EU membership and a chance for continued rapid economic growth. The concept of a “hostile neighbourhood” is the driving force behind nationalism and super-power rhetoric prevalent among the leading political forces, the society and the media, which the Turkish analyst Ömer Taşpınar has aptly called “Turkish Gaullism.” The problem is all the more striking, as liberal pro-European forces are no longer able to invoke the European perspective as a vital domestic policy factor that fosters democratization. Meanwhile, the EU sees its influence in the region wane as a result of its one-track policy towards the Mediterranean on the eve of the Arab Spring. At the same time, the geopolitical consequences of the weakening of the southern EU Member States could open Europe’s door to third powers. Seen from this perspective, Turkey’s geopolitical choices are becoming increasingly important. The key question for Turkey and the EU is how to impact the transformation of their neighbourhood so that it is aligned with their interests, given that the ambition of their common neighbours - Russia, Iran, Saudi Arabia, and Egypt - is to have a say in the very same neighbourhood.

If new EU initiatives in the field of CFSP are to be successful, a strategic dialogue with Turkey needs to be established. Until 2005, Turkish prime ministers used to attend EU summits on a regular basis, but in recent years Turkish politicians have been excluded from participating in EU bodies. The French decision not to invite a Turkish representative to Paris for the 2011 conference on Libya represented a symbolic gesture. Moreover, in recent years Turkey has increasingly chosen not to align itself with CFSP declarations. This can be explained not only by the growing autonomy of Ankara’s foreign policy, but also by the fact that Turkey is given little time to make up its mind - faced with *faits accomplis* (“take it or leave it”), it is not in a position to influence decisions about significant matters relating to its “shared neighbourhood.” The same is true for EU missions, which co-opt Turkey only after they complete their political and technical planning process - hardly a way to create an atmosphere of cooperation and strategic partnership. In addition, Turkey is not consulted whenever NATO installations are used for CSDP operations. Last but not least, Turkey has not been invited to take part in the work of the European Defence Agency. Unlike Norway, which - together with Turkey - used to be a member of the Western European Armaments Group, and is currently an EDA associate member.

Turkey Confronting Itself: Post-Kemalism and the European Anchor

Despite Turkey’s recent sharp rhetoric, the country is neither heading for confrontation with the West, nor does it see itself as “the other,” as is the case with Russia. The ideology of Eurasianism, so prevalent in Russian political ideolo-

gy, has not found fertile ground in Turkey. Historically, Turkey has never had strong ties with Central Asia. For this reason, it would be difficult to argue that Turkey, along with Russia, form an “axis of the excluded” located in the hinterlands of Europe. Prime Minister Erdoğan’s recent declarations about joining the Shanghai Cooperation Organisation, as an alternative to the EU, should be seen as pure rhetoric and posturing rather than a solemn political manifesto. Despite authoritarian traditions of Turkish politics, the rule of law and democracy have deeper roots in Turkey than in Russia⁵. Moreover, Turkish democracy came out stronger from many institutional crises, the army is on the defensive, and civil society plays an increasingly important role. Thus, it is imperative for the accession process to continue for Turkey’s democratic transformation to move forward. Work on drafting the new constitution serves as a good example here. The European Union could play a much bigger role here were it to adopt a more constructive approach to Turkey.

Paradoxically, under the rule of the Justice and Development Party (AK Party) Turkey has become more European, and the Turkish political scene has become more stable. Over the last decade, the Justice and Development Party has implemented a number of key

reforms to make the country more democratic. What made all these changes possible – apart from the “EU anchor” – was social revolution that empowered the new bourgeoisie (“Anatolian Tigers”) from the hitherto backward region of Anatolia (“Black Turks”). As a re-

sult, the Kemalist monopoly on the state was broken. However, the AK Party is more than just a party of conservative rural communities and a representative of the periphery. Rather, it offers an umbrella for many groups, including liberal circles, which have been inadequately or not at all represented by previous governments. The institutional and social role of the army has been greatly reduced in favour of political elites. The AK Party made other inroads into strengthening civil power over the military and bureaucratic tutelage system. The National Security Council was weakened and the authors of the 1980 and 1997 coups d’état held accountable. The Civilian government sent probes into the “deep state,” including the military and abolished the “national security” classes. The army lost its autonomy and the possibility of interfering in political life. The arrests of army officers should be seen as yet another (perhaps final) stage of rivalry between political elites and the military. For the first time in its history, Turkey is not at risk of a coup d’état. The Turkish political system is slowly evolving from a semi-liberal democracy under a bureaucratic and military tutelage towards a liberal and pluralistic democracy under civilian rule. The Kurdish issue, which was put on a back burner because of the ris-

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ing nationalism, is back on the agenda, with the government well aware that solving the decades-long problem is a condition *sine qua non* of stability both internally, as well as in the immediate neighborhood.

Turkish society is strongly polarized, with the fault lines often running across ideological camps. The dichotomy of “bad” Islamists vs. “good” Kemalists is false⁶. It is a mistake to regard Turkey in terms of old categories dating back several decades, when the pro-European forces consisted of military and bureaucratic elites, i.e. *de facto* antidemocratic circles. In those days, Turkey’s European identity was threatened by Islamist movements. The current post-Islamist Prime Minister Erdoğan is more willing to benefit from the legacy of Adnan Menderes and Turgut Özal, two liberal West-oriented politicians, who are identified as precursors of the “new” Turkey. The real borderline runs be-

tween the camp represented by the post-Islamist AK Party and the Kemalist establishment, which came to realize that the EU is not only a cultural (meaning modernization) but also a political project, while the accession process is likely to shake the foundations of the semiauthoritarian regime. The main opposition party – the Kemalist Republican People’s Party (CHP) – remains nationalist and *de facto* anti-Western, alienating minority groups. Unable

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to fill the void left by the weakening army, even with new leaders, it cannot free itself from the anachronistic shell of Kemalism and become a modern social democratic party. Although the CHP is now headed by Kemal Kilicdaroglu, a Kurd and an Alawite who became party leader in 2010 on a platform of closer cooperation with Europe’s Social Democrats, the party’s 2012 congress is yet another proof of the organization’s ossification⁷. Thus, neither the CHP nor the MHP (Nationalist Movement Party), an ultra-nationalist party, offer any real alternatives to the AK Party.

At the same time, the AK Party’s monopoly on politics, restrictions of the freedom of the media, and the marginalization of the army as a political force pose an increasing threat to the system of checks and balances. The problem is further exacerbated by Turkey’s highly centralized political and electoral system, which ensures hegemony for the winning party. Indeed, part of the Kemalist legacy is the lack of power alternation and the frozen party landscape consolidated by a high electoral threshold. Aware of its political dominance, the AK Party uses European reforms in an instrumental way to further consolidate its influence, wary of changing those elements of the Kemalist legacy that could

curb its own power (e.g. the institutional significance of *Diyanet*). Additionally, the 2014 election may spark a political/systemic crisis. In Turkey's parliamentary system, the office of the president, which is that of an independent arbiter, has not been "adjusted" to the dominant position and ambitions of Recep T. Erdoğan, who will certainly run for the country's highest office.

Part of the Westernized republican elite is afraid of the prospect of introducing certain European standards in such areas as minority rights or relaxing military control over the country. The Kemalist definition of citizenships - the inseparable triad: Turkish, Muslim, and secular - excludes a large group of citizens, including Kurds and Alevis. Consequently, minorities continue to be treated as second-class citizens, while the secular state boils down to strict control of religion, with Hanafi Sunni Islam being the only privileged form. These internal contradictions plus the so-called "Sèvres syndrome," which stands for the Kemalist elites' fear of external interference in the domestic affairs of the state, are not just an obstacle to genuine democratization and modernization of the country. They also hinder export of the "Turkish model" to the Middle East. Rather than Islamism, what checks the process of Turkey's Europeanization is thus its deep-rooted nationalism.

Turkey: A Pillar of Europe's Future Superpower Status

A successful political and economic transformation together with an ambitious foreign policy means that on the 100th anniversary of the proclamation of the Republic in 2023, Turkey could make itself heard as a global power. Nonetheless, an in-depth analysis of Turkey's potential implies greater caution. Despite its undeniable advantages (geopolitics and soft power, economy, military potential, and the energy sector), Turkey's problems with state structures and the limited results of its neighbourhood policy leave a big question mark hanging over the vision of the *new empire*. In the mid- and long-term perspective Turkey will need the European Union, while the European Union will have to answer the question whether the "Turkish card" is one of the essential requirements of building a superpower Europe - *l'Europe puissance*.

Soft Power

Turkey's clout is still largely founded on its roots in the Euro-Atlantic structures and its status as an EU candidate country. Admittedly, Turkey does have an experienced and efficient diplomatic corps and tradition that date back to the Ottoman Empire. Its weaknesses, however, lie in its limited human resources and still not enough officials with knowledge of non-European languages, such as Arabic, but also e.g. Russian. This limits Turkey's scope of action in the Middle East and Central Asia. Foreign policy and foreign service expenditures

are insufficient when compared to the rising number of tasks in this area.⁸ Testament to Turkey's mounting activity is the visible increase, since 2000, of the number of Turkish embassies: from 91 to 114. In Africa, Turkey had 12 embassies in 2009 and 28 in 2011. This leads to a phenomenon known as 'overstretch.' Elements of hard power that have traditionally been part and parcel of Turkey's foreign policy are supplemented with soft power⁹ exemplified by visa policy, TV series, mediation, development and humanitarian aid. Non-governmental organizations are still more efficient than governmental ones (educational and charitable activities of theologist F. Gülen, Turkish TV series vs. underfinanced Turkish state schools, weak audience ratings for TRT outside of Turkey, ineffective Yunus Emre Institutes). The Turkish language does not have the same traditions and influence as Persian or Arabic, while Turkish films, series and popular music are for now popular only among Turkey's neighbours. On the other hand, one must not forget its role, until recently important, of mediator in the Middle East and the Balkans, cultural ties with the Balkans, the Caucasus, and the Turkish-speaking world - Azerbaijan, Central Asia, Russian regions and the Arab world, as well as the influence held by the liberal Turkish version of Islam. The "Turkish model" may serve as an inspiration for political movements – not just Islamic ones – in the Middle East.

Security

Due to the strategic location and significance of US military installations (Incirlik Air Base), Turkey significantly contributes to and influences European security. Turkey is rationalizing its military spending as a percentage of GDP, nearing optimal values (currently 2.4 percent GDP), while at the same time nominally expending sums equal to its economic potential (15th globally according to SIPRI 2012 report). It is taking efforts to change or at least create an image of changing vectors of military cooperation: from a unidirectional NATO orientation into a more comprehensive approach, the military exercises with China in 2010 being a good example. Despite such gestures, Turkey remains deeply rooted in Western defence activities. It participates in A400M projects (European military transport). It is a member of the "family" of Leopard tank users. It is also one of the most important global users of the multirole F-16 jet fighter aircraft. Moreover, Turkey is also participating in innovative, multinational arms programmes such as F-35. Seen from the perspective of military expeditions, Turkey also possesses a powerful air force and constantly modernized early-warning and operational transport systems, as well as special forces. Modernization trends in the armed forces are in line with the tendencies present in European countries: professionalization, increased mobility, and expeditionary potential. Nonetheless, although Turkey is dynamically developing its defence industry - the percentage share of domestic arms production in total arms purchases made by the Turkish army rose from 15 percent in 2004 to 52 percent in 2010 - it is still dependent on high-tech arms imports

not just from the US, but also from European countries, mainly Germany and France¹⁰. Technological deficiencies mean that Turkey is not capable of manufacturing complex electronics (e.g. avionics). The fact that most of the arms used by the Turkish army is US-made signifies that newly-purchased equipment must be compatible with these arms, which leads to Turkish military “dependence” on the West. Moreover, Turkey is also dependent on the USA in terms of intelligence data and electronic intelligence means. On the one hand, Turkey has experience, often seen as disreputable, in quasi-military operations (internal security). On the other hand, however, Turkey’s potential will not be sufficient to allow it to independently provide for its security in a troubled region. Turkey needs the support of its allies, as evidenced by Ankara’s demands, made in the context of the Syrian conflict, to deploy the Patriot missile defence system on its territory.

Energy Sector

Turkey may be an asset for the EU in energy security issues. Turkey is the only land-based transit bridge for raw material transport not controlled by Russia. Even though it is building closer ties with Moscow (gas supplies, Russian nuclear power plant projects, consent to building *South Stream* pipeline through Turkish territorial waters, purchase of Akpet by Lukoil¹¹), which may run the risk of a creeping energy dependence on Russia, it is simultaneously taking strategic steps transforming the country from a bystander in pipeline geopolitics into one of the main decision-makers. One example is the new opening in relations with hitherto isolated Kurdish authorities of Northern Iraq and the energy cooperation that followed suit. Another one is the Turkey-Azerbaijan agreement on the construction of the Trans-Anatolia Gas Pipeline (TANAP), which breaks Moscow’s monopoly. TANAP boosts both countries’ position vis-à-vis the UE. Turkey and Azerbaijan are becoming key players, influencing the shape and future operations of the Southern Gas Corridor. The decision to build the TANAP therefore means that the new pipeline will not be a policy tool used by Europe on Azerbaijan and Turkey, but by Turkey and Azerbaijan on the EU. At the same time, the construction of TANAP and pumping of Azerbaijani gas to Europe will make it possible to implement one of the EU basic interests: the diversification of gas supply routes and suppliers. In this context, the impasse in the EU-Turkey negotiation and the blocked negotiation chapter on energy means that the EU has limited influence on Turkey’s energy policy. Turkey also represents a vast potential when it comes to clean energy: solar, hydroelectric (one third of EU potential), geothermal (12.5 percent of global resources), and wind



For the EU, anchoring the growing power of Turkey in Europe may become an element counterbalancing the influence of Russia and Iran in the Eurasia region

power. It also holds over 70 percent of the world's boron supplies and significant thorium deposits, which will be crucial to the development of next-generation nuclear power plants.

Economy

Turkey's rapidly developing economy and its human capital can be seen as an "added value" for the EU. The Turkish demographic structure – a young and dynamic population – may be seen as an asset in EU-Turkey relations¹². The average age is 28, with only six percent of citizens over the age of 65. These factors, together with the progress of urbanization, translate into significant economic growth. Alongside Mexico, Indonesia and Korea, it is part of the MIST and Next-11 groups of countries. Turkey is, behind BRICS, one of the top 10 emerging markets. Many analysts point to Turkey as one of the most prospective economies of the 21st century¹³. Turkey is currently the world's 17th largest economy (and the 6th in Europe), and will probably rank 10th by the mid-21st century. Turkey's goal, however, is to become the 10th global economy in time for the 100th anniversary of the establishment of the Republic of Turkey. According to the OECD, in 2011–2017 Turkey will be the most rapidly developing OECD member country. Since 2002, the Turkish GDP per capita has risen almost threefold. Turkey has significantly slashed its public debt, from 71 percent to 40 percent in 2011. Turkey also has a growing internal market – forecasts for 2050 speak of 92 million people. It is a key investor in regions neighbouring the EU and may become the economic anchor for the Middle East. Turkish FDIs amount to USD 16 billion¹⁴. Turkey is one of the world's only seven countries that have achieved food self-sufficiency. Turkish companies working in the construction, industry and service businesses are active all over the world. The country is an attractive FDI destination¹⁵. The tourism sector is one of the world's largest. The banking system is stable and relatively low-risk.

Nonetheless, Turkish economic miracle is largely European in origin. A major role in terms of economic growth, FDIs and GDP has been played by reforms triggered by the accession process. EU candidate status has translated into a credible image of Turkey in the eyes of international institutions (IMF, WB, OECD, banks, credit rating agencies) and into investor trust, all the while boosting Turkey's regional attractiveness. These reforms, coupled with the EU principle of conditionality, have led to the establishment of a friendly business environment, anti-corruption measures, and resulted in SME growth, which in turn translated into rising prosperity. It is no coincidence that the biggest supporters of Turkish accession are within the business community, which have been intensively lobbying in favour of Ankara in Brussels. Previously, periods of strong growth have been cut short by political destabilization.

Turkey's competitiveness in the global economy will depend on access to the EU's huge internal market, new technologies, and building a knowledge-based economy – not on cheap labour and exports of semi-processed goods. Recent years have seen the rising role of new economic hubs in central Anatolia. These 'self-made cities' have become the catalyst of Turkey's new foreign policy and the normalization of ties between Turkey and its neighbourhood. This is reflected in the rising share of MENA and Asian countries in Turkish trade figures, accompanied by a fall in the EU percentage. However, if further destabilization occurs in the Middle East, particularly in Syria, and Turkey is cut off from the region, Turkish exporters may incur major losses. Moreover, the structure of Turkey's trade with regional countries is still dominated by semi-processed goods. Despite the significant economization of Turkey's foreign policy, the share of export in GDP is still low (just over 20 percent). Over half of Turkey's exports are still bound for EU countries, which are a source of over 70 percent of FDIs (increase from USD 1 billion in 2000 to USD 12 billion in 2011). This data clearly reflects Turkey's economic dependence on the European Union.

Furthermore, Turkey is still struggling with structural socio-economic problems. Without a European anchor, these problems may well destabilize the Turkish state in the years to come. Turkey is more than just Istanbul and Ankara. There are large regional disproportions, infrastructure is lagging behind and may become a barrier to further growth. Turkey will continue to grapple with environmental protection issues, which will require huge investments to be resolved. Despite the economic liberalization of the 1980s and a series of reforms implemented in the last decade, Turkey is still facing high inflation and rather high unemployment, with youth unemployment at around 16 percent.¹⁶ Hidden unemployment is a problem, especially among the educated workforce. The Turkish labour market is inflexible, while the economy is overregulated. Turkey is witnessing a very high current account deficit – approx. ten percent.¹⁷ Business flexibility is extremely low and the economy is not competitive.¹⁸ Corruption is widespread.¹⁹ Turkey still has problems when it comes to access to capital and borrowing costs - 10-year bond yields are at over 7.4 percent, as of November 2012). As far as innovation and the level of education, Turkey is at the far end compared to other OECD and BRICS countries²⁰. Turkey's weakness lies



The EU, if it continues to remain ambivalent about Ankara's European perspective, must expect little probability of synchronising EU and Turkish foreign policies

in its social inertia and low level of education. These factors will limit Turkey's growth. Turkey also risks getting caught in the middle-income trap.

Tactics vs. Strategy?: The Dilemmas of the Accession Process

The above strategic dilemmas have yet to elicit an answer on the part of the EU, in the shadow of the protracted accession negotiations. The enlargement process is politicized due to the stance of some member states²¹, mainly France and Germany. Despite some political gestures on the part of the new socialist administration, the "Turkish question" remains a controversial issue in France. The recent softening of the French stance on Turkey's accession process is of great symbolic importance but maintaining political ambiguity as far as Turkey's EU membership is concerned does not bode well for the future. Evoking Turkey still serves the purpose of raising politically sensitive domestic issues in some EU members. It opens the debate on the place of Islam in the public domain and the integration of immigrants²². Such questions as the Armenian issue or Turkey's Europeaness are turning into new and informal EU accession criteria, obscuring the Europeanization of the country that has been taking place over the last 10 or so years. Under the Lisbon Treaty, the centre of gravity of the process lies even closer to the Member States. Christophe Hillion calls this the "creeping nationalization" of enlargement²³. Boosting the role played by the European Parliament adds an even greater political dimension to the process. The number of negotiation chapters has been increased²⁴, which makes it possible to block the process even during the screening phase. The so-called benchmarks have also been introduced, which leads to significantly greater conditionality. The subjective criterion used to hold up the process is the EU's "integration/absorption capacity". Certain proposals have appeared that limit the scope of membership by introducing permanent derogations in terms of the free movement of persons, agriculture, or structural policy. This was included in the negotiating framework, constituting a novel aspect of relations between the EU and candidate countries: this contradicts the *acquis communautaire*.

The Customs Union and the lack of visa liberalisation are examples of asymmetrical EU-Turkey relations. Turkey loses out on free trade agreements between the EU and third countries because it has no part in negotiating them. These countries are not willing to enter into similar agreements with Turkey. Agricultural products are not covered by the Customs Union regime, which applies only to industrial products and processed agricultural products, in the trading of which EU countries have a strong competitive advantage, also thanks to CAP subsidies. There are other non-tariff restrictions which place Turkish entrepreneurs at disadvantage vis-a-vis its EU partners and which run counter to the principle of free movement of goods within the Customs Union.

In addition to the requirement that carriers must obtain transit permit quotas, transport documents constitute an additional barrier to trade relations with Turkey.

The issue of visa liberalisation for Turkish citizens constitutes yet another barrier to normalisation of EU-Turkey relations. This issue is key not only in pragmatic terms (imposing restrictions on Turkish students, tourists or businessmen), but also because of its psychological repercussions – for it symbolises shutting the door to Europe for Turkey. Turkey is the only candidate country that is not covered by a visa-free regime, something that is perceived as a discriminatory measure, also in light of the EU's more open approach toward Russia²⁵. Granting Turkey a visa road map - which does not guarantee the ultimate lifting of visas - on condition that it concurrently signs a readmission agreement is bound to be rejected by Turkey – for it represents an “asymmetrical” offer. The EU's failure to observe the principle of *pacta sunt servanda* raises the Turkish government's political costs of ‘giving in’ to EU expectations.

Conclusions

For the EU, anchoring the growing power of Turkey in Europe may become an element counterbalancing the influence of Russia and Iran in the Eurasia region. The destabilisation of Turkey or its return to the strategy of balancing dating from the times of the Sublime Porte would have negative consequences for EU's interests. Turkey should not be considered a *par excellence* Mediterranean country while disregarding the Black Sea and Eastern dimensions of its identity. This aspect, combined with rivalry and the diverse interests with Russia and a similar perception of threats, makes Turkey a valuable ally in counteracting the drifting of South-Eastern Europe and its outskirts towards Russian influence and the consolidation of a disquieting geopolitical gap in the Black Sea region. Hence, Turkey should become involved in EU initiatives in the post-Soviet/Black Sea region (Group of Friends of the Eastern Partnership), in particular those concerning Ukraine.

The EU, if it continues to remain ambivalent about Ankara's European perspective, must expect little probability of synchronising EU and Turkish foreign policies, growing anti-Western nationalist sentiments in Turkey and the loss of a valuable ally in a geopolitically important place. It is an illusion to think that Turkey will cooperate closely with the EU on an *ad hoc* basis, stripped of the accession perspective. Turkey's location becomes an asset in connection with the reconfiguration of the Middle East, the need to develop an EU policy vis-a-vis the Arab world, as well as Russia's increased activity in the EU's and Turkey's common and difficult neighbourhood. Moreover, considering Turkey's ambitions to co-shape the world order, it lies within Europe's interest

that Turkey does not behave as a “global swing state,” but as an integral part of Europe, promoting its standards and values, and co-creating its position as a global power. Cooperation between the EU and Turkey should be tested in areas characterized by the greatest concurrence of interests susceptible to third countries’ influence: the Balkans and the Caucasus.

For the EU, the challenge is not the supposed Islamization of Turkey, but a deep-rooted and growing nationalism. Bringing the process of Turkey’s Europeanization to conclusion lies in both Turkey’s and the European Union’s strategic interests. However, Europeanization implies undermining the foundations laid down by Kemal Atatürk for the Turkish Republic, something that still encounters resistance from not just a part of the Republican establishment, but also from the new conservative elites. Hence, the inability to appeal to the European perspective further weakens liberal forces, and consequently, prevents a consensus being formed around the new constitution. The evolution of state-citizen and state-religion relations towards full rights for all citizens (not only minority rights which are the EU’s focus) are vitally important not only for the modernisation of Turkey, but also for the democratisation of the EU’s southern neighbourhood. Ankara’s attractiveness for its Arab neighbours lies not in their historical and religious ties, but in political and economic transformation. A possible rise of authoritarian tendencies in Turkey will significantly weaken its potential influence in the neighbourhood.

The process of reconstructing the architecture of the European Union creates an opportunity for bringing Turkey closer to the EU. Although Ankara may now be seen by some EU Member States as a rival (both geopolitically and in internal European affairs), there is also a growing awareness of Turkey as a EU “*incontournable* partner.” In the long-term, considering its geopolitical significance Turkey’s joining the political Union could become an element of building the EU’s strategic independence. ■

Endnotes

1. Ömer Taşpınar, “The Rise of Turkish Gaullism: Getting Turkish-American Relations Right,” *Insight Turkey*, Vol. 13, No. 1 (2011), pp. 11-17.
2. Daniel M. Kliman, Richard Fontaine, “Turkey: A Global Swing State,” *GMF On Turkey*, April 13 2012, retrieved January 6, 2013, from http://www.gmfus.org/wp-content/blogs.dir/1/files_mf/kliman_fontaine_turkey_globalswingstate_apr12.pdf,
3. Kemal Kirişçi, “The Transformation of Turkish Foreign Policy: The Rise of the Trading State,” *New Perspectives on Turkey*, No. 40 (2009), pp. 29-57. After the end of the Cold War, Turkey’s neighbors accounted for as little as 10 per cent of the country’s foreign trade (less than USD 3.5 billion). In 2011, these figures rose to approximately USD 82 billion and 22 per cent, respectively.
4. For its Arab neighbours, modern-day Turkey is attractive not so much because of historical and religious ties, but rather on account of its status as a free democracy and an EU candidate country undergoing political and economic transformation. Turkey’s negotiations with the EU are closely followed by

the Arab media (in recent years, the number of Arab media outlets accredited in Turkey has increased from 65 to 250).

5. According to *Freedom House 2013* ranking, Turkey is "partly free," while Russia is "not free." In the *World Values Survey*, which examines social attitudes toward democracy, the majority of Turks said that democracy was the best form of government, while Russians were of the opposite view.

6. Nora Fisher Onar, Meltem Müftüler-Baç, "Turkey in cosmopolis? Turkish elite perceptions of the European project," Magdalena Góra, Zdzisław Mach (ed.), *Collective Identity and Democracy. The Impact of EU Enlargement*, ARENA Report No. 4 (2010), retrieved November 22, 2012, from http://www.sv.uio.no/arena/english/research/publications/arena-publications/reports/2010/Report_04_10.pdf.

7. The congress was full of anti-Western banners: "Down with imperialism," "Turkey will not be a sub-contractor (tr. *taşeron*) of the West."

8. The Turkish MFA employs 1,146 diplomats, and 5,533 people of administrative personnel. In terms of the workforce, Turkey is ahead of India and Brazil, but still lags far behind the MFA's of France (15,008), Germany (12,437) and the UK (17,000). The Turkish MFA has the lowest budget (EUR 436m) among the following group of countries: USA EUR 39.336 billion, Russia EUR 0.915 billion, UK 2.324 billion, Brazil EUR 0.986 billion, France EUR 2.625 billion, Germany EUR 3.194 billions, India EUR 0.674 billion, Italy EUR 1.706 billion, Japan EUR 1.925 billion, Spain EUR 1.503 billion). Osman Bahadır Dinçer, Mustafa Kutlay, "Güç Kapasitesi. Türkiye'nin Ortadoğu'daki Mümkünün Sınırları," USAK Report No. 12-03, April 2012, retrieved January 13, 2013 from <http://www.usak.org.tr/dosyalar/rapor/5GMcs3mKfPCbD08MCX-SSs6sfdvvA7.pdf>.

9. Turkey ranked 25th in the report *The new persuaders: an international ranking of soft power*. Jonathan McClory, "The New Persuaders: An International Ranking of Soft Power," *Institute for Government*, December 2010, retrieved November 22, 2012 from <http://www.instituteforgovernment.org.uk/publications/20/the-new-persuaders>. In a 2012 Ernst&Young report covering dynamically developing economies, Turkey ranked fifth, right behind the four BRIC countries. "Rapid Growth Markets Soft Power Index. Spring 2012," *Ernst&Young*, retrieved November 22, 2012, from [http://www.ey.com/Publication/vwLUAssets/Rapid-growth_markets_soft_power_index:_Spring_2012/\\$FILE/softpowerindex.pdf](http://www.ey.com/Publication/vwLUAssets/Rapid-growth_markets_soft_power_index:_Spring_2012/$FILE/softpowerindex.pdf).

10. In 2003-2006, Turkey purchased US military equipment and services worth USD 2.1 billion (making it the third largest recipient of US arms, behind Poland and Greece). In 2007-2010, these purchases amounted to USD 3.8 billion. In the near future, Ankara plans to purchase 100 US F-35 fighter jets, as well as German U-214 submarines. Turkey is one of the biggest recipients of German arms; Lockheed Martin is the only company taking part in a Turkish navy tender for six frigates worth USD 3 billion; Turkey is due to produce 600 US Blackhawk helicopters, 500 of which will be sold to third-country recipients. The USD four billion tender for Turkey's purchase of long-range missiles will most probably be won by a Western company.

11. In 2008, the Russian company Lukoil purchased Turkey's Akpet which controls five percent of the local fuel market. "Lukoil, Akpet'i 500 milyon dolara satın aldı," *Milliyet*, July 28, 2008.

12. Turkey is the second most populous country in Europe (not counting Russia), after Germany, and in the Middle East, after Egypt. According to UN estimates, Turkey's population will grow from 76 million in 2010 to 97 million in 2050. In terms of proportional EU figures, in 2025 Turkey will have 87 million inhabitants (15.5 percent of the EU population), while Germany will represent 14.3 percent of the EU's total population, compared to 18 percent today. Turks will represent a smaller part of the population than Germans today. Like in other Mediterranean countries, Turkey has witnessed a demographic shift in recent decades: the TFR total fertility index has fallen from six in the 1960s to today's 1.9.

13. Ruchir Sharma, *Breakout Nations: In Pursuit of the Next Economic Miracles* (New York: W.W. Norton, 2012).

14. Year-on-year increase of 74 percent in 2011; in the same period, the rest of the world saw a rise of 17 percent, which places Turkey in 23rd place as regards the size of investments.

15. In 2007, 2008, and 2009 Turkey attracted 4 percent, 3 percent 2 percent of FDIs, respectively, going to developing countries (which translates into USD 22 billion, 18 billion, and eight billion respectively).

16. Turkey is characterized by a low level of professional activity, in both the 15-64 and 55-64 age brackets, as well as a low female labour force participation rate (25 percent legally employed women), which weakens the effects of the high demographic increase; grey economy employment levels are among the highest in Europe (approx. 28 percent, similarly to CEE countries). 30 percent of the population is still employed in agriculture (agriculture is responsible for approx. 10% of GDP).

17. The highest deficit among all developing countries – second highest deficit in dollar terms, behind USA.

18. Turkey ranks 59th in the Global Competitiveness Index 2012. Moreover, reference can be made to other indices that confirm the weakness of Turkey's business environment: low CATO Index (which measures how domestic regulations and the broader business environment support exports and imports); low economic freedom (67th in 2010 and 73rd in 2012 in the Index of Economic Freedom).

19. Turkey ranks 54th in the Corruption Perception Index 2012. For comparison's sake, Russia ranked 133rd, with Greece in 94th place.

20. For example, public spending on R&D amount to approx. 0.3 percent GDP, as reflected in the small share of high-tech goods in processed goods exports (2 percent). Internet coverage in Turkey is only 44 percent.

21. Member states introduce regulations making it difficult for newcomers to accede: in 2008 France amended its Constitution to include the obligation to accept an accession treaty in a referendum (Art. 88.5) in the event that a state whose population exceeds 5 percent of all EU citizens (ca. 25 million) wants to accede to the EU. Austria has been considering adopting similar measures.

22. Since 2007, France has been blocking 5 chapters of the accession process as "implying membership" (regional policy, monetary policy, budget, institutions, agriculture). Public opinion is against integration, but opposition is stronger among the political elite than regular citizens. Although German society has an even more hostile attitude towards Turkey's EU membership (74 percent against in 2006), German politicians (R. Polenz, G. Westerwelle, V. Rühe) are more balanced in their approach than their French colleagues.

23. Christophe Hillion, "The Creeping Nationalization of the EU Enlargement Policy," SIEPS Report No. 6, November 2010, retrieved December 13, 2012, from http://www.sieps.se/sites/default/files/2010_6_.pdf.

24. Each of the EU-27 Member States must give its consent to opening and closing each of the 35 negotiating chapters (27x2x35=1890). In the Turkish negotiation framework, Article 13 underscores that Turkey cannot become an EU Member State before 2014. Pointing to a specific date in the fundamental accession document is yet another handbrake being applied to the process.

25. In recent years, the European Court of Justice, German and Dutch courts have ruled that the application of Schengen visas to Turkish citizens contrary to the provisions of the 1963 Association Agreement and the 1970 Additional Protocol.