TURKEY AND THE EUROPEAN UNION
AFTER CUSTOMS UNION - A
REASSESSMENT OF THE RELATIONS
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AFTER CUSTOMS UNION 

- A REASSESSMENT OF THE RELATIONS - 

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1. Introduction,
Theoretical Background, and Analytical Framework

Relations between Turkey and the European Union have developed a new dynamic after the sides have signed the Customs Union Agreement, which came into effect in the beginning of 1996. Initiating the final phase of Turkey's economic integration with the European Union the Agreement marks the current peak of relations that started with the signing of the Ankara Agreement in 1963.

With the relations having taken a remarkable qualitative jump at this stage, it is deemed appropriate to address the simple question "What next?"*. Whereas some scholars interpret the contract of a Customs Union between Turkey and the European Union as the highest level of integration Turkey will ever be able to obtain, officials in the Turkish Ministry of Foreign Affairs (MFA) still place Turkey's accession to the European Union on the top of their agenda. Arguing in favour of a model of differentiated integration, which is believed to come into being as a result of the currently held Intergovernmental Conference (IGC), MFA diplomats strongly advocate their cause for finding "Turkey's proper place in Europe".

Despite the enthusiasm brought about by the successful negotiations over Customs Union, praised as "very encouraging", the question remains about the future shape of Turkish-European relations. While predictions are difficult to make at a time when all certainties seem to be evaporating, it is most striking that even an account of the current state of affairs turns out to be a toilsome endeavour. Many scholars uphold the point of view that at the present time it seems justified to state that Turkey's relations with Europe still remain largely undefined. In March 1996, after all

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2 Interview with Prof. Dr. Duygu B. Sezer, Department of International Relations, Bilkent University, Ankara, 3 June 1996.
3 Interview with Nihat Akyol, Deputy General Director, European Desk, Ministry of Foreign Affairs, Ankara, 31 May 1996.
4 Hans-Joachim Vergau, German Ambassador to Turkey, speech delivered at Bilkent University, Ankara, 11 April 1996.
war and "was not grounded in a generally accepted legitimacy, namely a system of common values and rules of behaviour", it was clearly "a-political".

Even though the motivations for a European unity can be assigned to a variety of factors, it is certain that it was the United States which became a powerful protagonist for the cause of a united Europe. Establishing a tight network of overlapping institutions was believed to be the best way to prevent the reemergence of German predominance on the continent and secure peace in Europe. Parallel to these security considerations, architects of world order identified a further goal of future development. Political stability was to arise out of economic strength.

The European Economic Community (EEC), founded through the Treaty of Rome in 1957 was comprised of six countries and can be seen as the successor of the European Community of Steel and Coal (ECSC) which was founded in 1951 and had proven to be an outstanding economic success. Steel production rose by 42 per cent and industrial production among the six increased more than twice as fast as in Britain (which had abstained from membership) between 1950 and 1955 and almost three times as fast between 1955 and 1960.

While economic development grew well under concerted European action, security matters could not be solved by the Europeans themselves. An attempt to set up a European Defense Community was bound to fail. Therefore, NATO became the striking security instrument and ensured the bonds between Europe and the United States. The new-born trans-Atlantic alliance emerged as a potent symbol for diminishing individual profiles that had formerly defined different positions. As the Cold War started to unfold during the 1950s smaller entities were no longer seen as the prime force in international politics and solidarity replaced individuality. By the same token, the relevant focus shifted and it can be argued that the variety of political

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institutions were intrinsically linked in such a way that the image of this network as a united Western front enjoyed much greater impact than the sum of its parts.

It is in this light that one has to consider Turkey’s move to establish institutional links with the newly born European Economic Community. Clearly, Turkey's application for associate membership in the EEC on 31 July 1959 can be largely attributed to Turkey’s longstanding strive to "share a common destiny with the West". Since the creation of the Republic in 1923, the Turkish leaders had followed an adamant policy of Westernization. Both domestic and foreign policy was directed towards this overriding goal. Consequently, Turkey applied to join almost all the institutions that were created in the process of forging the Western alliance (Marshall Plan, the OEEC/OECD, the Council of Europe, NATO).

Even though close association with the Community suited Turkey's development in so far as investment capital from Western Europe would push modernisation, no Turkish study ever analysed the application for association with regard to its impact on Turkish economy. Likewise, a closer look at Turkey's application reveals that "for many policy-makers in Turkey, the European Community was an unknown entity, and the implication of Turkey's membership had not been considered in depth". While the EEC had come into being as a body of countries sharing particular economic interests, Turkish policy-makers equated joining the Community with an increase in political prestige. First and foremost, membership in the new European Community was a logical extension of Turkey's inclusion in other Western organizations.

The "Greek factor", however, ranks prominent among the incentives that drove Turkey to submit her application, an act often interpreted as a mere response.

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13REDMOND, John (1993a): The next Mediterranean Enlargement; Dartmouth, 25.
14ERALP, Atila (1993a): Turkey and the EC in the changing post-war international system, in: BALKIR, Canan and Allan M. Williams (eds.): Turkey and Europe; London, 27.
to a similar application made by Greece two months earlier.\textsuperscript{16} Despite reasonably friendly relations, which lasted from 1930 when Greece recognized that the eastern Aegean seaboard was irrevocably lost, to 1955, when the Cyrus problem erupted in violence, Turkish foreign policy followed a standard conduct towards its neighbour which was based on the assumption of deep political and historical rivalry\textsuperscript{17} between the two countries. It was feared that Greece’s strong anti-Turkish attitude could influence European political platforms in a way which would disrupt Turkey’s smooth rapprochement with the Western alliance.

Similarly, the positive response by the European Community was politically motivated, reflecting a growing concern for NATO’s Southern pillar and the desire to balance its relations with the front-line states Turkey and Greece. The EEC which was itself still in the making and could not predict its future course as a result decided for a marriage of convenience. Security considerations clearly ousted economic reflections in favour of Turkey’s application. Moreover, the EEC had to give up its originally cautious conduct vis-à-vis Turkey. While the Europeans had envisaged to keep relations with Turkey at a minimum level and merely provide economic assistance and offer certain trade and tariff concessions that would support Turkey’s economic development, the Turkish-Greek rivalry prompted the EEC to treat both as equal partners. Consequently, after having created a precedent by signing a treaty of association with Greece, the EEC had to offer a similar status to Turkey. The crucial element that distinguishes the association treaties with Greece and Turkey from those the Community signed with other countries such as Malta, Cyprus and even later with the Eastern European states in the 1990s is the fact that it foresees explicitly the possibility of an eventual full membership. Thus, both Turkey and Greece felt entitled


\textsuperscript{17}For a comprehensive account of the perception of this relation see MANGO, Andrew (1994): Turkey. The challenge of a New Role; Washington, Chpt. 9 Philhellenes and Turcophiles.
to be admitted automatically to the European Community and interpreted the clause as a legal right for future accession to the EC.

The circumstances under which Turkish-European rapprochement came about in the late 1950s can be seen as a presage for the limited common perspectives that would characterize the relations throughout the 1970s and 1980s. While the initial cause for Turkey's application was entirely political and lacked a well-balanced assessment in its own right, Turkey's overall motivation nevertheless presents itself as a sum of "logical consequences". Even though Turkish policy-makers have always demonstrated their interest in maintaining a relationship as close as possible, they approached the EC on the basis of "vague feelings that EC association would confirm their European identity". The nature of this vocation européenne, however, could remain unquestioned only as long as the European Community would refrain from assuming its own dynamic. The general premise of an undifferentiated Western unity, on which Turkish perceptions of Europe were based, would have to adopt to a process of rapid change and political integration in Europe, if Turkey really intended to follow through.

The European Community, on the other hand, avowedly acting out of security reasons when entering into a partnership with Turkey, never made it entirely clear, how intensive it wanted the alliance to be. Granting special status to Turkey within the framework of the association agreement, which included the "eventuality" of Turkish membership, reflects the European tendency to invest only as much as needed, but always as little as possible into the relationship. Without a fixed point of view vis-à-vis Turkey, the European attitude lacked the overwhelming enthusiasm that characterized the Turkish attitude vis-à-vis Europe. This discrepancy obviously led to

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the perception that the European Community seemed to be overtly concerned to avoid any steps that would set the shaky relationship in the direction towards irreversible integration.\textsuperscript{20} Besides, it cannot be ignored that between the original EEC-6 there was far from a consensus over either its future organisational shape or the timing of any developments.\textsuperscript{21}

In addition to other factors, events and shifting constellations that would prevail upon the intricate course of Turkish-European relations in the future, the incoherence in both Turkey's and the EC's reasons for wanting an association agreement and the failure to fully comprehend what such a commitment entailed, prevented a fruitful cooperation right at the beginning. Accordingly, the absence of congruent attitudes remained a constant source of misperceptions that impeded the partnership as it started to unfold.

\begin{center}
2.2. Building institutional links and a contractual framework
\end{center}

Turkish-European relations continued to embark upon several levels and an evaluation of the state of affairs embraces several domains. A review of the legal basis provides several clues which help to entangle the present situation. A sound analysis of this framework is deemed helpful, because cooperation, understood in the first place as a process of policy coordination, depends in part on institutional arrangements. Above all, it has to be noted that "institutions shape expectations"\textsuperscript{22}.

\\textsuperscript{20} on a well-balanced evaluation of motives, interests and attitudes see KRAMER (1994), 191 - 202.
\textsuperscript{21} O'NEILL, Michael (1996): The Politics of European Integration; London, 6.
The Ankara Agreement and Additional Protocol

Turkey and the EEC institutionalised their relation by signing an association agreement (Ankara Agreement) on 12 September 1963 which was supplemented and specified by an Additional Protocol of 1970 that came into effect on 1 January 1973. The contracts envisaged the progressive establishment of an extended customs union between Turkey and the Community, a process to be realised in three stages over a period of twenty-two years at maximum. In order to strengthen the commercial and economic relations between the parties, the agreements entailed the obligation for both parties to gradually reduce the customs duties and for Turkey to adopt the common external tariff of the Community vis-à-vis third countries. Apart from the fact that of all the agreements the EC/EU has signed with third countries over time, only the association treaty signed with Cyprus in 1973 entails the establishment of a mutual customs union as well, the nature of association as planned in the Ankara Agreement and the Additional Protocol was unique in several ways.

Above all, the contracts encompassed several stages that call for an economic integration which extends the framework of a normal customs union. During a preparatory stage the Community alone was to make commercial concessions and provide financial aid, in order to strengthen Turkish economy. It involved the introduction of tariff quotas (quotas indicating quantities of goods which can be imported at a reduced rate) for Turkey's principal agricultural products which together accounted for 40 per cent of Turkish exports and the provision of ECU 175 million of loans to assist Turkey's development.

The second stage was to be a transitional period with the aim of gradually introducing a customs union proper. This period would involve the adoption of

customs union to be established under the stipulations "comes fairly close to the establishment of a common market between the EC and Turkey."\textsuperscript{26}

The extent of the customs union alone could be taken as an indication that the relationship was not intended to stop here. In accordance with the association agreement signed with Greece two years earlier, however, the European Community, in Article 28 of the Ankara Agreement, also conceded the possibility of a later Turkish entry into the Community. Though, this clause was not meant to grant automatic accession, since full membership would depend on concrete conditions being achieved and would naturally entail the examination of Turkey's political will and power to accept both the \textit{acquis communautaire} and the finalité politique of the European Community. On the other hand, the concession of the option to enter shows that the European Community viewed Turkey politically as being a "European country". This interpretation could be derived from Article 237 of the Treaty of Rome (Treaty of the EEC, 1958) which states that only European countries are entitled to apply for membership. Moreover, at the time of the signature of the Agreement, Walter Hallstein, then President of the Commission, actually declared that "Turkey is part of Europe"\textsuperscript{27}.

Even though Article 28 of the Ankara Agreement clearly states that full membership would not be yielded unconditionally, Turkish views repeatedly emphasized their special status and expressed high expectations that the change of position from one vis-à-vis to one within the European Community would be a question of time. The issue of full membership and the question of reciprocal responsibilities and obligations the partners associate with this specific proposition remained a permanent matter of contention.

\textsuperscript{26}KRAMER, Heinz (1996): Turkey and the European Union: A Multi-Dimensional Relationship with Hazy Perspectives, in: MASTNY, Vojtech and R. Craig Nation (eds.): Turkey between East and West. New Challenges for a Rising Regional Power; Boulder, 205.
\textsuperscript{27}REDMOND (1993a), 23.
common internal and external tariffs and arrangements that would bring about general economic policy alignment. The Community was to eliminate custom tariffs on imports of industrial products from Turkey at once, while Turkey had to remove tariffs in stages over several years depending on the kinds of products. A second financial protocol was to assign loans of up to ECU 300 million to ease the hardships of increased economic competition.

The final stage would entail intensification of coordination of economic policies. While Turkey would reach the final stage within a period of twenty-two years at maximum, the Agreement did not fix a time limit for the final stage which would precede further integration.

In addition to the trade agreements, the accords included the principles of freedom of settlement for professions, freedom to provide services, free movement of workers, stipulations about the harmonization of tax systems, rules of competition and other economic legal regulations. With the inclusion of three of the "four freedoms" as laid down in the Treaty of the EEC it becomes fairly obvious that EC-Turkey relations would become stronger than necessary to ensure the proper functioning of a customs union. Since also future free trade in the agricultural sector was included in the Additional Protocol, Turkey was set to participate in all policy-sectors that were contractually fixed in the Treaty of Rome as subject of common politics of the European Economic Community. In this perspective, the vision of Turkey's proximity and the perspective of possible future accession to the EEC gains particular credibility.25

While provisions relating to the creation of a customs union were displayed rather clearly, the precise timing for the introduction of free labour movement and the exact nature of economic policy-coordination remained relatively vague. Nevertheless, both contracts taken together represent an extensive agreement. Thus, the sort of

2.3. Approaches and Attitudes:
Difficulties of implementation as a result of rising
politicization in the 1970s and 1980s

As was the case with her application for associate membership, Turkey's call in 1967 to enter the second (transitional) stage of the Ankara Agreement arose predominantly out of political motivations. While Turkey's trade deficit with the EC was growing, no comprehensive study had been made to measure the economic impact of the association and with increasing domestic disputes whether the national development policy and Turkey's overall foreign policy goals would match (the five-year development plans of this period virtually contradicted the stipulations of the Ankara Agreement), Turkey was economically unprepared to enter a further phase. Yet, Turkey hoped for better terms from the Community following the military takeover in Greece. Moreover, deepening the relations with the EC was deemed desirable as the Cyprus crisis (1963-67) had troubled the solid partnership with the United States.²⁸

- Failures and Misperceptions in the 1970s

Even though the Community was initially cautious to enter a second phase of the association, it readily conceded that it was unrealistic to expect that the measures taken in the preparatory stage could have been sufficient. With the Additional Protocol coming into effect in 1973, the Community eliminated customs duties at once, thereby opening its market to nearly all Turkish goods, with the exception of agricultural products and textiles, which at the beginning of the 1970s still made up the main part of the Turkish export trade.

While until the 1970s relations with the EEC were conceived of in terms of foreign policy and excluded the consideration of issues related to development

strategies, the Turkish policy-makers from now on started to become aware of the possible negative impact of EEC membership on Turkish industrialisation.29 Turkey's principle actors in the game, the Ministry of Foreign Affairs and the State Planning Organisation heavily disagreed on how to proceed further.30 While the former argued for the primacy of political rather than economic considerations, the latter emphasized the detrimental effects of rapid implementations of the agreements with the EEC. Thus, one could witness the "emergence of a tension between two of Turkey's basic national projects, Westernization and development, which had hitherto seemed quite compatible."31

Growing concerns about the country's future course also reflected on the domestic political and economic situation. A series of weak coalition governments, increasing political polarization and rapid economic deterioration32 curbed Turkey's foreign policy flexibility. Economically squeezed by the oil crisis in 1973, Turkey was unable to keep her obligations in the stepwise reduction of its customs duties, so that in 1978 the Turkish government officially requested a five-year freeze in Turkey's commitments.

Even though the gradual establishment of a customs union between the two partners had thus far been a "one-way-street", as Turkey had effected only a negligible reduction of custom duties for EC products and had not begun at all to adjust to the EC external tariff, the Community did not prove to be accommodating towards Turkey either. The strong restriction on Turkish agricultural products and textiles aroused suspicion among Turks that "the Community's policy seemed quite hypocritical, in that it was prepared to allow free entry for all industrial products except those in which Turkey was fully competitive."33 Likewise, the European Community did its utmost

30for a detailed account on this domestic policy-debate see ILKIN (1990), 40 - 44.
31ERALP (1993a), 245.
33REDMOND (1993a), 29.
to prevent the realization of the terms of the Association Agreement and the Additional Protocol which had foreseen that free movement of workers was to be brought about between 1976 and 1986. This would have relieved the pressure off Turkey's labour market and secured a certain inflow of foreign exchange in the form of guest-worker remittances. When the German government in 1973 issued a ban on the recruitment of guest-workers from non-EC countries that was followed suit by other member states, it clearly violated the stipulations both parties had signed under the legal framework.34

Above all, the European repudiation of several stipulations hit Turkey at a period when the country had to cope with unprecedented domestic political and economic decay and inevitably had to freeze the agreements, in order to mitigate these internal pressures. The fateful decision to temporarily dissociate from Europe gains a particular dimension in light of the fact that this move was paralleled by another equally consequential departure from Turkey's standard conduct of foreign policy, as the Greek application for full membership to the EC in 1975 was quietly tolerated. Preoccupied with events on the home front, the Turkish decision-making elite paid scant attention to this move and "few, if any, carefully considered the effect of Greek membership on Turkey's chances to follow suit"35. Deviating from her usual complex de mimetisme36, Turkey would later become aware of the bitter practical repercussions arising from Greece's instrumentalization of its position as a member of the Community.37

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35ERALP (1993b), 199.
37Turkey reacted only in February 1980, after Greece had signed the treaty of accession and announced that a formal application would be forwarded by autumn. The military intervention, however, prevented this move. On this point see: MÜFTÜLER, Meltem (1993): Turkey and the European Community. An uneasy relationship, in: Turkish Review. A Quarterly Digest, Vol.7, No.33, Fall 1993, 38.
The standstill of relations in the 1980s

Subsequent efforts to side Turkey in face of her economic difficulties after the freeze of the agreement in 1978, amounted to the Community's offer in 1979 to make available a fourth financial protocol which was regarded inadequate by Turkey. While the partnership seemed to pursue a course of steady decline towards the end of the 1970s, EC-Turkey relations experienced a sudden, but short relance after Turkey had announced a drastic change of course of its economic policy. A radical break with the tradition of etatism was to introduce a new liberal system based on the principles of free market economy.38

While at first glance this act could be understood as a decisive step taken up by the Europeans, a closer look suggests that once again external factors had prompted the EC's reconsideration of coming to terms with Turkey. The Community's decision to revive relations in 1980 was chiefly based on a confidential report by the EC's external relations commissioner William Haferkamp, "stressing the need for additional economic aid to Turkey after the Soviet intervention in Afghanistan and the revolution in Iran."39 The Community's interest in stabilising Turkey and "giving Turkey the feeling that it belongs to the European family and has privileged relations with the Community"40 was thus mainly motivated by strategic reasons. Europeans followed a similar move by the United States which lifted the arms embargo which had been in force because of the Cyprus issue from 1974 until 1978.41 The US-Turkish rapprochement led to enhanced cooperation and American assistance to Turkey quadrupled between 1978 and 1981.42

Despite these moves, it became evident that geopolitical considerations would cease to tip the scales in favour of uncontested European support for Turkey.

39BOURGUIGNON (1990), 57.
40report quoted according to BOURGUIGNON (1990), 58, my italics.
42ERALP (1993a), 32.
Although a fourth financial protocol was ratified in June 1981 as a result of the short
relapse initiated a year earlier, the military intervention of September 1980 had a
lasting impact on Turkish-European relations. The Parliamentary Assembly of the
Council of Europe was the first European institution to take immediate action
following the general's coup and subsequently suspended Turkey's membership and
refused to invite Turkish parliamentarians to its sessions. When the National Security
Council as the representative body of the military announced the dissolution of all
political parties in October 1981, the European Community decided to delay the
implementation of the Fourth Financial Protocol, ratified a few months earlier. In line
with these actions the European Parliament adopted a resolution in January 1982 and
suspended the EC-Turkey Joint Parliamentary Committee. With no appointments for
a further meeting of the EC-Turkey Association Council in sight, institutional links
between the Community and Turkey were virtually cut and the relations went through
a depression whose long-lasting effects have survived the period of actual stillstand.

The firm standpoint taken against the development of the domestic political
situation in Turkey clearly reflects that the EC had obtained a position within the
Western alliance that allowed the Community and its members to distinguish between
the obligations strictly connected with NATO and other orientations arising from
specific contingencies. Naturally, the EC would base its assessment of trouble spots
and the role and importance of stability assigned to these regions on its own particular
interests and values. Thus, the 1970s and 1980s displayed the rising gap between US
and European Foreign Policy and the obvious trend of increasing differentiation within
the framework of the Western alliance. Notwithstanding continuous rivalry between
the member states of the EC, one could observe the attempt to coordinate concerted
European foreign policy decisions, sometimes clearly in opposition to US-sponsored

43ERALP (1993b), 200 - 201.
44In 1968, e.g. the Council of Europe forced Greece to resign its membership as a result of human
rights practices of the military junta, while the United States lobbied against the move, arguing that it
would undermine the unity of NATO. See SIKKINK, Kathryn (1993): The Power of Principled Ideas:
Human Rights Policies in the United States and Western Europe, in: GOLDSTEIN, Judith and Robert
O. Keohane (eds.): Ideas and Foreign Policy. Beliefs, Institutions, and Political Change; Ithaca, 158.
initiatives. As a result of the European Political Cooperation (EPC), e.g., the EC foreign ministers in September 1973 had declared their neutrality in the Middle East conflict, thereby obviously deviating from the US-policy.

Likewise, Turkey could no longer count on US and European foreign policies to approach her in the same fashion. While EC-Turkey relations came to a grinding halt following the military takeover, the United States affirmed its solidarity with Turkey amounting to the signing of a Memorandum of Understanding and a visit of Secretary of State Alexander Haig to Ankara in 1982, describing US-Turkish relations as "excellent". When the US financial assistance to Turkey reached an all time peak in 1985, relations between the European Community and Turkey were still waiting to be restored.

When the EC-Turkey Association Council met for the first time in six years in September 1986, in order to resolve the deadlock of the freedom-of-movement question, which according to the Ankara Agreement was to be realized by 1986, the European Community had changed its face significantly. The original EEC had enlarged to a Community of twelve, after the United Kingdom, Ireland and Denmark (1973), Greece (1981) and Portugal and Spain (1986) had joined the Community. By the same token, the Community had undertaken a significant qualitative jump by signing the Single European Act (SEA) which set the timetable for the realization of a Common Market by 1992.

Among other institutional changes, the SEA came to place increasing weight to the European Parliament. Its new right of co-determination with regard to the accession of new members gained particular importance for EC-Turkey relations.

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46DE SANTIS, Hugh (1990): The Reshaping of Europe, A RAND Note, Prepared for the Defense Advisory Group Under Secretary of Defense for Policy, N-3402-DAG-USDP; Santa Monica,
47SEZER; Duygu Bazoglu (1993): Turkey and the Western Alliance in the 1980s, in: ERALP, Atila and Murharrem Tünay (eds.): The Political and Socio-Economic Transformation of Turkey; Westport, 221.
48ERALP (1993a), 34.
49BOUGUIGNON (1990), 60.
Despite the fact that between the military coup in September 1980 and June 1985, the European Parliament had tabled no fewer than 20 motions for resolution expressing concern about the human rights situation in Turkey and had passed 11 of these,

Turkish policy-makers continuously underestimated the significance of the European Parliament as a new actor that would have a crucial say in the question of Turkey's stand towards the EC. From now on being vested with the right to co-determine the suitability of future candidates for accession to the EC, the European Parliament in line with the Council of Europe adopted an adamant position towards Turkey and put under close scrutiny the process of democratisation.

Turkish policy-makers and public opinion have often dismissed the EP's actions and condemned their resolutions as unjustified attempts to interfere in domestic affairs. Even though the vehemence and continuity of criticism expressed in the various resolutions of the EP stand out, "the inability of Turkish policy-makers to assess correctly the importance placed by Europe on the question of democracy" has not constituted a feasible strategy for Turkey's accession plans. While the European Parliament's harsh critique continued to figure prominently in the Turkish perception of Europe, it seems important to note that the EP did not constitute a coherent entity either. Showing understanding for the Turkish case against the somewhat distorted and one-sided point of view the European Parliament had adopted, Kai-Uwe Hassel, Member of the conservative faction in the EP, in 1984 emphasized the detrimental effects of the EP's "foolish superior attitude and moral-democratic arrogance".

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50 REMOND (1993a), 60.
52 ERALP (1993a), 32.
The Turkish application for full membership reached the EC only two months after the Turkey-EC Joint Parliamentary Committee had been reestablished. However, the Committee did not begin to resume its work until 1989.\textsuperscript{54}

2.4. Turkey's application for full membership

Even though Turkey witnessed the restoration of competitive politics in 1983\textsuperscript{55}, the EC's criticism of Turkey's standard of democracy and human rights did not disappear; EC, instead, continued to demand a deepening of the process of pluralization, which the first free elections had not automatically sat in motion.\textsuperscript{56} The impression that the association had seemingly reached an impasse was furthered by the recurrent Greek veto blocking financial aid and the reactivation of the Association Council meetings. Apart from the apparent political alienation that had prevented the resumption of the relations, Turkey's political and economic elite became convinced that a mere association with the EC would no longer serve Turkey's interests. Full membership became the prime target, because the new export-oriented economic policy reduced the importance of the customs union issue for industrialists and instead stressed the question of foreign investment.\textsuperscript{57} Besides, in order to compete successfully with the EC's new members like Spain and Portugal whose export

\textsuperscript{54}YALCINTAS, Nevzat (1990): Turkey and the European Community, in: KÖRNER, Heiko and Rasul Shams (eds.): Institutional Aspects of Economic Integration of Turkey into the European Community; Hamburg, 161.

\textsuperscript{55}The first free elections, however, excluded key pre-1980 political figures who were not allowed to participate. see: HEPER, Metin (1992): Consolidating Turkish Democracy, in: Journal of Democracy, Vol 3, No.2, 114.


\textsuperscript{57}Balkır, Canan (1993): Turkey and the European Community: Foreign trade and direct foreign investment in the 1980s, in: BALKİR, Canan and Allan M. Williams (eds.): Turkey and Europe; London/New York, 100 - 139.
portfolios resembled her own, Turkey would need to obtain access to the financial benefits that membership would provide.58

Furthermore, Turkish exports to the Middle East diminished and relations with the United States did not develop beyond the security partnership, as Washington did not send any signals that it would tie military aid to concessions concerning the opening of its own markets. The increasing instability in the region as a result of the Iran-Iraq war suggested that the relations with the arabic-Islamic neighbourhood did not rest on a stable basis and therefore could not be seen as a viable alternative to the European option.59

In addition to all these external factors, Prime Minister Turgut Özal who had steered the country on a steady, but not undisputed course towards liberal economy was facing heavy internal pressure and criticism, resulting from the continuous inflation the government was unable to control. Yet, Özal's unique leadership personality60 led him to believe that he had carved out a new place for Turkey after almost a decade of isolation. He was also convinced that "he was determined to become the one Turkish politician after Atatürk who actually anchored his country in Europe."61

Even though impressive figures of economic growth in the 1980s (around 7 percent) fostered confidence among the new Turkish leadership that the European Community would acknowledge Turkey's potential to achieve European economic standards, the application for full membership submitted on 14 April 1987 was received with great surprise in Brussels and the member states. Given the frustrating experiences of the implementation of the Ankara Agreement and the prevailing skepticism and doubt concerning the state of Turkish democracy, "Turkey's effort to

59 on Turkey's attempts during the 1980s to look for new political and economic partners in the Middle East see: ERALP (1993b), 203 - 205.
become a full member of the EC was tantamount to undoing the Gordian knot.\textsuperscript{62}

More often than once, observers have pointed out the crucial timing mistake of Turkey's application, presented much later than those of the last three members of the EC and especially after Greece: "The reason is that the economic differences between Turkey and those three countries were less important at that time than now and the Community would have been obliged to accept or reject the whole of the full membership requests."\textsuperscript{63}

The European Community which had advised Turkish politicians repeatedly that an application would not be feasible, found itself in a difficult position. While the EC intended only to revive the association, Greece's constant blocking of the fourth financial protocol and the obvious impossibility to realize the freedom of movement had manoeuvred the Europeans in a difficult position, since they had no constructive contribution to offer.

As the Commission was still busy to examine the application, its President Jacques Delors declared that no new round of enlargement were to be considered before the common market would be finalized by 1992. This point of view showed the general consensus among all political forces in the Community who expressed their preferences in favour of consolidation and deepening of the integration as opposed to an enlargement. In order to avoid a repetition of the "Eurosclerosis" that had plagued the Community between 1965 and 1985, its members were now determined to fulfill the stipulations agreed upon in the Single European Act. Evidently, they would not consider a new round of enlargement at this point of time. The specific situation the EC encountered underlines that Turkey had chosen an unfortunate time to apply. However, it brought to the forefront the importance to realize the "twin test" any country must pass to be considered a potentially successful candidate for accession.

\textsuperscript{62}STEINBACH, Udo (1994): The European Community, the United States, the Middle East, and Turkey, in: HEPER, Metin and Ahmet Evin (eds.): Politics in the Third Turkish Republic; Boulder, 109.

Thus, not just the evaluation of the effects of entry on the applying country itself, but also the effects of entry on the European Community concerning its proper functioning guided the EC in formulating its point of view.64

With regard to Turkey, the Commission's Opinion issued in December 198965 reflected both aspects, but provided several remarks directed at Turkey in particular. The content did not come as a surprise to anyone. As expected, the Commission declined to open negotiations for full membership and deferred the application until 1993 at the earliest. The main arguments presented against Turkish membership read as follows:

* Turkey's low level of economic development by EC standards (almost half the per capita gross domestic product of the EC's poorest countries, despite rising growth rates averaging over 5 percent throughout the 1980s, well above EC norms)
* its high rate of population growth (roughly 2.5 percent annually, ten times the EC average) with the prospect of 70 million Turks by the end of the century, compared to a population of some 330 million in an EC of its current size
* long-term foreign debt of 38 billion dollars, the world's seventh highest
* low tax revenue and high state expenditure (over twice the EC average)
* a state-owned sector accounting for 40 percent of manufacturing output, despite Özal's privatization campaign.

From these socio-economic difficulties, the Commission concluded: "As long as these disparities continue to exist, there will be reason to fear that Turkey would experience serious difficulties in taking the obligations resulting from the Community's economic and social politics."66

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In addition to the economic obstacles, the Commission also voiced adjustment constraints of exclusively political nature. After conceding that, since 1980, there has been significant progress towards the creation of an acceptable parliamentary democracy, it mentioned the need to further expand political pluralism, the ability to sustain the improvement of human rights and the rights of minorities. Moreover, the persistence of disputes with "one member state and the lack of a solution granting the territorial integrity of Cyprus in accordance with the United Nations resolutions" were mentioned.

In its conclusion the Commission emphasized the necessity to continue its cooperation with Turkey and suggested that a variety of substantial measures were to be introduced that would strengthen the mutual integration. In order to achieve this, the Commission suggested that the customs union were to be completed, the financial cooperation to be revived and intensified, the technical and industrial cooperation to be improved and the political and cultural links to be strengthened. Even though the Commission confirmed the validity of Article 28 of the Ankara Agreement concerning the future possibility of Turkey's full membership in the European Community, the opinion nevertheless clearly expressed that Turkey's 1987 application was disapproved of.

The EC's negative reply was greeted by both the Turkish elite and the public at large with "deep disappointment and resentment" and created a sense of "disillusionment and rejection." This was mainly due to the remarkable degree of consensus achieved within Turkey concerning the desirability of EC membership. Moreover, Turkey's request for accession was tied to high expectations and had become a strongly emotional issue, not least stimulated by Prime Minister Turgut Özal who emphasized the EC's moral obligation to accept Turkey as a full member. In his

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67 Commission Opinion, point 9.

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book "La Turquie en Europe", Özal pointed out that the EC "pourra exercer une vigilance capable d'empêcher tout réapparition des sentiment archaiques qui sommeillent en elle".

What Turks felt most disappointed about was the way the negative reply was presented. A careful reading of the opinion revealed the EC's tendency to develop a preferential consideration for the Eastern European countries which witnessed dramatic political changes at the time. The opinion states that "unless special circumstances" occurred, the EC would not consider any discussion about enlargement prior to 1993 and would therefore defer Turkey's application. The fact that Poland and Hungary were immediately granted financial support of 600 Million ECU in 1989 after the process towards political reform was launched, made Turks feel that they did not receive a fair and appropriate consideration. Academics and politicians alike shared the opinion that "Turkey should interpret the European attitude as a rejection" in case her application procedure had not been started before those of other states. Likewise, commentators in the political and the academic spectrum raised the question whether the Community showed any signs of actively participating in the process of Turkish development or whether their stand towards Turkey would be guided merely by their own interest.

The Commission's suggestions for strengthening the association were not well-received in Turkey either. It was pointed out that the measures suggested represented no more than the aims already laid down in the Ankara Agreement and the Additional Protocol. All in all, the Community's negative reply aroused suspicion on the Turkish side that the EC was following a "strategy of hide and seek instead of discussing the political motivation of the rejection".

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70ÖZAL, Turgut (1988): La Turquie en Europe; Paris, 220.
71Commission Opinion, point 4.
2.5. An interim Balance: Limited common perspectives

The above analysis has shown that there are a variety of factors which inflict upon Turkish-European relations. While this study as a whole has set itself the task to disentangle the complex interdependence of the various factors, this chapter has provided methodologically relevant information. By carefully selecting and contextualizing the available data it has contributed to the satisfactory explanation of events in so far, as it has located the relevant factors according to the three dimensions of analysis of international politics.

The subsequent interim results of this chapter may be summarized as follows:

* A review of the inter-actor level of the relation has shown that both sides have failed "to develop a clear agenda of mutual concerns". This can be attributed largely to the different motivations and attitudes both actors had assigned to the relation as it came into being. As a result, the legal framework which is to underpin the stability of the relation lacks both coherence and clarity. Instead, its conceptual ambivalence serves as a source of constant misunderstanding. Apparently, mutual interest can be seen as a variable rather than a constant. As one student of institutionalism has pointed out: "Cooperation is possible, but depends in part on institutional arrangements."

* A review of the intra-societal/actor level has disclosed the impact the internal dynamics have taken on the relation. The rapid processes of change have resulted in an increasing differentiation of the "actors" themselves. Therefore, it sheds light on the difficulty to assess Turkey-EC relations on the assumption of coherent entities.

The European dynamic can be evaluated in terms of deepening and widening of the Community. The deepening of the Community has caused an increasing emphasis on political assessments such as human rights and democracy as the European Parliament has gained power within the EC framework. The widening of the

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74 This thesis is widely agreed upon in most academic studies. See explicitly EVIN, Ahmet (1990): Introduction, in: EVIN, Ahmet and Geoffrey Denton (eds.): Turkey and the European Community; Opladen, 9.

75 KEOHANE (1989), 3.
EC has made an impact on the relations both in political and economic terms. Politically, the enlargement and subsequent inclusion of Greece has caused a constant blocking of implementing contractual arrangements. Economically, the accession of Spain and Portugal has caused considerable trade diversion effects for Turkey which consequently had to change her strategy in favour of direct application for full membership.

Internal dynamics in Turkey can be accounted for mainly in terms of rising disagreements about the compatibility of Turkey's basic national projects, Westernization and development. This conflict did not facilitate the rational implementation of the institutional arrangements, as economic development became subject to constant intra-societal debate. Furthermore, the process of societal emancipation and rapid social change has not resulted in a smooth introduction of competitive politics. Interrupted by a series of military interventions, the democratisation of the Turkish polity witnessed several stages. Subsequent attempts to moderate societal cleavages by means of depoliticization have sustained lasting damages with regard to the external perception of the Turkish self-conception of democracy. While the procedural functioning of the parliamentary system could be ensured, Turkish democracy in the 1990s was still waiting to be fully consolidated.76

* A review of the conditions and effects of the international system on the relation has revealed two things. The immediate post-World War II developments caused ideological bloc formations which allowed for only exclusion or inclusion in one of the camps. The evolution of a closely united Europe, however, displayed an increasing tendency of differentiation within the Western alliance which resulted in temporary strategy changes. As the EC's reply to Turkey's application was not yet guided by the revolutionary systematic changes that took place in line with the events of 1989-90, the devotion to build a new European architecture in the 1990s promises to take greater impact on the relations and will have to be granted a considerable

amount of attention as the relations continue to take their course. Turkey’s new geopolitical position within the new European architecture will depend largely on the question whether threat perceptions will continue to function as a stable basis of security and defense arrangements.
3. The Customs Union Agreement as a bilateral negotiation process.  
- An institutionalist analysis -

After the relations had reached a low point with the rejection of the Turkish application for full membership in 1989, it took until 1992, before both partners agreed on a new attempt to revive their relationship by following part of the stipulations of the Ankara Agreement and finalize the Customs Union.

Maintaining that sustained cooperation depends largely on the institutionalization of relations, the following chapter will analyse the political and economic effects that result directly out of the institutional arrangements of the Customs Union Agreement. Even though the CUA has laid down a coherent set of rules that can serve as a focal point of policy coordination, the analysis comes to the conclusion that the arrangement presents an unequal balance of obligations and rights.

It will then be tried to put under close scrutiny the interests of both the European Union and Turkey for wanting a customs union to come into being. By doing so it is attempted to reveal why the CUA came into effect despite the apparent lack of mutual interests.

3.1. New Attempts of Rapprochement in the 1990s

Immediately after the opening of the "iron curtain", the strategic value of Turkey as a corner-stone of the Western security and defense system had seemed to vanish, as no east-west confrontation was to be taken into consideration. This greatly influenced the evaluation of Turkey's geopolitical position, which as of yet had always enjoyed prime importance for the Western Alliance. Security considerations have always taken a prominent place on the European Union's foreign policy agenda, and even in times of conflicting interests served as a catalyst for Turkey-EC relations. After periods of standstill, relancing the relations was always due to such European threat

perceptions. While the EU lacked a clear policy towards Turkey, the only arguments that overwhelmingly supported the case for a close relationship concerned strategic issues, Turkey's "strategic ace"\(^7\) as the Commission called it.

It was due to this factor, that Turkey-EU relations witnessed another revival. While the European security environment underwent significant changes, the disorder in the Soviet successor states in Central Asia and in particular the second Gulf War against Iraq all of a sudden reestablished Turkey's standing.\(^7\) With new threat perceptions in mind, the European Community found it necessary to reactivate its relations with Turkey. At its meeting in Lisbon in June 1992, the European Council, the bi-annual summit meeting of the EC's heads of state and government emphasized that the "Turkish role in the present European political situation is of the greatest importance"\(^8\).

The European Council's point of view was supported by the European Parliament. In a lengthy resolution on Turkey-EC relations\(^8\) the EP expressed its positive point of view vis-à-vis Turkey and suggested that the relations with Turkey "must be urgently examined and improved." The resolution underlined once more Turkey's strategic importance for sustaining peace and a balance of power in the Middle East and in Central Asia. Furthermore, the EP expressed the opinion that the European Union needed to examine its relations with Turkey within the framework of the newly designed European continent. The EP emphasized, however, that Turkey did not fulfill the necessary political pre-requisites for accession into the European Union. Thus, it suggested to redefine the relations by reviving the Association Agreement. Within this framework the EP would support all initiatives directed at strengthening the political dialogue on all levels.

\(^7\) REDMOND (1993a), 44.
\(^7\) ROBINS, Philip (1992): Turkish Foreign Policy and the Gulf Crisis, in: DODD, Clement (ed.): Turkish Foreign Policy. New Prospects. Modern Turkish Studies Programme, School of Oriental and African Studies, Occasional Papers, No.20; Huntington, 70 - 87.
\(^8\) KRAMER (1994), 210.
3.2. Redefining the "Special Relationship"

The redefinition of the framework of relations became necessary, because Turkey had deliberately based her application for accession on Article 237 of the Treaty of Rome, which offers every European country the possibility of applying for membership. By doing so, Turkey had adopted a position of "self-detachment vis-à-vis the Association Agreement which has regulated the relation with the Community since 1963 and which lays down the respective rights and obligations of the contracting parties and also the timetable for their fulfillment."\(^{82}\)

Part of the reason why Turkey had submitted her application for full membership in 1987 was due to the assumption that the Association Agreement did no longer appear feasible. Turkey's main complaints at the time consisted of reproaching the Community for its failure to fulfill the obligations. The EC had still hindered Turkey's textile export business, had still not disbursed the fourth financial protocol, and had not met the deadline for applying the freedom of movement regulation for Turkish workers. For its part, the Community had complained that Turkey had also fallen behind her obligations. Turkey had failed in arranging for the agreed liberalization in trade in goods and the adoption of the common external tariff. While the custom tariffs towards the EC had been slightly reduced, the adjustment of Turkish custom tariffs to the Common Tariff System of the Community vis-à-vis third countries had not even started. In short, the Association Agreement had not made much progress for the past 15 years. Nevertheless, both sides agreed to restart the implementation of the provisions.

At the meeting of the Association Council on 9 November 1992, the Turkish government confirmed its readiness to finalize the establishment of a customs union.

\(^{82}\)MUSTO, Stefan (1990): Turkey and the European Community - Policies, Problems and Future Aspects, in: KÖRNER, Heiko and Rasul Shams (eds.): Institutional Aspects of Economic Integration of Turkey into the European Community. HWWA-Institut für Wirtschaftsforschung; Hamburg, 169.
with the EC by 1995. The EC, on its side, agreed to the creation of an intensive political dialogue with Turkey on the highest level and showed its willingness to enhance economic and industrial cooperation. Political dialogue started in February 1993 with a visit of Turkey's deputy prime minister Erdal İnönü to Brussels, where he met with the presidents of the EC Commission and Council. In March, a common steering committee was set up, in order to prepare for the completion of the customs union. Its work resulted in a list of topics to be discussed and resolved in order to meet the 1995 deadline. This list was agreed upon as a working program for both sides at another meeting of the Association Council on 9 November 1993. It included no less than most of the provisions already forseen in the Ankara Agreement and the Additional Protocol: free circulation of goods, and abolition of all customs duties; implementation of the EC's common external tariff on goods from third countries; common trade policy; cooperation of the harmonization of agricultural policy and provisions for reciprocal preferential market access; institutional provisions concerning decision-making and dispute-settlement procedures; economic, industrial, monetary, environmental, scientific, and cultural cooperation.

The working program represented a Herculean task, because it amounted to nothing less than doing everything necessary for the implementation of a functioning customs union between Turkey and the EU that had not been done since the conclusion of the Additional Protocol in 1972. The newly designed customs union, however, did not include the issue of free movement of labour, an aspect Turkey had constantly been pressing for. Apparently, Turkish policy-makers were willing to settle for less at this point of time.

In addition to these concessions, Turkey was forced to accept that the issue of full membership was not included in any of the declarations surrounding the process of realizing the customs union. Turkey had thus agreed to a formula of "optimising a

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'second-best approach' which leaves open the issue of accession by concentrating on hammering out a sort of 'special relationship' between the EC and Turkey. Evidently, even though Turkey could obtain a prominent status, she was nevertheless put into a position outside the Community. The direct repercussions of this ambiguous proximity vis-à-vis the European Union could arise from the unequal balance the Customs Union agreement had created.

3.3. The Customs Union Agreement: An unequal balance

On 6 March 1995 the European Union and Turkey decided to strengthen their relations through the completion of a Customs Union. The agreement reached involves the adoption of an Association Council decision (Decision 1/95) establishing the Customs Union, an Association Council Resolution providing for the development of institutional cooperation and political dialogue, and a Declaration by which the European Union announced the resumption of financial cooperation with Turkey.

The realization of the Customs Union (CU) completely changes the relation between Turkey and the European Union in several respects. Politically, it manoeuvres the two partners into an ambiguous proximity, which clearly disfavours Turkey. Economically, Turkey will not obtain any short-term benefits. To the contrary, much of the financial burden, arising from the opening of her markets, will be placed on Turkey alone.

The characterization of the CU's political and economic dimension at this point will be restricted to the effects resulting solely from institutional arrangements.

\[84\] KRAMER (1994), 204.
Further attention to the increasing politicization of the customs union issue will be paid in the following chapter.

3.3.1. The political dimension of the Customs Union

The political dimension of the Customs Union carries less weight in Europe than in Turkey, where it is generally perceived as a political decision. A closer look at the political implications of the CU suggests that Turkish perceptions are not unfounded.

- **Transfer of sovereignty**

  Above all, the CU establishes irreversible ties between the partners. In contrast to a free-trade zone, which abolishes the trade barriers between two or more contracting partners, a customs union also entails political implications. Setting up common external tariffs vis-à-vis third countries demands a degree of commitment beyond the interest of trade, since it requires partial surrender of a nation-state's sovereignty. The transfer of political decision-making to a supra-national level normally means that the interest to be member of a supra-national group ranks higher than the national interest. With respect to these implications, however, the EU-Turkey customs union is a one-way street.

  While Turkey transfers her sovereignty in the sector of foreign trade policy, she remains excluded from the political decision-making process that establishes these policies. In other words, relevant parameters of Turkish foreign trade policy will be set in Brussels, while the parliament in Ankara will have no say in the formulation of the relevant decisions. The range of policy decisions transferred to Brussels is not insignificant, as they include the two core sectors of trade policy. Both the extensive system of different trade preferences and the selective trade restrictions vis-à-vis third countries will apply. Thus, Turkey will be deprived of her basic instruments of
autonomous foreign trade policy. Consequently, part of her foreign policy formulation, e.g. towards the new republics in Central Asia and the Caucasus, might suffer serious setbacks as it proves incompatible with the provisions of the Customs Union agreement.

The already existing discrepancy between Turkey's economic and political integration into the European Union is increased by a lack of longterm perspective suggesting concrete steps of further rapprochement. There are no indicators that the situation might change in the near future. While Turkey is tied economically to the EU like no other third country, it probably ranks last in a list of countries which prepare themselves for accession to the EU: "the enlargement debate continues - and Turkey does not appear to be part of it." Therefore, the arrangements cause tension not only because of the disparity between economic and political integration. In addition to that, it "must be very hurtful for Turkey to see itself slipping from the head to the tail of a lengthening queue, behind states who were until very recently the other side of the great post-war ideological confrontation." As noted in the previous chapter, Turkey's application for full membership had partially fallen "victim" to the debate on deepening and widening that hit the Community during the preparations for the Treaty of Maastricht when further enlargements were to be considered. In the post-Maastricht era, however, while Eastern European states are granted the utmost attention and their perspectives to become full members are openly discussed, Turkey's repeated exclusion must be received in Ankara as a double rejection.

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89Among the large body of literature on this topic see the well-conceptualized WESSELS, Wolfgang and Christian Engel (1993)(eds.): The European Union in the 1990s - Ever closer and larger? Institut für Europäische Politik; Bonn.
Consequently, the renunciation of foreign trade policy autonomy will be felt even stronger, because Turkey will increasingly become aware of the fact that she is basically excluded from the institutional EU framework.

While political commentators suspect Turkish nationalist and Islamist forces to exploit this misrelation for their political purposes, the customs union agreement finds its critics also among moderate public figures. Professor Erol Manisali of Istanbul University has publicly pointed out that "Turkey has signed an agreement which only countries of colonial status would have ratified." 90

- Political dialogue and institutional cooperation

Even though the customs union agreement also entails provisions about the institutional cooperation and political dialogue for compensating the imbalance, the framework envisaged in the CUA protocols can hardly make up for the loss of sovereignty on the Turkish side. The procedures for institutional cooperation provide for the following:

- Annual meetings between the Turkish Head of State or of Government and the President of the European Council and the President of the Commission,
- Half-yearly meetings of the Ministers of Foreign Affairs, while one of these meetings will coincide with the Association Council in the event of a meeting of the latter, the other will be held in Troika form,
- Regular meetings at K.4 level concerning issues of Justice and Home Affairs,
- Meetings of Senior officials on "sectoral" subjects of common interest, topics to be addressed in these meetings include environment, transport, trade and industrial matters, tele-communications, tourism, education, culture, research and the internal market, and economic and financial matters.

The political dialogue programme does not directly include topics such as foreign, security and defense policy to be discussed on a regular basis. It is stated,

however, that the "consultations between Turkish and EU experts will be organized in
certain CFSP Working Parties" and that Turkey will be "regularly informed of the
outcome of the meetings of the European Council, the Council and the Political
Committee by the Presidency or the Council secretariat". Moreover, "Turkey will
receive on ad hoc basis documents of a fundamental nature regarding the common
foreign and security policy". The chapter on political dialogue concludes that the
"European Union can assure the Turkish side that it is continuing to give thought to
intensifying the dialogue, if appropriate."91

Even though Turkish negotiators have bargained for an institutionalized
cooperation and political dialogue, the links established are a long way from real
participation in EU politics. Therefore, they will hardly compensate for the loss of
sovereignty, the CU agreement entails as a whole. Besides, the regularity of political
dialogue depends on Greece's good will. As this unanimity decision is once again at
Greek mercy, it seems unrealistic to expect that the Greeks will not instrumentalize
their power as another bargaining chip in pursuing their interests. The Greek blocking
of the Association Council meeting scheduled for 26 March 1996 can be taken as a first
example for the future of "political dialogue" between Turkey and the European Union.

All in all, the customs union agreement has created an unequal political
balance purely through its institutional arrangements. Whether this shaky basis can
serve as solid ground for the future course of relations is at least questionable. As the
next chapter will reveal, the customs union issue has developed its own dynamic, as it
has become the target for further politicization by both European and Turkish
politicians. It is nevertheless important to note that the overall political instability the
customs union could potentially bring about cannot be attributed to popular politics
alone. As the institutional arrangements do not equally include both partners'
expectations, the likelihood of its proper functioning is open to question. Students of

91 EUROPEAN COMMUNITY (1995d): Draft Resolution of the EC-Turkey Association Council
in institutionalism have proven that the longevity of international agreements could only be guaranteed if mutual interests were likewise looked after.\textsuperscript{92}

### 3.3.2. The economic dimension of the Customs Union

As far as the economic dimension of the Customs Union Agreement is concerned, it can be noted that it does not constitute a new attempt to regulate the relations. It can rather be seen as the overdue performance of historical contractual duties laid down in the Ankara Agreement of 1964 and the Additional Protocol of 1973. The customs union coming into effect in 1996, however, is an incomplete implementation of the historical framework, since it contains only parts of the original concepts. Important issues such as the free movement of labour, the right of establishment and the free movement of services have been excluded for the time being.\textsuperscript{93} Trade in agricultural products, with the exception of agro-industrial products, that is processed food, is likewise excluded.

Thus, the only obvious advantage in the field of trade for Turkey lies in the removal of EU quotas on the imports of textiles and clothing, "Turkey's leading export locomotive"\textsuperscript{94}, since it represents the only sector which had still been protected. With few exceptions, all other Turkish industrial products enjoyed free access to EC markets ever since the Additional Protocol had come into effect in 1973, when the EC abolished all tariffs at once.

Some customs union mechanisms, however, might have a reverse impact on trade, therefore contrary to expectations. The common external tariff towards third countries, e.g., has caused a decrease in export of Turkish clothing. Since a ten percent import tax will be placed on textiles imported from China or Pakistan, costs of

\textsuperscript{92}KEOHANE (1989), 93 - 95.
\textsuperscript{93}TOKSOZ, Mina (1996): The Turkey-EU customs union, in: Economist Intelligence Unit: European Trends, 1st quarter, 71 - 75.
\textsuperscript{94}TOKSOZ (1996), 73.
production for Turkish companies will automatically rise. Thus, for the first half of 1996, Turkish exports in clothing have decreased by nearly six per cent.95

- Impact of the Customs Union on public finance

While the customs union will directly influence the Turkish business community, it will also increase Turkey's budget deficit. Considering that nearly seventeen per cent of Turkey's tax revenues originate from duties placed on imports, the expected loss amounts to US$ 2.6 billion annually.96 This loss weighs all the more as Turkey is suffering from a debt burden97 and an increasing debt interest burden98, which has grown rapidly within the last five years. Whereas in 1991 5 per cent of GNP were spent on paying back debts, in 1996 10 per cent of GNP will have to be spent respectively.99

Turkish policy-makers are convinced, however, that harmonizing the structure, standards and legislative framework of the Turkish economy and bringing it into line with that of the EU will facilitate the inflow of foreign direct investment. Thus, they count on the positive effects, to make up for the costs arising from the loss of state revenues. The Turkish Foreign Minister Murat Karayalcin at the 6 March 1995 Association Council meeting pointed out that Turkey feels that "substantial increases in inflows of private direct investment will help to alleviate some of the burdens that Turkey will incur."100 The Turkish government's point of view stands in line with the comments and interests of US Commerce Secretary Ron Brown who argued that "Turkey's economic gains will be directly related to the amount of foreign

95Frankfurter Allgemeine Zeitung, 31 July 1996.
97Turkey ranks 7th in the list of countries with the highest debts.
98Some 37 per cent of the 1996 state budget spending will go on servicing debt interest while only 7 per cent will be spent on investment, see: THE ECONOMIST (1996): The elusive golden apple, Survey on Turkey, 11.
99Frankfurter Allgemeine Zeitung, 7 October 1996.
investment\textsuperscript{101}. The prospects for foreign direct investment are good as foreign direct investor interest in Turkey continues to rise. Brown noted that in 1995 a record level of US$ 1.3 billion was invested in Turkey, a 50 per cent increase over 1994 levels.

In order to enhance cooperation and provide a forum of exchange between the economic and social interest groups of Turkey and the European Community, the Turkey-EC Joint Consultative Committee was established. The Joint Consultative Committee, comprising 18 members of the European Communities' Economic and Social Committee (ESC) and equal number of representatives of Turkish economic and social interest groups, held its first session in Brussels on 16 November 1995.\textsuperscript{102}

Apart from the perspective that foreign capital will support the Turkish economy, trade liberalization will mostly benefit the countries of the European Union, as the customs union is expected to give a major boost to EU exports to Turkey. Even though private consumption per person amounts to only US$ 3600 as compared to US$ 6400 in Greece and US$ 10700 in Germany\textsuperscript{103}, Turkey's dynamic population growth of 2.5\% annually nevertheless makes it an interesting consumer market. Convinced of Turkey's (market) potential, the US Department of Commerce has identified Turkey as one of ten global "Big Emerging Markets"\textsuperscript{104}, those countries which the United States believe will drive the world's economic growth over the next 15 years. Turkey is already the EU's tenth biggest trading partner and exports are expected to double in the next five years.\textsuperscript{105}

The two immediate effects of the customs union, loss of state revenues for Turkey and an unprecedented increase of imports originating in the European Union, places serious adjustment constraints on the overall Turkish economy. During the first half of 1996, the negative balance of Turkey's terms of trade with the European Union

\textsuperscript{101} UNITED STATES INFORMATION SERVICE (1996): Turkish-American Relation in the USIS "Wireless File", Embassy of the United States; Ankara, 9.
\textsuperscript{103} THE ECONOMIST (1996), 17.
\textsuperscript{104} UNITED STATES INFORMATION SERVICE (1996), 10.
\textsuperscript{105} TOKSOZ (1996), 71.
has doubled and now amounts to nearly US$ 10 billion, as imports from the EU have risen by nearly 35 per cent. Thus, Turkey was forced to introduce a six per cent special rate on nearly two thirds of all imports. Even though the customs union agreement allows for temporary protecting measures, in order to bring into balance large foreign trade deficits, the Turkish government should have consulted the EU Commission prior to introducing the measure. The Turkish chamber of commerce now fears that the EU might in turn introduce new trade barriers for Turkish imports.106

- Trade liberalization and adjustment problems

While public finance will struggle heavily as a result of lacking import tax revenues, the Turkish economy faces an equally tough challenge. The Turkish industrial sector will have to find ways to withstand competition and introduce further structural adjustments measures. Turkey's small scale economy, that is small and medium sized enterprises, however, will face serious existential problems.

In contrast to big industry, they do not have the necessary resources at their disposal. It remains uncertain, how this branch, which dominates the Turkish industrial sector, will survive the enhanced competition. Despite the fact that low labour costs will continue to guarantee cheap production, the competition with European products will force many enterprises to introduce modern technologies. As financial resources are scarce, it is difficult to predict how many of the small and medium sized enterprises will survive the lifting of protection.107 A study undertaken by the Istanbul Chamber of Industry gives a general idea about the level of the Turkish industry's competitive strength. According to the report, only 35 percent of the small industries and 47 percent of the medium-sized industrial companies would be able to compete successfully with the EU countries.108 Unless appropriate financial assistance from the European Union will help to offset the negative effects of this structural

change and support the adaptability, this part of the Turkish economy is highly endangered. The importance of the small and medium-sized enterprises weighs all the more, as their contribution to the creation of employment is far greater than that of the holding companies. At the same time, these enterprises have developed despite the lack of state support. In light of the fact that a healthy middle class emerging from the developments of this entrepreneurship might be endangered by the customs union, the European Union would need to ensure that financial aid is distributed smoothly and gradually. Besides, it would be necessary to ensure that aid is distributed to those parts of the Turkish economy which suffer most from adaptability problems.

- Financial aid

For the time being, the amount of aid to be received from the EU accounts to 2.1 billion ECU for the coming five years, comprised of 600 million ECU as 4th financial protocol, 375 million ECU as Mediterranean Project credits, 300 to 400 million ECU as project credits from the European Investment Bank, and 750 million ECU for the transformation and harmonization of the economy. 

Albeit the Association Council decisions providing for these measures, the regulations needed for the implementation of financial cooperation between Turkey and the European Community have not been adopted by the EC as of 31 December 1995. By the same token, the European Investment Bank has not acted, as of 31 December 1995, upon the request addressed to it by the Council of Ministers in December 1995 to start granting loans to Turkey as envisaged in the declaration by the EU on financial cooperation.

As nearly all parts of the financial package are tied to political decisions, it is doubtful whether a steady flow of credits and aid will reach Turkey. The aid

111EUROPEAN COMMUNITY (1996), 11.
programme MEDA, which can be seen as a parallel to the support programmes PHARE and TACIS which benefit Eastern European countries and the former Soviet Union, and which was prepared to support the countries of the Mediterranean, including Turkey, e.g., has been blocked by Greece. Even though agreed upon by the European Union at the Barcelona conference in November 1995, the aid programme could not be introduced properly. It was only in July 1996 that Greece could be convinced to lift its veto.112

The European Parliament which had made its positive assent for the adoption of decision 1/95 conditional on democratic reforms and the improvement of the standard of human rights in Turkey, in September 1996 adopted a strongly worded resolution, condemning the situation in Turkey. Consequently, the European Parliament demanded a freeze in financial cooperation and put a halt on all financial aid Turkey would receive as part of the allocations from the MEDA programme.113

Even though the cost-benefit analysis of the economic dimension of the customs union shows that the accords clearly disfavour Turkey, a fair summary would need to consider the fact that the agreement should not be seen as the only instrument which finally opened the Turkish economy to international competition. In line with the new World Trade Organization (WTO) rules, Turkey would have had to pursue many of the trade liberalisation measures in the context of the WTO "irrespective of the Customs Union agreement"114.

Nevertheless, the treaty signed by the Turkish government and the EU-Council on 6 March 1995, clearly represents an unequal balance that places a heavy burden on Turkey. In accordance with the political and economic dimensions described above one can conclude that Turkey has not struck a good deal with the European Union. Before examining the politicization the customs union issue has witnessed in both European and Turkish domestic circles, it is deemed necessary to take a closer

112Frankfurter Allgemeine Zeitung, 17 July 1996.
113EUROPEAN PARLIAMENT (1996a): Resolution on the political situation in Turkey, DOC PE 252.050; Strasburg, 19 September 1996.
114TOKSOZ (1996), 71.
look at both parties' motives and interests to come to a conclusion over a customs union.

3.4. Again: Motives and Interests. Why a Customs Union?

In light of the unequal distribution of burden of the Customs Union, it seems appropriate to ask, why both partners wanted such an agreement to come into being. A closer look at the communication of the Association Council Meetings is deemed helpful to reveal the subsequent positions. The last three meetings scheduled before the customs union came into effect took place on 19 December 1994, 6 March 1995 (CU was agreed upon politically), and 30 October 1995.

3.4.1. Far from certain: The EU attitude

As the upcoming chapter will reveal, the EU can no longer be portrayed as a coherent entity. Political actors on several levels represent different interests and attitudes. As the arena of the decision-making hierarchy is opened vertically to the European Parliament, foreign policy directions will be guided by different premises. It goes without saying, however, that the Council of the EU still remains the most powerful body within the institutional framework. Its decisions are based on the principle of unanimity. As one member state can easily veto the consensus needed for decision-making, however, its flexibility is restricted. Consequently, these mechanisms make it difficult to assess the EU as one coherent political actor. When referred to, it is necessary to keep in mind that the "EU's point of view" is heavily fragmented and diverse. The positions portrayed below can suggest only a general trend attributed to the EU's policy perspective towards Turkey.
In contrast to the discussions and debates that took place during the Parliamentary Sessions of the European Parliament, the representatives at the Association Council generally kept a moderate tone. Their position resembles more to that of Realpolitik, which finds its incentives in a simple cost-benefit analysis. Hans-Jörg Haber, first counsellor at the German embassy in Ankara summarized the negotiations over a customs union by stating that "we got the most out of it".  

While the agreement on the customs union was already on the agenda of the Association Council meeting in Brussels on 19 December 1994, the item was removed due to Greece's veto blocking the decision once more and deferring it to the upcoming meeting. Sir Leon Brittan, member of the European Commission, pointed out that he "would personally go so far as to say that if there were not political problems, I cannot believe that by today we would not have been able to reach an agreement on all points". Whereas the representative of the Commission displayed optimism about the necessary adjustments of merely technical nature, the concluding statement by EU Council President Klaus Kinkel revealed that the process of completing the customs union would be imbedded in a broader political framework, as has always been the case with the development of the Association Agreement. Even though Kinkel made it clear that he was speaking "on behalf of eleven Member States and the three acceeding States", and thereby distancing himself from the statement of the Greek delegate Kranidiotis, he pointed out that the "Union remains deeply preoccupied by the unresolved question of Cyprus". As a consensus among all Member States he presented the view that "strict observance of internationally recognized human rights standards is a crucial element in the process of developing still closer ties with European institutions".

115Interview with Hans-Jörg Haber, first counsellor, German embassy; Ankara, 8 November 1995.
Although Kinkel pointed to these issues, the communication towards Turkey made it clear that the European Council as the executive decision-making body of the European Union showed no particular signs of making the customs union subject to political preconditions. Distancing himself from the Greek position could be understood by the Turkish delegation as a proof that the Member States would press the Greeks to give up their veto and thereby clear the way for a positive decision which at this stage depended on the unanimity vote within the Council.

As had been the case in earlier arrangements, however, the decision-making bodies within the EU lacked a profound point of view about where they wished their relations with Turkey to go. While the possibilities of accession of the Eastern European States were already widely discussed, the question about Turkey's exact location vis-à-vis or within the new European Union was slowly disappearing from the agendas in Brussels and the member states. Directing their efforts at the rapid consolidation of the new democracies in Eastern Europe, the case of Turkey was increasingly dealt with in the framework of the European Union's new Mediterranean Policy. The Commission of the EC, e.g., assigns the operative responsibility for its relations with Turkey to that part of its general directorate for external relations (DG I) that deals with "North-South relations and Mediterranean policy, relations with Latin America and Asia" and not to the part that deals with, among other things, "co-operation with other European countries". EU Council President Kinkel's preliminary statement at the opening of the December 1994 Association Council meeting clearly pointed in this direction. Emphasizing that the Mediterranean basin represented an area of strategic importance to the European Union, the EC Council President said that peace, stability and prosperity of that region were among top EU priorities. He suggested that with the "Euro-Mediterranean Ministerial Conference planned for 1995, the European Union and Turkey will doubtless find, over and above

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120 KRAMER (1994), 190.
the already close relations existing between them under the Association Agreement, a
new area of fruitful cooperation." On the one hand, these remarks can be seen as
clear signal that the EU exercised restraints vis-à-vis Turkey. On the other hand, the
repeated willingness to conclude a customs union with Turkey, reveals the EU's two-
fold strategy to keep Turkey at a semi-peripheral distance from the European Union,
an ambiguous proximity, that can be defined as required.

When the customs union was finally agreed on at the Association Council
meeting held in Brussels on 6 March 1995, the Commissioner for External Relations
of the EU, Hans van den Broek, gave an example of the rhetoric on which the
European motivation for coming to a conclusion with Turkey was based.
Characterising the customs union, he stated that it represented "un arrangement d'une
telle ampleur qui offre tant de possibilités". To speak of a wide range of
possibilities that the customs union would offer, however, only took into
consideration the advantages the European Union would await. With open doors for
free trade in a large market, the Union did not have to put forward any substantial
commitment in exchange, except for the reactivation of the fourth financial protocol
which had been blocked since 1981.

Notwithstanding the vague picture of a "wide range of possibilities" the
customs union agreement might offer to both the EU and Turkey, the declaration of the
decision 1/95 did not include any particular reference to the likelihood of Turkey's
possibility to become a full member of the EU. While on the one hand the CUA
confirmed the validity of the Ankara Agreement, it painfully avoided any reference to
Article 28 of the historical contract which forsees the eventuality of Turkey's accession
to the EU.

At the same meeting, Alain Juppé, in his position as the President of the EU
Council, made an effort to bring to the attention of the Turkish delegation that Europe

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121 EUROPEAN COMMUNITY (1994), 22.
is itself a moving target. Referring to the dynamics of the European integration, Juppé made it entirely clear that the Union of 1995 can no more be considered the EEC of the 1960s: "Cerès, la mise en place définitive de l'union douanière que cette décision comporte découle largement d'engagements que nous avons souscrits de part et d'autre dans l'Accord d'Ankara de 1963 et dans le Protocole additional de 1973. Mais (...) le cadre général concu à l'époque en fonction des circonstances prévalant au début des années 1970 a, entre temps, considérablement évolué."123

In addition to that, Juppé referred to the reinforcement and significance ("je tiens à souligner d'une manière tout particulière") of the political dialogue, to be institutionalized between Turkey and the EU. Given the restricted extent of political dialogue, as described above, EU Council President Alain Juppé left no doubt that this would be about as far as the EU desired to embrace Turkey.

To sum up, the European Union considers the Customs Union Agreement as a treaty in its own right, which deliberately leaves out further perspectives. Led by the desire to maintain good relations, the EU, has, however, once again missed to send signals to Ankara, which would allow for an undisputable definition of the state of relations.

3.4.2. Turkey's new strategy:
Towards "differentiated integration"

A first observation shows that Turkey's negotiation team present at the Association Council meetings was comprised mainly of foreign ministry staff. Since representatives of the State Planning Organisation and the Treasury attended the

123EUROPEAN COMMUNITY (1995b), 10.(The definite putting into place of a customs union which will be the result of today's decision draws basically from the agreements we have signed in the Ankara Agreement of 1963 and in the Additional Protocol of 1973. But (...) the general framework envisaged during that period of time, which was directed at the particular circumstances of the 1970s, has changed considerably.)
meetings only on an irregular basis, it can be inferred that Turkey's motivation to conclude a Customs Union with the EU was primarily based on political considerations. Usually not influenced by daily popular politics, the Ministry of Foreign Affairs represents traditionally a unified, Western-orientated body. Likewise, its representatives susbsume the slogan of Turkey's longstanding vocation européenne. In the beginning, Turkey's negotiation position was guided by taking a point of view that refused to redefine relations below the level of full membership.

It came thus as no surprise that Turkish Foreign Minister Murat Karayalcin pointed out during the Association Council meeting on 6 March 1995, that "Turkey regards the Customs Union as one of the main instruments of her political and economic modernization".

Encouraged by the alleged scope of the new agreement facilitated the Turkish delegation to uphold their high expectations. As had been repeatedly stated by the Turkish decision-makers, their motivation for the customs union to come into being, was primarily based on the assumption that the relations would not stop here. As the Minister of Foreign Affairs Murat Karayalcin stated during the December 1994 Association Council meeting, the Turkish side assumed that "the Customs Union is not an end in itself. There are no examples of customs unions which have not led to more integration. The Customs Union should and will serve as a stepping-stone to the realization of the final objective of the Association which remains my government's long-standing goal." Optimistic about the possible economic repercussions the Customs Union might bring about, the Turkish point of view obviously counted on the automatic spill-over effects of such an agreement.

Karayalcin repeated his point of view once more during the 6 March 1995 meeting, stating that the Turkish delegation "believes that the Customs Union Agreement will anchor us to Europe in line with the basic orientations of our

\[125\text{EUROPEAN COMMUNITY (1995b), 18.}\]
\[126\text{EUROPEAN COMMUNITY (1994), 28.}\]
Republic"^127. Karayalçin added that the Turkish expectations from the successful completion of the Customs Union were not limited strictly to commercial considerations. Above all, the CUA represented for the Turkish side a "reaffirmation of the objective of full membership of Turkey in the European Community (...) we feel entitled to participate in the construction of Europe on an equal basis with all other European nations. To us, the Customs Union is not a substitute, but a stepping-stone towards this broader perspective"^128.

It is fair to say, though, that the Turkish position as laid down by Foreign Minister Karayalçin was exaggerated. In other words, the Turkish delegation must have been aware that any concession concerning full membership was out of the question for the European Union. With nothing to bargain with, however, the Turkish side found itself in a deadlock with not much room for manoeuvre. Pressing for more integration must have come to deaf ears on the European side. The EU, on its part, was very well aware of Turkey's weak negotiation position and found it unnecessary to offer more to Turkey: "The Turkish government did not negotiate the 6 March 1995 decision for CU from a strong economic and political basis. It seemed eager to cut a deal and then sell the decision to enter CU to the Turkish public as a success story, and as the only way, a necessary but not sufficient step to Turkey's future full membership."^129

The new foreign minister Deniz Baykal repeated this political stance in his foreign policy statement delivered on 3 November 1995 before the Turkish Grand National Assembly: "The Customs Union will expedite and assist Turkey's full membership"^130. The designation of the Customs Union as "one of the most important policy objectives of our recent history"^131, as Baykal stated, obviously sheds a light

^130Foreign Policy Statement by H.E. Deniz Baykal, Minister of Foreign Affairs and Deputy Prime Minister delivered on 3 November 1995 before the Turkish Grand National Assembly, copied transcript; Ankara, 2.
^131Foreign Policy Statement, 1.
on the increasing importance of the agreement as a tool in the election campaign, as Turkish voters were expected at a general election on 24 December 1995, only 10 days after the agreement was to be ratified by the European Parliament. Thus, Turkish politicians have instrumentalized the customs union issue for domestic political purposes. With general elections at the end of December 1995, politicians have tried to sell the coming into force of the customs union as a great victory that they personally have achieved. Senior politician Bülent Ecevit, leader of the Demokratik Sol Partisi (Democratic Left Party, DSP), urged that a revision of the CUA must be made: "I think it is an unforgivable mistake for both Ciller and Baykal to have turned the customs union issue into a chance to gain political prestige in the arena of domestic politics. A mistake because this has made Turkey lose her bargaining power".

After negotiators had claimed to be bargaining for full membership for a very long time, during the last Association Council Meeting on 30 October 1995, the official diplomatic Turkish position on full membership slowly started to soften. Represented by Coskun Kirca, who served a few weeks as interim foreign minister while a new coalition was formed, the Turkish delegation adopted a different attitude. Kirca took up the problematic situation of déséquilibre, the customs union would bring about and stated that the level of political dialogue was disappointing: "En ce qui concerne la coopération institutionnelle et le dialogue politique, il serait difficile à prétendre que l'état actuel de nos relations est satisfaisant."

Moreover, Foreign Minister Coskun Kirca made it clear that the negotiation party would face difficulties presenting the results at home. Kirca said that in the absence of a political gesture which would express the solidarity of the European Union, "notre gouvernement se serait trouvé dans une position délicate vis-à-vis de son opinion publique." Kirca pointed to the fact that the unequal balance would be

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132 The leader of the Democratic Left Party (DSP), Bülent Ecevit laid down his opinion on the customs union in a lengthy two-page interview in Turkish Daily News, 9 December 1995, B7+B8.
judged as discriminating, especially when compared to certain other countries. It would thus be necessary to improve and redesign the structural dialogue without which a proper functioning of the customs union could not be ensured.

Despite the fact that Kirca held up the high expectations, he painfully avoided repeated references concerning the Turkish desire for full inclusion in EU mechanisms. The only remark he made concerning full membership remained moderate in tone: "Notre demande d'adhésion à l'Union européenne reste valide." Instead he reformulated the Turkish position and presented the scenario of differentiated integration: "Le développement de la coopération et l'intégration différenciée liée aux besoins des secteurs spécifiques ont acquis une importance tout particulière."

The Turkish wish to participate in the discussion on sectoral development strategies in a larger European framework expresses that Turkey would be most keen to add to the bilateral dialogue with the EU the inclusion into some kind of multilateral European environment. While for years the discussion of EC-Turkey relations had revolved exclusively around the extreme poles of inclusion or exclusion, the Turkish position as presented on the 30 October 1995 Association Council meeting by Foreign Minister Coskin Kirca was the first time that flexible formulas entered the discussion. The concept of differentiated integration would offer the precious advantage of avoiding discrimination between Turkey and the Eastern European countries. According to his model, each candidate for accession would participate in as many sectors of the *acquis communautaire* as its capacity allows for.

This shift in Turkey's EU-policy has gained a much stronger momentum after the customs union has come into being. Adopting a much more pragmatic approach towards her relations with the European Union, the possibility of differentiated integration has taken a prominent place within Turkey's EU-policy. Nihat Akyol,

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deputy general director of the European desk in Turkey’s Ministry of Foreign Affairs, has summarized Turkey’s policy goals as a "politique des petits pas - petits, mais déterminé"\(^{137}\), a slow but steady approach embracing an increasing number of policy sectors which would allow Turkey a smooth, but realistic possibility of integration. Engaging in the formulations of credible scenarios, the Ministry of Foreign Affairs has taken up some of the policy recommendations prepared at the Turkish Foreign Policy Institute, where a strategy paper was developed, which devised a viable pattern for Turkey's European policy. Above all, it suggested that "Turkey's approach to the formation of an expanded European entity must be guided by realism rather than wishful thinking."\(^{138}\) Instead of adapting a recriminating posture concerning lost opportunities or attempting to "seek the reaffirmation of conditions described in past agreements with a smaller and different entity"\(^{139}\) Turkey would be well advised to finally recognize the European dynamic and understand the debate over enlargement in the form of differentiated integration as a challenge. With the emergence of models such as "variable geometry" the paralyzing dichotomy between full membership on the one hand and complete exclusion from the European Union on the other hand could be overcome. The perspective of differentiated integration offers Turkey more manœuvreing space. Having refused to redefine the relations below the level of full membership had for a long period paralyzed any sort of sensible rapprochement.

Turkey’s policy-making elite in the Ministry of Foreign Affairs has apparently taken up this positive attitude. In a most recent account, it is stated that with the inclusion of other countries into the European Union by means of differentiated integration, Turkey’s chances of becoming a member would rise as well: "Il est

\(^{137}\)Interview with Nihat Akyol, Ministry of Foreign Affairs, European Desk, Deputy General Director; Ankara, 7 June 1996.
\(^{139}\)Evin (1996), 40.
possible de dire que, l'Europe s'élargissant vers ses frontières naturelles, l'adhésion de la Turquie se trouve facilitée”.

3.5. An interim balance: Limited Common Perspectives

The Customs Union Agreement that came into being on 1 January 1996 has established the institutional framework which from now on defines Turkey-EU relations. The new arrangement rests on three pillars:

- It establishes a customs union between both parties
- It provides for limited institutional cooperation and political dialogue
- It foresees the reestablishment of financial cooperation on several levels.

Instead of serving as a stabilising element in the relations between Turkey and the European Union, however, the accord might turn into an "explosive charge" for several reasons.

First of all, the institutional framework as such bears several weaknesses, since it does not provide for a balance of obligations and rights of the two partners. Economically, Turkey will have to bear the consequences of stiff competition, as EU-exports to Turkey will rapidly increase. Politically, Turkey will have to transfer part of sovereignty to the EU and Ankara will have to adjust to policies in the formation of which she will not have participated. These disadvantages that originate from the CUA were thought to be reconciled by additional measures. Whereas political dialogue and institutional cooperation were designed to make up for the loss of political sovereignty, financial cooperation was intended to alleviate the economic burden. Both instruments,

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140 AKYOL, Nihat (1996): Le développement des relations Turquie-Union européenne, Paper presented at the conference "La Turquie et la Méditerranée", held at the University of Antalya in collaboration with Université de Paris II; Antalya, 6 Mai 1996, 11.
however, are subject to political supervision and therefore, the implementation cannot
be understood as a fixed process as it depends on political decisions.

The underlying problem of the CUA is created by the fact that both parties
disagree on the intentions they associate with the agreement. Comparing the EU's
motivation for wanting the agreement to come into being with that of Turkey shows
that there exists an obvious discrepancy.

The European Union, for its part, regards the accord as a treaty in its own
right which does not entail any further obligations. From the EU's point of view, the
new arrangement has placed Turkey in a convenient position: an ambiguous proximity
that can be defined as required.

Turkey's intention, on the other hand, is still inevitably linked to the desire to
become an integral part of the European Union. The new institutional framework,
however, does not directly provide for Turkey's expectations. As the arrangement will
bring about a situation that is to Turkey's disadvantage both politically and
economically, the dissatisfaction with the new kind of association might easily lead to
the accusation of the European Union. The latent notion of "feeling rejected by the
Europeans" is already inherent in the Turkish public opinion. As pointed out earlier, a
large part of Turkey's population interprets the customs union as an unjust treatment
and the accord is already perceived negatively. "Turkey is only offered a customs
union based on the formula 'connection without committment'", wrote a lead article
under the headline "The Isolation Campaign" in Turkey's popular liberal paper Yeni
Yüzyıl. This is seen as a double standard in comparison with the Eastern European
states, whose relation with the EU is much shorter than that of Turkey.

A fair summary would also have to take into account that the outcome of the
negotiations as laid down in the new institutional framework of EU-Turkey relations

142 quoted in SAKALLIOGLU, Ümit Cize (1996): National Identity versus integration with the
West: The Case of Turkish Nationalism, unpublished paper, Bilkent University, January 1996, 1.
clearly displays the inherent power asymmetries. Turkey, in comparison to the level of EU member states a weak country, has sacrificed some degree of autonomy in order to permit herself to gain acceptance into a club of prosperous states, governed by rules that apply to all members. Apparently, negotiations have been conducted on the basis of proposals drafted by the Community. It can be maintained, however, that in order to benefit from further integration with the EC, policy changes in Turkey would have to occur anyway. Thus, the Turkish decision for "bandwagoning" rather than "balancing" within the alliance is also a natural consequence of its bargaining weakness: "Weakness means that nothing is gained by holding back one's concessions as 'bargaining chips' with the Community, which is unwilling to enter into give-and-take negotiations."\(^{143}\)

On the other hand, compliance with EC rules and policies could be understood and interpreted in Turkey rather as an effect than a precondition of closer ties with the Community, only under the circumstances of undertaking the adoption of the \textit{acquis communautaire} in anticipation of full or differentiated membership. In the absence of such signals, however, the obvious discord between rights and obligations will only be reinforced. This might be furthered by the phenomenon of tying the new CUA to political preconditions as the following chapter will reveal.

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4. The Customs Union Agreement as a political bargaining process.
- Actors and Issues in internal dynamics -
  A liberalist analysis

The previous chapter has analysed the institutional framework which from now on defines EU-Turkey relations and has sought to examine the interest as embodied by the intergovernmental agencies. This chapter is devoted to analyse the impact internal dynamics on both sides have taken on the relations. On the European side, the procedure of decision-making will be put under close scrutiny. With regard to the Turkish side, it will be asked which main factors impinge upon a development of better relations.

4.1. Negotiating Decision 1/95: New Players in the EU framework

The internal dynamics of the European Union can be analysed best by looking at the EU's complex procedure of foreign policy formulation. Which actors, it will be asked, serve as "agenda-setters", that is actors raising particular subjects within the process of policy-making, or set conditions which are added to the foreign policy agenda. As far as the decision making process on the European side is concerned, two main provisions stand out.

First, EU Council decisions require unanimity. Therefore, it is necessary to analyse how this process of "inter-governmental bargaining" which is meant to pool sovereignty has taken an impact on the CUA. Particular attention is to be given to Greece which emerged as a powerful agenda-setter with regard to the development of EU-Turkey relations.

Second, it is to be noted that part of the EU's foreign policy no longer remains domaine réservé of the executive. As a result of the Maastricht Treaty the European Parliament has to ratify international treaties with third countries. As the EP
traditionally emphasizes democracy and human rights it has likewise come to play an increasingly important role with regard to EU-Turkey relations.

4.1.1. Agenda-Setter I: Greece

Considering the complex procedure of EU decision-making it must be underscored that multilateral situations offer substantial incentives to behave as a "free-rider" - not to pay for the good, but to gain from its provision by others. The obvious outcome for the whole group is less cooperation. The attitude of Greece towards Turkey after its accession to the EU can be seen as an example of the "free rider".

The perennial Greek-Turkish conflict became an issue in Turkey-EC relations after Greece had achieved EC membership in 1981. Ever since, "Greece has adopted a virtually unremittingly hostile approach towards Turkey". The majority of the Turkish political public is convinced that Greece abuses its membership in the EU in order to spoil Turkey-EU relations. It is equally convinced that the EU institutions as well as Greece's partners in the EU do not put up sufficient resistance against this.

The Turkish view is not completely unfounded, given that the EC Presidency in 1975 assured the Turkish government that the Greek application would not affect Turkey's rights vis-à-vis the Community. The EU, however, is bound to its decision-making rules. Most of the decisions for the implementation of EU activities within the framework of EU-Turkey association need unanimity in the EU Council, i.e. Greek consent.

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144 KEOHANE (1989), 139.
As "Greek foreign policy is above all 'Turkey policy'", Greece has not hesitated to enforce its top priorities. In 1987, the Greek government had even seriously looked into the possibility of asking the Community's European Court of Justice to annul the Council's decision to ask the Commission to even prepare an "opinion" on the Turkish request. Another example of Greece's continuous attempts at blocking any new movement in EC-Turkey relations could be seen in its stubborn resistance to even recognize the EC-Turkey Association. Only as a result of the temporary Greek-Turkish rapprochement in 1988 (the so-called "spirit of Davos"), Greece signed the Association Agreement in March 1988.

Although Turkey and Greece have a long list of issues resulting from political rivalry such as the extension of territorial waters to 12 miles, the question of the continental shelf, demilitarization of the Greek islands, human rights abuses against the Turkish minority in Western Thrace and the question of the Orthodox Patriarchate in Istanbul, the Turco-Greek conflict is strongly linked to the Cyprus issue. Far-reaching in its implications and having generated more military tension than any other issue in dispute between Turkey and Greece, the question over the future of Cyprus cannot be disentangled, unless the Turco-Greek conflict is solved first. The fact that UN bimetallic talks between Turkish and Greek Cypriots have not been very successful underline this necessity. Turkey and Greece, however, differ radically in their positions of how to arrange the future of Cyprus. While Turkey wants to create a bizonal and bimetallic federal state before she would withdraw her military forces, Greece envisions the creation of a bizonal state in which Greek Cypriots enjoy majority and Turkish Cypriots minority representation. The Greeks have upheld their position

148 KRAMER (1994), 212.
151 STEARNS (1992), 146.
that they see the withdrawal of Turkish troops as a necessary precondition for any talks.

The situation on Cyprus has been in a stalemate mainly because of exaggerated national pride and a total lack of mutual confidence. These factors have not facilitated the disentanglement of the conflict. Confronted with one another, the situation never generated much positive outcome. One author suggests that "when national pride interprets flexibility as weakness and trade-offs as capitulations, a third party role is essential." Since Greece’s membership in the EC has altered the Turkish-Greek balance achieved in the association agreement, the Community could not act as a mediator, because it was no longer a "third party". The Community did, however, for a very long time, approach the Greco-Turkish conflict from a position of "benevolent neutrality".

Since its entry into the EC, however, Greece has sought to rally its EC partners behind its national position in the struggle with Turkey and place the Cyprus issue on the EC’s foreign policy agenda. This effort was not successful until the late 1980s. It was only in preparation for the meeting of the Association Council of 25 April 1988, the first meeting after Turkey had submitted her application for full membership, that the Greek government succeeded in getting a formula included in the EC’s opening statement that "the Cyprus problem affects EC-Turkey relations". This in turn led to a boycotting of the meeting by the Turkish foreign minister. Subsequently, the issue of the "Cyprus formula" in the EC opening statement became a point of disagreement between Turkey and the EC. The EC repeated its point of view in 1989, when it included the "Cyprus formula" in its opinion on Turkey’s request of accession to the Community. The EC hardened its position by including this formula in

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152 STEARNS (1992), 81.
the Presidency conclusions of the Dublin meeting of the European Council in June 1990. Since then it can be seen as part of the *acquis communautaire*.  

When Cyprus submitted its application for full membership in the EU in July 1990, the Turkish-Cypriot government supported by Ankara argued that the application was illegal both from the point of view of Cypriot constitutional law and from the point of view of international law. The EU Council, however, ignored the Turkish concerns and passed the application to the Commission to prepare an "opinion". The EU's position solidified when the Commission in July 1993 confirmed Cyprus' eligibility to accede to the Community. The Commission pointed out, however, that "Cyprus' integration with the Community implies a peaceful, balanced and lasting settlement of the Cyprus question" in order to "create the appropriate conditions for Cyprus to participate normally in the decision-making process of the European Community and in the correct application of Community law throughout the island".  

Even though it appears exaggerated to evaluate Greek EC-membership as "one of the key factors in the development of EC-Turkey relations", it is fair to say that having placed the Cyprus issue on the Community's foreign policy agenda can be seen as a clear Greek victory. It appears very unlikely that the Cyprus issue will emerge as the potential obstacle that might stand in the way of Turkey-EU relations, yet, its relevance can be located elsewhere. By having adopted the Greek point of view on Cyprus without ever having proposed a concrete scheme for a peaceful solution itself, the Community has reinforced the Turkish perception that the EU actively supports the Greek ambitions. Even though this is not the case, an equation of Greek and EU positions on the Cyprus issue in turn adds to the prevalent Turkish misconception that "Europe" is one coherent actor.

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155 KRAMER (1994), 236.
In addition to that, the adoption of the Greek point of view has made it increasingly difficult for the EU Council to overcome Greek resistance to an improvement of EU-Turkey relations, because Greece will make its consent dependent on parallel progress (in the Greek sense) in the Cyprus issue. With this bargaining counter in hand, Greece has constantly blocked not only the fourth financial protocol, but has also vetoed until 1992 on the horizontal financing element of the EC's revised Mediterranean policy, which also benefits Turkey.\footnote{REDMOND (1993a), 39.}

The negotiations over the Customs Union Agreement between the EU and Turkey have displayed once more Greece's power in placing a veto on all political decisions and her potential to at least slow down the speed of developments.

When Turkey and the EU convened at the Association Council meeting on 19 December 1994, in order to set in motion the necessary steps for the coming into effect of a the Customs Union Agreement, the plan fell through because of Greece. Headed by its President Klaus Kinkel, the EU Council could but emphasize that it "was making the preliminary statement on behalf of eleven Member States and the three acceding States"\footnote{EUROPEAN COMMUNITY (1994), 7.}, thereby publicly renouncing the Greek statement. Kinkel's statement very much characterizes the crucial stalemate Association Council decision-making sometimes cannot overcome. Bound by the unanimity decision-making rules, the EU Council could thus not give its political consent for a customs union to come into being.

This decision was deferred to a meeting on 6 March 1995. Greece had flexed its muscles and revealed its bargaining power once again. Threatening to veto the Customs Union, the Council decided to offer a trade-off to Greece. On 24 February 1995, the General Secretariat of the Council announced that for the purpose of reaching "an overall compromise concerning the general political framework for developing future relations between the European Union and Turkey" the EU would
start negotiations for Cyprus' accession 6 months after the end of the Intergovernmental Conference, in the event of unanimous agreements on the proposal for the Customs Union\textsuperscript{160}, in other words, if Greece refrained from using its veto.

While the Greeks and the Cypriot Greeks see the admission of Cyprus to the EU as a necessary catalyst for a solution, it seems unlikely that an entry before settlement will generate a promising future. At the Association Council Meeting on 6 March 1995, the Turkish Foreign Minister Murat Karayalcin put forward a very firm statement, emphasizing that Turkey disagreed with the EU Council decision and pointing out that the step to open negotiations on membership could lead to a permanent division of the island. Karayalcin concluded that in the "undesirable eventuality" of conducting talks exclusively with the Greek side, "Turkey will be left with no option but to take steps towards achieving a similar integration with the Turkish Republic of Northern Cyprus."\textsuperscript{161} This statement alone shows that "with passions running deep on both sides a solution is less easy than perhaps is thought by diplomats and others somewhat removed, necessarily, from the emotions of the conflict - a conflict in which seemingly rational solutions are often rejected by one side or another."\textsuperscript{162}

Even though the new Turkey-EU institutional framework was agreed on politically at the 6 March 1995 Association Council Meeting, Greece persisted in impinging upon the terms of the Customs Union Agreement. Prior to the 30 October 1995 Association Council Meeting which was to determine whether all technicalities had been met for the customs union to come into effect, Greece had threatened to block the meeting, unless parts of the political dialogue were downgraded from ministerial to bureaucratic status.\textsuperscript{163} It was only after lengthy debates that Greece promised to lift its veto threat. Several meetings scheduled according to the package of institutional

\textsuperscript{161}\textit{EUROPEAN COMMUNITY} (1995b), 21.
\textsuperscript{162}DODD (1995), 23.
cooperation and political dialogue were downgraded in diplomatic level. Accordingly, meetings originally planned to be held at ministerial level will now be conducted on the level of general directors. Once again, the need for unanimity in the EU Council has revealed who can be kept hostage and who is the chosen victim in the EU-Turkey-Greece triangle.

Despite the fact that the Customs Union Agreement finally came into force on 1 January 1996, Greek resistance against a smooth functioning of EU-Turkey relations cannot be ignored. While the customs union as such is determined to operate according to the given stipulations, the two accompanying measures which will be subject to political supervision, will continue to depend on Greece's good-will. Neither the political dialogue, nor the financial cooperation have been implemented correctly during the first half of 1996. Greece has successfully blocked the allocation of funds included for Turkey in the MEDA programme until July 1996 and has also objected to the initiation of institutional cooperation and political dialogue by having blocked the Association Council Meeting scheduled for 26 March 1996.\(^\text{164}\) In retrospect, it can be concluded that throughout the negotiations Greece has protected its interests very skillfully, conducting the process with great success. As there is no indication that Greece is inclined to stop its general policy towards Turkey, it will continue to instrumentalize its favourable position within the EU. Overall EU-Turkey relations will witness some repercussions arising out of this situation, since the EU will face rising cross-pressures from Athens and Ankara with Greece, as always since 1981, enjoying the advantages of EU membership.

\(^\text{164}\)AKYOL (1996), 2.
4.1.2. Agenda-Setter II: The European Parliament

The Maastricht Treaty (Treaty of the European Union, TEU) that came into force in 1993 expressed the Community's will to turn the Common Market into a political union and added several policy sectors to the Union's *acquis communautaire*. Even though the TEU enlarged the scope of competence transferred to the supranational level, the new treaty did not introduce significant institutional changes to the new European framework from now on called European Union.

The European Parliament, composed of directly elected members since 1979, still suffers from a lack of relevant power. In contrast to other parliaments in representative democracies which function as legislative bodies, control, elect and vote out the executive and determine the budget, the European Parliament plays only a co-operating role in the complex process of EC policy-making. The European Union still faces the inherent contradiction that the effect of its policies are clearly supranational in nature, whereas the decision-making process that leads to the formulation of these policies, however, functions by "pooling sovereignty, that is sharing the capability to make decisions among governments".\(^\text{165}\).

While a large portion of the EU's decision-making process remains restricted to intergovernmental bargaining in form of EU Council decisions, the TEU has opened several domains of power to the European Parliament. These include a variety of functions like the power to dismiss the whole Commission under certain conditions, the right to be consulted in the appointment of some institutional nominees and to co-operate in legislative as well as budgetary matters.\(^\text{166}\)


Even though its general significance is sometimes overestimated\textsuperscript{167}, the European Parliament as a result of the TEU obtained some rights that make it a determined player of crucial importance for the future of EU-Turkey relations. In the post-Maastricht era, the European Parliament is vested with some external powers, like the assent to accession, whereby no state could become a member of the Community, unless the Parliament had given its assent by an absolute majority of its members. In May 1994 the EP exercised for the first time its new right to decide on the entry of new members to the Community, granted to it according to Article O, TEU. Thus, the accession of Austria, Sweden and Finland to the EU represented the first in a series of enlargements that from now on will be subject to the European Parliament's scrutiny.

With regard to the EU-Turkey Customs Union Agreement the European Parliament for the first time enjoyed its rights of ratification which are also linked to the conclusion of international agreements and agreements having important budgetary implications for the Community. As the Association Council decision 1/95 foresees the establishment of a customs union between Turkey and the EC, provides for institutional cooperation and political dialogue as well as financial cooperation, its coming into force clearly depends on the European Parliament's assent.\textsuperscript{168}

The European Parliament, traditionally emphasizing issues of human rights, fundamental freedoms and the position of minorities when referring to the EC's relations with Turkey\textsuperscript{169}, on 16 February 1995 passed a resolution on the Draft Agreement on the Conclusion of a Customs Union between the EU and Turkey.\textsuperscript{170} The resolution underlined the EP's evaluation that the state of human rights in Turkey

was too grave as to allow for the formation of the proposed Customs Union at present. Since all EU institutions acknowledged the importance of the conditionality clause on human rights with regard to agreements with third countries, the EP appealed to the Turkish government and to the Turkish Parliament to undertake a fundamental reform of its Constitution in order to better guarantee the protection of democracy and human rights in Turkey. To this end, the EP called on the Commission to establish a system of interim reporting on the modifications currently being made to the Turkish Constitution and more generally on the measures taken and to be taken to strengthen the rule of law. In addition to that the EP reminded the Commission and the Council that the planned agreement establishing a customs union between the EU and Turkey must be submitted for the Parliament's assent which it intends to make conditional on the interim reports on progress made. The European Parliament renewed its opposition to the Customs Union with Turkey in a Resolution passed in preparation of the meeting of the EU Council scheduled for 26-27 June 1995 in Cannes.\footnote{EUROPEAN PARLIAMENT (1995b): Resolution on the European Council in Cannes, DOC. PE 192.034, 13 June 1995.}

As the Association Council had agreed on the customs union and the attached measures in its decision 1/95 on 6 March 1995, it became apparent that the coming into effect of the CUA would depend on the outcome of a political bargaining process which involved the European Parliament setting a number of political preconditions on the one hand and the Turkish government and Parliament as the relevant bodies trying to fulfill these conditions on the other hand.

On 23 June 1995 the EU Council asked the EP to open procedures to come to a legislative decision concerning the implementation of a customs union between Turkey and the EC. On 10 July 1995, Klaus Hänsch, President of the European Parliament entrusted the Committee on Foreign Affairs, Security and Defense Policy as the Committee in charge with this matter. The Committee on External Economic Relations was nominated to function as an advisory committee. On 13 October, the EP
President announced that he had also transferred the issue to the Committee on Civil Liberties and Internal Affairs as an advisory body.

The Committee on Foreign Affairs, Security and Defense Policy appointed Carlos Carnero González as rapporteur on the final phase of the EU-Turkey customs union. The Committee in charge followed a common practice, as the EP operates a rapporteurship system for organizing its Committee work. The rapporteur is responsible for drawing up the committee's report. During this process, the rapporteur receives staff support and a budget, amends the report in the light of committee discussions and presents (and defends) it to the floor of the House. The final report is supposed to reflect the consensus, or at least the majority view, within the committee, even if such a view contradicts the rapporteur's preferences.\textsuperscript{172} As the internal organization of the EP operates on the basis of this coordination, it is suggested to take a closer look at the work of the rapporteur, in order to portray the position of the EP with regard to the customs union.

In September 1995 rapporteur Carnero Gonzalez went on a fact-finding mission to Turkey, in order to prepare a report to be presented and discussed with the members of the Committee on Foreign Affairs, Security and Defense Policy. The visit\textsuperscript{173}, during which the rapporteur met with a range of political representatives, human rights organizations, intellectuals, journalists and leading economic figures, served one overarching purpose. In light of the fact that the European Parliament had linked its approval of the customs union to progress being made with regard to democratization measures, the fact-finding mission was devoted to assess whether progress in these issues had been achieved or could be expected before the EP would have to give its vote in December.

The unified echo of most diplomats, journalists and political party leaders alike, however, stressed the impression that a negative vote would cause a sudden halt in the process of democratization, an increase in radical nationalism and would be perceived as a lasting rejection, both by political circles and public opinion, of greater integration into Europe. Most agreed that a rejection by the European Parliament would mean at least temporarily, a freezing of the reforms and a hardening of anti-European sentiment. Except for the representatives of the Turkish human rights organizations, all persons inquired put forward the view that it would either be "counterproductive to set conditions" or that a rejection by the European Parliament would "be taken advantage of by the nationalist forces in the various political parties and would strengthen those advocating a tougher approach in the fight against terrorism".174

The summary report, put together by Carnero Gonzalez, is striking in two respects: First of all, it displays that during most of the discussions held, the issues themselves fell short of consideration. Instead, it was underlined that the overall impact of the EP's decision would have to be granted considerable attention. A careful political impact-assessment would prove necessary if the EP intended to continue to pursue its demands for further democratization. What is just as striking, however, is the evaluation by the rapporteur that "the positions adopted by the EP have helped to establish this process of transition and are not in the least counterproductive vis-à-vis its further development; I, therefore, do not share the view that the attitude adopted by the EP is strengthening or could strengthen the conservative or fundamentalist sectors whose influence is based on political and socio-economic phenomena apparent in Turkish society".175

Despite the obvious discrepancy with regard to political impact assessment, the summary report concludes that "the current political system in Turkey is, no matter how you look at it, an incomplete democracy lacking notably in mechanisms essential

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175EUROPEAN PARLIAMENT (1995c), 17.
for very important fundamental freedoms to be exercised"\textsuperscript{176}. Consequently, the working paper prepared for the Committee\textsuperscript{177} identified six key areas, in which progress is deemed necessary: reform of the constitution of 1982, improvement of the situation of Turkish MP's of Kurdish origin in the DEP, change of Anti-Terror Law (No. 3713), improvement of the overall situation of human rights in Turkey, political solution to the "Kurdish question", improvement of the situation on Cyprus.

4.1.3. Major Political Issues

In the following, it is intended to review some of the major political issues debated as part of the political bargaining process initiated by the European Parliament.

- Reform of the 1982 Turkish Constitution

The 1982 Constitution formally allows for the development of procedural democracy. It is based on a balance of powers between executive, legislative and judiciary. Several stipulations, however, heavily impede upon the consolidation of democracy in the sense of Western liberal democratic systems. The 1982 constitution, as did the military take-over of 1980, aimed, above all, at the depoliticization of Turkish society. Consequently, it restricts political participation in several relevant sectors, such as trade unions, associations and co-operatives. As far as the relation between citizen and state is concerned, authority of state enjoys priority over individual rights. Thus, several basic rights cannot be guaranteed, despite the fact that Turkey signed in 1987 the European Convention of Human Rights (ECHR). In addition to that, the 1982 Constitution contains in article 15 the stipulation that decisions and laws

\textsuperscript{176}EUROPEAN PARLIAMENT (1995c), 17.
dating from the transition period (1980 - 1983) are to remain untouched by jurisdiction. The wide range of laws that have remained unchanged for this reason, but still impede upon further democratisation has led experts to refer to the existence of a "meta-constitution".\footnote{for a general expertise, undisputed also among Turkish scholars see: RUMPF, Christian (1995): Türk Anayasa Hukukuna Giriş; Ankara.}

Constitutional modifications have been undertaken in 1987 and 1993, however, without bringing about substantial changes. In January 1995, the necessary number of signatures was collected to submit to the Turkish Grand National Assembly a "democracy package" of 21 amendments to the Constitution. None of the proposals for amendments, however, explicitly involved provisions for promoting and protecting individual rights and freedoms or guarantees for safeguarding human rights.\footnote{FRANZ, Erhard (1995): Die türkische Krise, in: Blätter für deutsche und internationale Politik, Vol.40, No.11, November 1995, 1307.} A first attempt to agree on the changes failed, because the proposal did not receive the necessary majority of 300 votes. During a second session on 23 July 1995, 360 parliamentarians gave their positive assent.

The main changes include the right for associations (art.33) and trade unions (art.52) to participate in political life, the right for civil servants to found unions (art.53), reduction of voting age from 20 to 18, the right to vote for Turkish citizens living abroad and the right to vote for citizens in prison (art.67), the inclusion of youth into party work, the right for women to found associations, the right for university professors and students to become party members (art.68,69), the number of parliamentarians raised from 450 to 550 (art.75), the right to change the political party without loosing the mandate (art.84, 85), the right for professional associations to participate in political life (art.135). Additional changes are of merely technical nature and can be neglected.\footnote{for a detailed summary of constitutional changes see: RUMPF, Christian (1995a): Die Verfassungsänderungen in der Türkei, Working Paper SWP-IP 2927, Stiftung Wissenschaft und Politik; Ebenhausen.}
In general, the constitutional changes have been commented as a positive step towards more democracy. On closer scrutiny however, the constitutional reforms can be characterized as a "half-hearted, first step, which will begin to show its value only if these initial stages of reform will be pursued further." Even though important aspects of depoliticization have been changed, the reforms have not brought about any significant progress concerning basic and fundamental rights. Freedom of press, i.e., as ruled by Article 26, still remains incompatible with the ECHR or the concept of freedom applied in EU member states. With regard to basic social rights, no significant improvement has taken place. Public service employees still enjoy no right to strike.

The efforts towards democratization concerning the rights that counter depoliticization, however, suggest that the reform must be understood as a first positive step. As it is stressed in the final report by the EP rapporteur: "It should be pointed out that this is the first time that a Turkish Parliament composed of civilians has amended a constitution imposed by the military."

In light of the fact that Turkey's representatives at the Association Council meetings were for a long time pressing for Turkey's full membership in the EU, it seems important to note that Turkey's constitutional basis does not provide for such an act. The current constitutional framework does not include the possibility of transfer of sovereignty rights. Thus, the Turkish Constitution still bears an overarching deficit as far as the integration with the EU is concerned.

- The Turkish MP's of Kurdish Origin in the DEP

181 Frankfurter Allgemeine Zeitung, 25 July 1995, "Verfassungsreform als Schritt zu mehr Demokratie begrüßt".
The lifting of the parliamentary immunity of six members of the *Demokrasi Partisi* (Democracy Party, DEP) on 2 March 1994 has taken a prominent place among the issues in Turkish internal politics to which a wide range of attention has been devoted by the European public at large. As a result, the European Parliament tabled no fewer than four resolutions on this issue alone and on 28 March 1994 decided to freeze the EU-Turkey joint parliamentary committee\(^\text{185}\).

The arrest of the DEP MP's was timed just before the 29 March 1994 partial local election under the initiative of the *Dogru Yol Partisi* (True Path Party, DYP): "Presumably, the political purpose was to give the image to the Turkish public that DYP stands tough against terrorism and separatism"\(^\text{186}\). The DEP was closed down by the Constitutional Court on 16 June 1994. On 8 December 1994, six members of the DEP and two other Turkish MP's of Kurdish origin were sentenced to between three and a half years in prison for separatist propaganda and fifteen years in prison for supporting an armed terrorist group. On 26 October 1995 the Turkish Supreme court issued a judgement confirming the 15-year prison sentence imposed on four DEP members for setting up and being members of an armed group while the sentences imposed on two MP's were quashed and the two were released. The Court overturned the convictions of the other two and ordered that they be retried under the revised Article 8 of the Anti-Terror Law. The four whose convictions were affirmed are appealing to the European Human Rights Commission. The government has publicly affirmed that it will respect that body's decision.\(^\text{187}\) Turkey recognizes the European Court of Human Rights jurisdiction in the matter of individual appeals since January 1990. In addition to that Turkey recognizes the jurisdiction of the European Commission of Human Rights since January 1987.

\(^{185}\)EUROPEAN PARLAIMENT (1994): Resolution on the trial of members of the Turkish Grand National Assembly, Doc. PE 182.023, 28 March 1994.
\(^{186}\)HIC (1995), 27.
The EP's final report concludes: "The Turkish authorities should not be surprised at the indignation aroused internationally, and in Europe in particular, at the arrest and sentencing of the MP's; it is indeed totally unacceptable that our colleagues, in whatever part of the world, should be prevented from carrying out their political activities. These should, if necessary, be the subject of political debate that is natural to a democratic system. A democracy and a constitutional state are not defined by the imposition of the political positions of the majority but by respect for minorities and the expression of their views, in a system of mutual respect within republican legality which must guarantee a peaceful debate between all parties."\(^\text{188}\)

- **The Anti-Terror Law**

  The "anti-terror law" (No. 3713) (ATL), was adopted on 12 April 1991 in order to combat those organizations which "intend to alter the nature of the Republic as defined in the Constitution". Article 8 in particular was to arouse international criticism in that it was used to repress forms of political dissent targeted at the integrity of the state. The EP's report notes that although the reasoning behind the law was to confer legitimate instruments on the Turkish state to defend itself from any terrorist and subversive attempts to change the nature of the state and its unity, "it must be said that the wording of Article 8 of the ATL and, in particular, its implementation have introduced repressive, intimidatory and essentially anti-democratic practises into Turkish society by the State Security Courts."\(^\text{189}\)

  The ATL has to be seen as an answer of the Turkish state to the challenge of terrorism, committed by the forces of the Partiya Karkeren Kurdistan (Worker's Party of Kurdistan, PKK) in the southeast of Turkey. The law has been introduced as an instrument to further guarantee the "territorial integrity" of the Turkish State. The notorious Article 8 of the ATL declares any kind of separatist propaganda a criminal

\(^\text{188}\)EUROPEAN PARLIAMENT (1995e), 7.  
\(^\text{189}\)EUROPEAN PARLIAMENT (1995e), 8.
offense. Unlike usual forms of criminal law under which facts represent the elements of offense, Article 8 is directed at "thought crime", curtailing the exercise of the right to freedom of information and freedom of expression. What makes this kind of "thought crime" essentially anti-democratic is the fact that the Turkish jurisdiction has not succeeded in defining clearly what "propaganda directed against the indivisible unity of state with its territory and people" actually means. This incapability has given more weight to the interpretation that Article 8 offers potential possibilities of arbitrary use of power. In this respect alone Article 8 does not fit the concept of a modern and democratic constitutional state.

On 27 October 1995, the Turkish Parliament decided on a reform of the ATL. The main changes include: the prison sentence for "separatist propaganda" reduced from between 2 and 5 years to between 1 and 3 years; the prison sentence may be converted into a fine of between 100 and 300 million Turkish lira, at the total discretion of the judge; the notion of "intentionality" has been introduced; the "explanatory memorandum" makes it incumbent on judges to implement the new law in the light of the European Convention on Human Rights; all the trials conducted hitherto on the basis of Article 8 must be reviewed.

All in all, it is justified to call the reform of the ATL a "cosmetic reform". With reference to Article 8 many jurists shared the opinion that "there is not much difference between the old and the new". It has to be conceded, however, that

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193 Changes summarized according to EUROPEAN PARLIAMENT (1995d), 9.
194 This judgement is also upheld by Çetin Özek, professor of law at the University of Istanbul, see the one page interview "Problems remain with Article 8", Turkish Daily News, 6 November 1995.
following the review of article 8 more than 120 of the 146 eminent politicians, trade unionists, journalists, lawyers and authors were released from prison.

Yet, staunch fighters for participatory democracy maintain that even if Article 8 were abolished, total freedom of expression could still not be guaranteed. Thus, "the very existence of a division between 'civil justice' (administered by ordinary courts) and 'military justice' (administered by State Security Courts)"\(^{196}\) remains in the center of the European Parliament's critique.

- **Human Rights**

On the highly sensitive issue of human rights, the European Parliament maintains the position that "the situation in Turkey continues to be a cause of concern to the international community"\(^{197}\). The EP's report mentions the existence of political and other extrajudicial killings, disappearances, torture and other cruel or inhuman or degrading treatment or punishment, arbitrary arrest, detention, denial of fair public trial and other allegations. The EP's central accusation is directed at the vacuum of control in which security forces operate: "While it may be true, as the Commission maintains in its documents, that there is a 'latent predisposition of Turkish society to accept the use of physical torture to obtain otherwise legitimate results' it cannot be accepted - by any system calling itself democratic - that the army, the military, the state security forces and the secret services should be allowed total freedom of action, with no formal effective democratic supervision, in the name of the independence, the integrity or the greater good of the state."\(^{198}\)

Even though the section on human rights in the EP report is kept rather moderate in tone, it cannot be denied that it lacks positive encouragement. Improvements, such as the March 1995 Prime Minister's second circular stating the unacceptability of torture and the personal intervention of the State Minister of Human

\(^{196}\)EUROPEAN PARLIAMENT (1995e), 9.
\(^{197}\)EUROPEAN PARLIAMENT (1995e), 10.
\(^{198}\)EUROPEAN PARLIAMENT (1995e), 11.
Rights in several torture cases to ensure that they were brought to trial, do not find mention in the EP's report. Likewise, violations and killings committed by PKK terrorist forces are not included in this section of the report either.

- The "Kurdish Issue"

Most of the above mentioned issues of political debate find their origin in what is known as the "Kurdish issue", the difficulty of finding a (peaceful) solution to the waging war in the southeast of Turkey involving the Turkish Army on the one hand and the terrorist group PKK on the other hand. The "Kurdish question" represents one of the fundamental cleavages in Turkish contemporary society which for several years has been striking at the very foundations of the Turkish nation-state. Since hardly any other issue in Turkish politics is as complex and entangled with a long history, a satisfactory reconciliation of West European and Turkish views of this problem seems to be very difficult to achieve. Although there certainly are some misunderstandings or misjudgements on the side of the West Europeans, as Turkish official and public opinion suggest, the main underlying factor seems to be conceptual differences with regard to the substantial content of the notions of "minority" and "nation state" and the inherent relationship between them. As the "indivisible unity of the state" is mentioned 17 times in the 1982 constitution, this postulate has given room to developments which had extinguished for a long time the rights of minorities. The restrictions that the last military regime placed on the use of the Kurdish language, i.e. were replaced only in 1991.

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199 A carefully examined, yet unemotional account of the human rights situation is provided by the UNITED STATES STATE DEPARTMENT (1995): Country Report Human Rights: Turkey; transcript provided by United States Embassy; Ankara.
200 It has to be noted, however, that the EP had released a lengthy resolution condemning PKK terror. This is sometimes overlooked. see: EUROPEAN PARLIAMENT (1995f): Résolution sur la visite du Troïka à Ankara et l'intervention militaire de la Turquie dans le nord de l'Irak, PE 189.074, 6 April 1995, EUROPEAN PARLIAMENT (1993a): Resolution on the terror campaign of the PKK, Doc. B3-1023/93, 15 July 1993, EUROPEAN PARLIAMENT (1993b): Resolution on the kidnappings by the PKK, Doc. B3-1256/93, 16 September 1993.
The apparent insistence on a purely military solution to the PKK problem has only increased the polarization and separation of Kurds and Turks. After ten years of war, not only PKK militia, but also several hundreds of Turkish soldiers have been killed. This has in turn led to the rise of exaggerated nationalism, a constant undercurrent in Turkish society. As a result of the PKK's campaign of "total war" in 1993, i.e., the "majority of citizens spent Republic Day (29 October) in a nationalistic and anti-Kurdish mood". Thus, the necessary precondition to come to a solution of the Kurdish issue, that is to differentiate between PKK terror on the one hand and the cultural demands of the Kurds on the other hand, has not been facilitated.

While the official Turkish point of view denies that these aspects are intrinsically linked, it is broad consensus among Western Europeans and within the European Parliament that "the end of military hostilities could create the political conditions for the peaceful coexistence of the Turkish and Kurdish communities in Turkey, in the context of respect for Turkey's territorial integrity as state, as the majority of the population certainly wants."205

As for the likelihood for achieving a peaceful solution to the "Kurdish issue" and the problem of terrorism, it has to be pointed out that business has recognized that the establishing of necessary stability in Turkey is inevitably linked to the "Kurdish issue". It was on behalf of the Turkish Chamber of Commerce and Commodity Exchange that a (controversial) report "Eastern Question - Diagnosis and Observations" was released in July 1995, in order to analyse publicly the situation in Turkey's southeast. Likewise, the chairman of the Turkish Industrialists and Businessmen Association (TÜSIAD), Halis Komili declared that the "Kurdish question is central to all others".

205EUROPEAN PARLIAMENT (1995e), 12.
207see the one-page interview with Halis Komili in: Turkish Daily News, 21 December 1995.
4.2. Reactions in Turkey

The reactions in Turkey\textsuperscript{208} on the major political issues brought up by the European Parliament have to be evaluated in light of the question whether external criticism and above all, the formulation of political preconditions can achieve their aims: "As always in such cases there is room for debate as to whether censure or tolerance, sticks or carrots are the best way to ensure progress. Given the extreme sensitivity of Turks to foreign criticism it seems probable that, to the extent possible, encouragement and acceptance will be more productive than condemnation."\textsuperscript{209}

Even at random, the European Parliament is perceived in Turkey as "generally hostile\textsuperscript{210}. The estimation in Turkey of the EP's pressuring influence ranges from officially diplomatic assessments expressing a moderate form of disagreement with the European Parliament to strict disapproval. Diplomatic circles maintain that "the European Parliament is in search of its identity. Therefore its actions are not natural. Besides, national parliaments have more responsibility. Obviously, the European Parliament tries to prove itself."\textsuperscript{211} Internal assessments of the EP, however, express their opinion on the European Parliament more frankly. The Secretary General of the Iktisadi Kalkinma Vakfi (Economic Development Foundation, IKV), a think-tank that was established in the 1960s in order to assist in Turkey's integration with the European Community, clearly stated: "With regard to the questions asked by the European Parliament during this year, I think that this body is actually unprepared to give an assent. Quite frankly, with the European Parliament, they have created a Frankenstein."\textsuperscript{212}

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\textsuperscript{209}MARTIN (1994), 132. \\
\textsuperscript{210}ERTAN, Nazlan (1996): 1995 marked by achievement of Customs Union, Turkish Daily News, 4 January 1996. \\
\textsuperscript{211}Interview with Özdem Sanberk, Turkish Ambassador to the United Kingdom, Turkish Embassy, London, 31 July 1995. \\
\textsuperscript{212}Interview with Emre Gonen, Istanbul, 14 November 1995.
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Another point raised indirectly against political preconditions and their realizability, referred to the observation that "the état d'ésprit of the European Parliament can best be characterized as lack of familiarity with Turkish reality."213 Without prior examining of the causes for certain general situations, it is often stated by diplomatic circles, aims will be difficult to achieve. With regard to the only slight amendment of Article 8 of the Anti-Terrorist-Law one official at the US embassy in Ankara underlined that "this is the most you can get out of this parliament". Refering to the representative cross-section of Turkish MPs, the diplomat said that "until now the level of sophistication is low. Hopefully the next election will bring more intelligent candidates into Parliament. At least now a lot more brain power will run than before, not being tied to clan responsibilities."214

4.3. Ratifying the Customs Union Agreement
Internal and bilateral dynamics reconsidered

When the European Parliament convened on 13 December 1995, in order to discuss in a final debate whether to give or deny its assent for the coming into force of the Customs Union Agreement it was facing a difficult decision. In his final report that was presented to the floor, the rapporteur of the Committee on Foreign Affairs, Security and Defense Policy, Carlos Carnero Gonzalez, concluded that "the existing political system in Turkey is in all respects a democracy which must be perfected, and in which there is a distinct lack of essential mechanisms for the exercise of important fundamental freedoms."215

In addition to this conclusion, the MEP's had to consider that they had only partially succeeded with their original idea to use the process of ratification to exercise

213 Interview with Laurent Billi, Second Secretary French Embassy; Ankara, 7 June 1996.
214 Interview with Janice Weiner, Second Secretary, responsible for evaluation of human rights, United States Embassy; Ankara, 7 November 1995.
leverage on the Turkish Authorities in an attempt to improve democracy and human rights. The main point of debate in the European Parliament coalesced around the question whether a rejection would support those who had done at least something towards democratisation in Turkey, or their opponents.

Even though it cannot be taken for granted, it has to be pointed out that the extensive lobbying of both Turkish Prime Minister Tansu Ciller and Turkish Foreign Minister Deniz Baykal had an important impact on the decision in the European Parliament. Both politicians were engaged in lengthy lobbying journeys. Prime Minister Tansu Ciller did not tire of advancing the argument that "Should Europe reject or delay our application, this will inevitably help extremist and anti-democratic forces".\(^{216}\) It was only after a meeting between British Labour Leader Tony Blair and Turkish Foreign Minister Deniz Baykal in November, that the Socialists, with 217 members the largest group in Parliament, on 6 December 1995 decided that they would vote in favour of the Customs Union.\(^ {217}\) Many observers agreed that "the pro-Islamist threat helped to sweep the issue of human rights under the table".\(^ {218}\)

Even though it was clear that the Parliament as a whole was prepared to give its assent to the customs union, the contributions to the final debate reflect that it was a vote "contre coeur". Overwhelmed by pressures from national governments and parties, persuaded by the arguments advanced by Turkish politicians or simply in doubt about the accuracy of their demands, the deputies left no doubt that their "yes" to the customs union represented no easy decision. Pauline Green, speaking for the Socialist Group opened her statement by saying that "whichever way Socialists vote today they will do so in sorrow, with heavy hearts and without enthusiasm."\(^ {219}\) Other speakers pointed out that they would vote against the customs union, because the CUA

\(^{217}\)see Press Release by Pauline Green, Leader of the Group of the Party of European Socialists; London/Strasburg, 7 December 1995.
\(^{219}\)EUROPEAN PARLIAMENT (1995g): Verhandlungen des Europäischen Parlaments, No.4-472; Strasburg, 13 December 1995, 144.
would arrange the relations with Turkey in an ambiguous manner. Dominique Souchet, deputy of the Europe of Nations Group (EDN) pointed out that he would "vote against ambiguity, against a human rights policy with variable geometry. This is the only variable geometry that we oppose." 220

When the European Parliament adopted the legislative decision to establish the final phase of a customs union with Turkey with a vote of 344 to 149, with 36 abstainers, it linked its assent with a resolution on the situation of human rights in Turkey. 221 Pointing out that "the situation of human rights and democracy still leaves much to be desired" the resolution appeals to all parties involved to engage in broad dialogue with each other to promote the respect for human rights and democracy.

220 EUROPEAN PARLIAMENT (1995g), 166.
5. Conclusion

Turkish-European relations have reached a new maturation with the implementation of a mutual customs union in the beginning of 1996. The new contractual framework which now defines Turkey-EU relations, however, still reflects a recurrent pattern that has been a permanent matter of contention ever since both parties entered into partnership. Contradictory basic interests, which both partners associate with the relations, prevail and therefore prevent a proper balancing of reciprocal responsibilities and obligations. Turkey's foreign policy elite still strive to become an integral part of the European Union, which demonstrates their desired end point for Turkey's societal modernization process. The Western Europeans, however, are mainly interested in maintaining close ties with Turkey for security reasons. Their motivation clearly excludes the future possibility of Turkey's becoming an integral part of Europe, even though this point of view is not made explicit in Turkish-European communication channels.

The analysis of the Customs Union Agreement has revealed that the new institutional framework reflects this continuous discrepancy of interest. The Turkey-EU customs union is a unique construct because it does not clearly define their relations. Instead, it creates an ambiguous proximity between Turkey and European Union. On the one hand, it restores Turkey's "special relationship" with the EU and, with regard to status, catapults Turkey ahead of other states who queue up for admission. No other non-member of the EU is tied as closely to the Community as is Turkey. On the other hand, the new arrangement does not offer any definite perspectives with regard to further integration. The declarations surrounding the Customs Union Agreement painfully avoid any reference to Turkey's prospective membership. The European Union regards the new arrangement as the preliminary politique finalité of the relations, which will not automatically lead to further rapprochement. Turkey's full membership in the EU is presently not a viable prospect.
Several political forces in the European Union categorically exclude this possibility. With these caveats in mind, the readiness and overwhelming enthusiasm several member states have articulated in favour of the Customs Union Agreement can be seen as politically inconsistent. This behaviour has aroused heightened political expectations in Turkey, ones which cannot be readily fulfilled.

This, in turn, has reinforced the perception of this unequal balance between both partners. In addition to that, the customs union brings about short-term political and economic disadvantages for Turkey. Economically, Turkey will have to bear the consequences of stiff competition the customs union will introduce, as EU-exports to Turkey will increase dramatically. Politically, Turkey will have to transfer part of her sovereignty to the EU without receiving direct political compensation. These disadvantages originating from the customs union were thought to be reconciled by additional measures. Whereas political dialogue and institutional cooperation were designed to make up for the loss of political sovereignty, financial cooperation was intended to alleviate the economic burden. Both instruments, however, are subject to political supervision and thus their implementation cannot be understood as an automatic process, since their coming into force depends on political decisions. Consequently, the new contractual framework bears several weaknesses. The examination of the institutional basis has disclosed that the arrangement does not reflect mutual interests and therefore impedes stable cooperation. In its present form, the Customs Union Agreement represents a highly unstable arrangement, which can not serve as a permanent basis for maintaining the relations. Thus, the original Turkish strategy of envisaging the CUA as a "stepping-stone" was not completely unfounded, since the Agreement carries with it a strong inherent dynamic which suggests further integration.

The analysis of the EU's foreign policy decision-making process has singled out two "agenda-setters" which stand in the way of Turkey's rapprochement with the
European Union. In this section the analysis has devoted particular attention to the role of Greece and has placed the new power base of the European Parliament under close scrutiny.

As EU-Council decisions require unanimity, the "Greek factor" has become a significant issue in EU-Turkey relations. With regard to future developments, however, it is important to note that the EU decision-making process is currently under revision. It can be expected that the Intergovernmental Conference (IGC), which reviews the EU's institutional set-up, will introduce a model of "qualified majority" for EU-Council decisions. Thus, Greek resistance opposing a smooth functioning of EU-Turkey relations will decrease in importance, as the "Greek veto" will most likely cease to constitute a viable policy instrument for Athens. A solution to the stalemate in Cyprus will nevertheless remain indispensible.

In addition to the "Greek factor", it has been noted that the political decision-making process has opened horizontally. As the European Parliament (EP) is granted considerable new powers, the EU's foreign policy no longer remains domaine réservé of the executive. Behind these measures is a potentially dramatic change of basic principles of international politics: putting human rights first means that respect for individuals and individual rights acquires priority over respect for the sovereignty of states. Since the European Parliament traditionally emphasizes issues of human rights and democracy, its new role will dramatically alter the past course of the relations. Turkish policy-makers must adopt to this new "code of conduct" in international politics, instead of rejecting all criticism and characterizing the European Parliament as the "enemy of Turkey". Turkey's "standard of democracy" will from now on be closely scrutinized. There is no doubt that "democracy" and the values connected with it will replace "geopolitics" as the key variable which will determine the future course of the relations. As these values constitute the fundamentals of European integration, it is very improbable that, with a more cohesive political identity, the European Union will make any concessions regarding the understanding of democracy. Closer
involvement will depend on successful attempts, whether undertaken in Turkey alone or with external support and assistance from the European Union, to enhance Turkey's standard of democracy.

The majority of political actors in Europe have realized that consolidating Turkish democracy is no easy task. Subsequent attempts to depoliticize the Turkish society after the military takeover in 1980 left behind a political system that seems to be trapped. This impasse all the more justifies external impulses.

As the thorough debate in the European Parliament has revealed, human rights issues do not represent a minor issue for the deputies. Accordingly, these issues are not debatable, no matter how difficult achievements in this sector appear to be. The permanent political debate in the EP has likewise revealed that the parliamentarians are willing to keep open all doors for dialogue. On the basis of sound assessments of Turkish internal pressures and dynamics, they have voted in favour of the Customs Unions Agreement, since they believed that this move would support the positive forces in Turkey. The EP's decision was by no means a "Yes" to Turkish democracy. It is incumbent upon Turkish actors, inside or outside Parliament, to send clear signals to Strasbourg confirming that this message has been understood. Any attempt within Turkey to support continuous democratization will ensure that the European Parliament looks favorably upon these moves and continues its strategy of "positive encouragement". If no such signals emerge, the EP will become increasingly reluctant to put confidence in Turkish political actors. Instead they will turn to a strategy of "political conditionality" and will point to the "hit-and-run" mentality which is pervasive among the Turkish political elite. Turkish actors should not provoke such a shift of the EP's strategy, as it would prove detrimental for successful mutual rapprochement.

During this time of fundamental change, societal interests come to take a prominent place in foreign policy formulations. As the case of EU-Turkey relations
shows, foreign policy decisions cease to be guided by a mere cost-benefit analysis. Likewise, topics such as "security" lose their significance as an exclusive priority in foreign policy. As this "modernisation" of foreign policy takes place under conditions of fundamental change of the international system, however, decisions cannot be guided by one principle alone. Paradigmatic change requires an interim period for the reconciliation of the aims of a world of societies and a world of states. Thus, foreign policy making will for a while witness a mix of Realpolitik and Idealpolitik.

As the above analysis has shown, relations between nations or group of nations, can no longer be accounted for exclusively in terms of relations between states. Even though this dimension offers potential clarity as far as the institutional ties between nations are concerned, it nevertheless neglects the growing political relevance of societal actors. Thus, "international" will increasingly have to be analysed in terms of "inter-societal".

However, international politics will for a long time be dominated by both the world of states and the world of societies. The end of the cold war has brought about the end of an era. One of its most important features probably lies in the dissolution of fixed patterns. The world witnesses the emergence of a third option, located between exclusion and inclusion. One can slowly realize that relations may be dealt with in terms of an attitude of "as-well-as" rather than "either-or". Consequently, models such as "differentiated integration", will come to take a prominent place, in order to overcome the former dichotomy of "inclusion" or "exclusion". As these flexible formulas enter the debate of EU-Turkey relations, they have to be understood as challenging concepts. Seriously assessing these new possibilities would give Turkish policy-makers a chance to replace wishful thinking by realism.
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