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***Transforming Turkey? Putting the  
Turkey-European Union Relations into a  
Historical Perspective***

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# Transforming Turkey? Putting the Turkey-European Union Relations into a Historical Perspective

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## ABSTRACT

This article aims to provide an alternative critical reading of Turkey-European Union (EU) relations, by contending that Turkey's EU accession process has been instrumental in changing the contours of the transformation of Turkish economy and its governance as part of its neoliberal restructuring. However, the "transformative power" attributed to the EU's enlargement strategy by the EU Commission has been somewhat debatable since the 2008 global financial crisis as reflected in the slowdown of the accession process. With the rising authoritarian tendencies in its domestic governance, the protracted saga of Turkey's quest for the EU membership is back to square one, as the proposal for the modernisation of the Customs Union underlines "respect for democracy and fundamental rights" as an indispensable basis for the future of the relations.

**Keywords:** Turkey-EU relations, EU accession process, EU's transformative power, neoliberal restructuring

## Türkiye'yi Dönüştürmek? Türkiye-Avrupa Birliği İlişkilerine Tarihsel Perspektiften Bir Bakış

### ÖZET

Türkiye-Avrupa Birliği (AB) ilişkilerini eleştirel bir perspektiften değerlendirmeyi amaçlayan bu makalede, Türkiye'nin AB'ne katılım sürecinin, Türkiye ekonomisinin ve kurumsal yapısının neoliberal yeniden yapılanma çerçevesindeki dönüşümünde etkin bir rol oynadığı ileri sürülmektedir. Ancak, katılım sürecini değerlendiren AB Komisyonu tarafından, AB'nin genişleme stratejisine atfedilen "dönüştürücü güç", katılım sürecinin yavaşlamasında da yansımaları bulduğu gibi, 2008 küresel finansal krizi sonrasında tartışılabilir hale gelmektedir. Ülke yönetiminde belirginleşen otoriterleşme eğilimi ile birlikte, "demokrasi ve temel haklara saygı"nın, ilişkilerin geleceği için vazgeçilmez olduğunu bir kez daha hatırlatan Gümrük Birliği'nin modernizasyonu önerisi, Türkiye'nin müzminleşen AB üyeliği macerasının yerinde saydığını göstermektedir.

**Anahtar Kelimeler:** Türkiye-AB ilişkileri, AB katılım süreci, AB'nin dönüştürücü gücü, neoliberal yeniden yapılanma

## Introduction

The protracted saga of Turkey's quest for the European Union (EU) membership has entered a new and acrimonious phase with the deterioration of the relations between the EU institutions and the Justice and Development Party (AKP) leadership, even before its latest episode of 'bovine crisis' with the Netherlands on the eve of the critical constitutional referendum in Turkey.<sup>1</sup> Long gone were the optimistic scenarios calling for a "new start" in the wake of the Euro-zone crisis, as the latter has been portrayed as somehow providing "a unique opportunity to revitalize the moribund EU-Turkey relationship." For the crisis would have necessitated "a process of reinvention" for the EU by creating "new institutional flexibilities" that might have rescued its relationship with Turkey from its "impasse."<sup>2</sup> Indeed, the relations had already been going through a patchy phase which could be described in terms of a shift from perceiving Turkey as a candidate country in the context of EU's enlargement policy to a strategic partner. What has been depicted as a landmark deal to stem the flow of refugees, particularly from Syria, into Europe in exchange for economic aid and a promise to grant visa-free travel to Turkish citizens within the Schengen zone, has provided a vivid manifestation of this shift. The latter, in turn, indicates the need to rethink the limits of transformative power attributed to the EU via its conditionalities on the prospective membership of the candidate countries.

Until recently, due to its length and contested nature, Turkey-EU relations has been an attractive field of inquiry for many scholars. Comprehensive political narratives on the history Turkey-EU relations<sup>3</sup> as well as the scenarios for its future in the context of the accession process have proliferated. Whereas the impact of the EU on Turkish polity and policies, especially within the neo-institutionalist conceptualisation of "Europeanisation" has attracted considerable attention in the literature<sup>4</sup>; there is also an emerging discussion on "de-Europeanisation" of Turkey<sup>5</sup> as a candidate country. Yet, there is almost a lacuna in the related literature on the nature of relationships between Turkey and the EU from a critical perspective that focuses on the linkages between Turkey's EU accession process and the Turkish experience of neoliberal restructuring. Nor is there much of an emphasis on the recent travails of the EU itself "as a neoliberal construction that reform of it is no longer seriously conceivable."<sup>6</sup>

The article contends that the role of Turkey's EU accession process has been instrumental in changing the contours of the transformation of Turkish economy and its governance during which the role of the EU was complementary to those of the international financial institutions (IFIs) especially until the 2008 global financial crisis. This was also a period during which the country has

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- 1 "Turkey's red-meat producers' association said it was expelling 40 Holstein Friesian cattle. Dutch cows, like Dutch diplomats, were no longer welcome in Turkey." S. Tisdal, "How Erdoğan's ruthless drive for more power is shaking a divided Europe", *The Observer*, 19 March 2017.
  - 2 cf. Nathalie Tocci and Dimitar Bechev, "Will Turkey Find its Place in Post-Crisis Europe?"; Senem Aydın-Düzgüt *et al.*, *Global Turkey in Europe: Political, Economic, and Foreign Policy Dimensions of Turkey's Evolving Relationship with the EU*, IAI Research Papers, Roma, Edizioni Nuova Cultura, 2013, p.33-44; Kemal Derviş, "Turkey and Europe. A New Perspective", Senem Aydın-Düzgüt *et al.*, *Global Turkey in Europe*, p.21-30.
  - 3 Atilla Eralp and Zerrin Torun. "Perceptions and Europeanization in Turkey before the EU candidacy: an overview of history", Ali Tekin and Aylin Güney (eds.) *Europeanization of Turkey: Polity and Politics*, Routledge Studies in Middle Eastern Politics, Oxon, Routledge, 2015, p.33-49.
  - 4 Ali Tekin and Aylin Güney (eds.) *Europeanization of Turkey: Polity and Politics*, 2015; Aylin Güney and Ali Tekin (eds.) *The Europeanization of Turkish Public Policies: A Scorecard*, Routledge Studies in Middle Eastern Politics, Oxon, Routledge, 2015.
  - 5 Senem Aydın-Düzgüt and Alper Kaliber, "Encounters with Europe in an Era of Domestic and International Turmoil: Is Turkey a De-Europeanising Candidate Country?", *South European Society and Politics*, Vol.21, No.1, 2016, p.1-14.
  - 6 Perry Anderson, "Why the System Will Still Win", *Le Monde Diplomatique*, March 2017.

become an investors' paradise from the perspective of international finance capital.<sup>7</sup> However, the transformative power as attributed to the EU's enlargement strategy by the EU Commission has been somewhat debatable since the 2008 crisis. On the one hand, the EU itself has been preoccupied with the protracted Eurozone crisis, which downgraded the issue of enlargement in the list of its priorities. On the other hand, the Turkish economy has entered a new phase of indebtedness which increased its vulnerability to the capital flows while there were difficulties increasingly encountered in its EU accession process coupled with the rising authoritarian tendencies in its domestic governance. Thus, it is imperative to underline the ways in which the AKP governments have attempted to benefit from the accession process for the realisation of its political objectives.

## **The European Union and the Neoliberal Transformation in Turkey until the 2008 Global Financial Crisis**

Turkey has been one of the test cases of the neoliberal transformation since the early 1980s when its economy and society have been subjected to a long process of comprehensive overhauling. Executed under the direct supervision of the IMF and the World Bank (WB), an extensive shift in the Turkish pattern of development has been initiated. With the rise to hegemony of the neo-liberal orthodoxy, "market rationality" has been dictating over any other form of collective decision-making. Not only the macro economy, but all aspects of social/institutional infrastructure were subjected to "structural adjustment". The conception of the integration with the world economy thus became an end in itself, at least at the level of discourse<sup>8</sup>, as the relations with the European Community (EC) was frozen from 1978 to 1987. Although the Turkish application for full membership in 1987 had been rejected by the EC in 1989, Turkey-EU relations would become one of the critical components of Turkey's mode of integration into world economy from the 1990s onwards and the concomitant neoliberal transformation in the era of financialisation.

The evolution of the EU's enlargement strategy in the wake of the disintegration of the Warsaw pact that would find its eventual formulation in 1993 Copenhagen criteria was rather limited with Eastern European countries which were considered as transition to market economies at the time. From the perspective of the Turkish policy makers, however, as reflected in the Sixth Five Year Development Plan (1990-1995) prepared before the collapse of the Berlin Wall, the integration to the European Community was of fundamental importance for the development of policies to increase competitiveness of the sensitive sectors of the Turkish economy. With the revival of the idea of the customs union (CU) in 1994 as prescribed by the Additional Protocol signed quarter of a century ago, the post-Maastricht EU was, in fact, proposing a new relationship with Turkey with no prospect of full membership. By contrast, the Turkish policymakers continued to perceive the CU as a step toward full membership to the EU as well as "an opportunity for Turkey to utmost benefit from advantages of globalisation."<sup>9</sup> In other words, the CU would be portrayed not as an end in itself, but rather as a powerful means to achieve full membership.<sup>10</sup> The CU would thus continue to be treated

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7 Galip Yalman, "Crises as Driving Forces of Neoliberal "Trasformismo": The Contours of the Turkish Political Economy since the 2000s", Alan Cafruny, Simona Talani, Gonzola Pozo Martin *et.al.*, *The Palgrave Handbook of Critical International Political Economy*, Palgrave Handbooks in IPE Series, 2016.

8 Galip Yalman, "24 Ocak Kararları ve Türkiye'nin 'Batı ile Bütünleşme'si", *İktisat Dergisi*, Ocak 1985.

9 DPT, *Yedinci Beş Yıllık Kalkınma Planı (1996-2000)*, Ankara, Devlet Planlama Teşkilatı, 1995, p.2.

10 Ziya Öniş, "An Awkward Partnership: Turkey's Relations with the European Union in Comparative-Historical Perspective", *Journal of European Integration History*, Vol.7, No.1, 2001, p.115.

as such, that is as a “transitional arrangement” to strengthen the Turkish economy on the way to full EU membership.<sup>11</sup> More pertinently, it would set the stage for the characterisation of the EU as an external anchor that would gain currency especially in the wake of the granting of candidate status to Turkey by the EU at the Helsinki summit in December 1999.<sup>12</sup> With such a depiction, the EU would thus be instrumental not only in enhancing the competitiveness of the Turkish economy, but also propelling the implementation of reforms that were considered long overdue. From the European side, however, the CU was seen as a tool to accelerate the radical economic changes that Turkey had been experiencing since the early 1980s and the gradual opening of the Turkish economy to the outside world, which did not necessarily entail the prospect for full membership.<sup>13</sup>

The turn of the century had witnessed an important watershed in Turkey-EU relations which tended to characterise most of the following decade. Having been granted the EU candidacy status at the Helsinki European Council in December 1999, Turkey signed a three-year IMF stand-by agreement which initiated the most comprehensive structural reform programme that the country has ever experienced. Potential EU membership thus became an impetus for radical transformation of the economy with long lasting consequences for the society and the polity, as it would also emerge as the lynchpin of Turkey’s integration with the world economy. The Turkish government would aspire to fulfil the Maastricht criteria, while it had been diligently implementing the three-year IMF stand-by agreement. The macroeconomic policies and structural reforms as prescribed in line with the latter would seek to enhance the competitiveness and adaptive capacity of the Turkish economy. The Eighth Five-Year Development Plan (2001-2005) reflected these aspirations, as it put emphasis on the policy measures that would increase economic efficiency in order to meet the Maastricht criteria. By the same token, adaptation to the EU legislation was seen as a tool of approximation to international norms and standards in general.

Despite the fact that the first decade of the 21<sup>st</sup> century turned out to be a period of crisis management following the twin crises in which a balance of payments crisis took place simultaneously with the crisis of the banking sector, during 2000-2001, the pursuit of dual objectives would continue to characterise the policy agenda. In fact, the crises provided justification for entrenching the neoliberal hegemony since they functioned as driving forces of the transformation process since the 1980s.<sup>14</sup> Accordingly, the *Transition to the Strong Economy Programme* (TSEP) adopted in the wake of the twin crises would push for the structural reforms in line with the conditionalities of the IMF and the WB programmes. Oddly enough, the EU Commission’s *Accession Partnership for Turkey*, which is said to clarify “a road map”, would circumscribe its “economic criteria” with the implementation of the structural reform programme agreed with the IMF and the WB.<sup>15</sup> This was repeatedly acknowledged by the EU, as it emphasised that the Accession Partnership provided an impetus and a new focus to the cooperation between Turkey and the international financial institutions (IFI). In that sense, in the first half of the 2000s, the crisis management strategies of the Bretton Woods institutions were also considered as being functional for enabling Turkey to fulfil the Copenhagen economic criteria

11 Kemal Kirişçi, *TTIP’s Enlargement and the Case of Turkey*, Turkey Papers No.1, Wilson Centre and Istanbul Policy Centre at Sabancı University, 2015, p.2.

12 Ziya Öniş and Caner Bakır, “Turkey’s Political Economy in the Age of Financial Globalization: The Significance of the EU Anchor”, *South European Society and Politics*, Vol.12, No.2, 2007, p.147-164.

13 European Commission, *1998 Regular Report from the Commission on Turkey’s Progress towards Accession*, 1998, p.22.

14 Yalman, “Crises as Driving Forces of Neoliberal “Trasformismo”, p.255.

15 Yalman, “Rethinking the Nature of the Beast”, Ahmet Haşim Köse, Fikret Şenses *et.al.*, *Neoliberal Globalisation as New Imperialism*, New York, Nova Science Publishers Inc., 2007, p.234.

and subsequent priorities of the Accession Partnership of the EU. This was acknowledged by the EU by stating that “cooperation between Turkey and the IFIs is receiving an impetus and a new focus through the Accession Partnership”, where “the grant resources available under the Accession Partnership serve as seed money and a catalyst for larger amounts of development finance from the IFIs”, in particular the WB, with a view to facilitating the co-financing of projects relating to pre-accession priorities.<sup>16</sup> In 2003, education, regulatory reform and public procurement were specified as the major areas in which “a high degree of complementarity between the pre-accession financial assistance programme and the ongoing reform programmes supported by the IFIs, particularly the WB” were sought by the European Commission (EC) and Turkish authorities.<sup>17</sup> In such a division of labour, the EU’s intervention capacity became more significant in the policy fields, such as social policy and employment, which would complement the functioning of market economy under the neo-liberal reform agenda.

Moreover, a number of regulatory and supervisory authorities were established as autonomous institutions in line with the priorities of the Accession Partnership.<sup>18</sup> The rationale for their establishment in the areas ranging from finance, energy, tele-communications to agriculture was to reduce, if not totally eliminate, the intervention of the political authorities into these sectors identified as sources of macroeconomic instability ensuing from expenditures made with political expediency. This, in turn, entailed the privatisation of the SEEs such as those involved in tobacco and sugar production which were established as part of the industrial development projects of the 1930s.

As for the financial sector, Banking Regulation and Supervision Agency (BRSA) established as a regulatory body in 1999, had started to operate following the ratification of the IMF sponsored Bank Law No 4389 by the parliament from 2000 onwards.<sup>19</sup> This would be followed by the amendment of the Central Bank Law in the wake of the February 2001 crisis which would accomplish the “independence” of the Central Bank of Turkey as strongly required by the Accession Partnerships.<sup>20</sup> While such legislation were perceived as “a movement toward depoliticization of bank lending and the rise of the regulatory state in monetary and financial governance”<sup>21</sup>, it did not necessarily imply the separation of the political and the economic as proclaimed by the advocates of the TSEP.<sup>22</sup> Indeed, it has been conceded that while “BRSA failed to demonstrate its bureaucratic autonomy from private banking interests”, the regulatory arrangements were rather functional in facilitating the “penetration of international bank capital into the developing country banking sector through mergers and acquisitions.”<sup>23</sup>

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16 Council Decision of 8 March 2001 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with the Republic of Turkey (2001/235/EC).

17 Council Decision of 19 May 2003 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Turkey (2003/398/EC).

18 Namely Telecommunications Authority in 2000; Energy Market Regulatory Authority and Turkish Sugar Authority in 2001; and, Public Procurement Authority and Tobacco and Alcohol Market Regulatory Authority in 2003.

19 Caner Bakır and Ziya Öniş, “The Regulatory State and Turkish Banking Reforms in the Age of Post-Washington Consensus”, *Development and Change*, Vol.41, No.1, 2010, p.77-106; Oktar Türel, “Türkiye Ekonomisinin Neoliberal Yapılanma Sürecinde Bankacılığın Yeniden Düzenlenmesi, 1980-2007”, *Alpaslan Işık’ya Armağan*, Mülkiyeliler Birliği Vakfı Yayınları No.31, Ankara, 2009; World Bank, *Non-Bank Financial Institutions and Capital Markets in Turkey*, A World Bank Country Study, Report No 25964, April 2003.

20 Law No. 4651 on the amendment of the Law of Central Bank of Turkey, 24 April 2001.

21 Bakır and Öniş, “The Regulatory State”.

22 Marco Airaud, Kemal Derviş, Daniel Gros, Faik Öztrak, Fırat Bayar and Yusuf Işık, “Stabilising Stabilisation”, Centre for European Policy Studies, EU-Turkey Working Papers, No.7/September 2004.

23 Bakır and Öniş, “The Regulatory State”.

Another important issue area which reflected the kind of arguments that has led to the characterisation of the partnership between the IMF and the EU as “a double external anchor” for disciplining Turkey to undertake the necessary reforms<sup>24</sup> in line with the neoliberal agenda was that of public procurement. As the Letter of Intent to the IMF (dated May 3, 2001), for the renewal of the three year stand-by agreement in the wake of the 2001 crisis so as to gain support for the TSEP, promised the enactment of a public procurement law, it soon became clear that it was also perceived as an integral component of the EU accession process.<sup>25</sup> The enactment of such a law in early 2002 would thus be seen, parallel to the regulatory arrangements for the financial sector mentioned above, as yet another step forward for the penetration of the international capital into the Turkish market.<sup>26</sup>

EU accession process, in fact, became an empty signifier for economic and political change as well as for stability whilst it gained the support of the different segments of the Turkish society including the business community and parts of the trade union movement albeit for different reasons. For the business circles, potential EU membership implied a mechanism to ensure macroeconomic stability that is considered indispensable for the continuity of capital inflows.<sup>27</sup> While this revealed the vulnerability of the Turkish economy to such flows, it also underlined the saliency of maintaining the country’s creditworthiness in the international financial markets for the Turkish business community in general, the conglomerates, known as the holding groups in particular, for having access to foreign savings. As this has been, in turn, presented as the basic means to achieve the desired end of integration with the world economy since the 1980s<sup>28</sup>, it has gained an added value in the aftermath of the 2000/2001 crisis. Meanwhile, as it has been acknowledged by the representatives of the Turkish business community, the EU accession process would force them to adapt themselves to the changing circumstances of the post-crisis era by adopting the new codes of corporate governance such as transparency and trustworthiness.<sup>29</sup> It thus became a signifier for their leading representatives such as TÜSİAD and Istanbul Chamber of Industry reflecting their desire for “further global integration and political stability deemed necessary to attract foreign capital and investments.”<sup>30</sup>

If the prospective EU membership was to be understood for producing a powerful discourse and impetus for change in Turkey<sup>31</sup>, this acquired a new and unprecedented quality with the coming to power of AKP government in 2002. In fact, it has been the characteristic feature of the Europeanization discourse to portray the EU’s enlargement process as a powerful mechanism triggering economic and political transformation processes in the candidate countries such as Turkey in particular. However, the

24 Ziya Öniş, “Turgut Özal and his Economic Legacy: Turkish Neo-Liberalism in Critical Perspective”, *Middle Eastern Studies*, Vol.40, No.4, 2004, p.113-134; Ziya Öniş and Caner Bakır, “Turkey’s Political Economy in the Age of Financial Globalization: The Significance of the EU Anchor”, *South European Society and Politics*, Vol.12, No.2, 2007, p.147-164.

25 As stated by Turkish Foreign Minister, İsmail Cem, at the 40th Session of the Turkey-EC Association Council, June 26, 2001, “We understand the importance the EU attaches to harmonization by Turkey in public procurement. This is a priority not only in Turkey’s National Programme for the Adoption of Acquis, but also a part of Turkey’s new economic programme.” Quoted in Fuat Ercan and Şebnem Oğuz, “Rescaling as a Class Relationship and Process: The Case of Public Procurement Law in Turkey”, *Political Geography*, Vol.25, 2006.

26 Ercan and Oğuz, “Rescaling as a Class Relationship and Process”, p.650.

27 Atila Eralp, “The role of temporality and interaction in the Turkey-EU relationship”, *New Perspectives on Turkey*, No.40, 2009, p.159.

28 Galip Yalman, *Transition to Neoliberalism: The Case of Turkey in the 1980s*, İstanbul, İstanbul Bilgi University Press, 2009, p.237, 262, 281.

29 “Sanayici Yol Haritasını Çiziyor”, *Radikal*, 17 December 2002.

30 Özge Yaka, “Hegemony in the making: TÜSİAD’s Hegemonic Role in the Context of Turkey’s EU Membership Process”, *Spectrum Journal of Global Studies*, Vol.7, No.1, 2015, p.93.

31 Eralp, “The role of temporality and interaction”, p.159.

EU accession was further attributed an additional transformative power, namely, that of transforming an Islamist political movement into a party that embraces the norms of liberal democracy. Moreover, if it were to succeed in this endeavour, this would have implications beyond Turkey, as it would set a precedent by “marrying one Muslim tradition with the idea of secular, democratic, pro-European governance”; hence the coinage of the term to dub the process, “Erdoganisation.”<sup>32</sup> In short, the EU accession process has been celebrated in more ways than one for initiating a process of reforms.

From the perspective of the representatives of the working class, which were rather sceptical about Turkey’s prospective entry into the European integration process since the 1970s, the EU accession started to assume new meanings by the 2000s. As it has been perceived by the former leader of Confederation of Progressive Trade Unions of Turkey (DİSK), the EU accession process seemed to provide an opening for democratisation, and an opportunity for the enhancement of workers’ rights which were severely curtailed by the industrial relations legislation introduced as part of the neoliberal transformation process since the 1980s<sup>33</sup>. Thus, it was held that the legal framework concerning the freedom of association and the right to bargain collectively in Turkey should be aligned with ILO standards and with current European practice.<sup>34</sup> Obviously, this would imply the adoption of “social dialogue” as a basis for removing the restrictions so as to establish “full trade union rights” as emphasised by the EU and advocated by some sections of the liberal intelligentsia in Turkey.<sup>35</sup> It is noteworthy that ILO, too, has been proposing “more active labour market policy to accompany restructuring in Turkey.”<sup>36</sup> Thereby, the leaderships of four major trade union federations would not refrain from making joint declarations that would concur with the calls for the alignment of labour laws with EU norms on the one hand, whilst resisting the measures to be introduced to make the labour market more flexible in accordance with the neoliberal reform agenda, on the other.<sup>37</sup>

It is to be noted that the WB was also recommending Turkey “to take advantage of the EU accession process as an anchor for reform and macroeconomic stability.”<sup>38</sup> This is significant since the relations with the EU had been taking a negative turn which would be interpreted subsequently as the loss of the reform momentum after 2005. While the AKP government has been quite skilful in instrumentalising the EU accession process so as to promote its own domestic and international standing as the champion of the democratisation process in Turkey<sup>39</sup>, its conduct of the negotiations with the EU in the wake of December 2004 summit would soon get it into uncharted waters.

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32 “Turkey and a new vision for Europe”, *opendemocracy.net*, 12 December 2007.

33 Süleyman Çelebi, “Sendikalar Bir Üst Federasyonda Buluşmalıdır”, Fikret Sazak (ed.) *Sendikal Kriz Yaklaşımları: Sendikalar Krizi Tartışıyor*, Epos, Ankara, 2007, p.26.

34 Gülay Toksöz, *Decent Work Country Report – Turkey*, International Labour Office (ILO), Regional Office for Europe and Central Asia, 2008.

35 European Commission, *Turkey 2004 Regular Report on Turkey’s Progress towards Accession*, SEC(2004) 1201, Brussels, 6.10.2004, p.111; Ayşe Buğra, Fikret Adaman and Ahmet İnsel, *Çalışma Hayatında Yeni Gelişmeler ve Türkiye’de Sendikaların Değişen Rolü*, Boğaziçi Üniversitesi Sosyal Politika Forumu, Araştırma Raporu, 2008.

36 Peter Auer and Natalia Popova, *Labour market policy for restructuring in Turkey: The need for more active policies*, Employment Paper 2003/51, Employment Sector, International Labour Office, Geneva, 2003.

37 DİSK, “İşçi ve Kamu Çalışanları Konfederasyonlarının Ortak Açıklaması”, *disk.org.tr*, 2010; Yasemin Özgün and Özgür Müftüoğlu, “Turkish Unions in the face of the Crisis of Capitalism”, Paper presented at *Global Labour University Conference in Berlin*, September 2010.

38 World Bank, *Turkey Country Economic Memorandum Promoting Sustained Growth and Convergence with the European Union, Volume II: Expanded Report*, Report No. 33549-TR, 23 February 2006.

39 İhsan D. Dağı, “The Justice and Development Party: Identity, Politics, and Discourse of Human Rights in the Search for Security and Legitimacy”, M. Hakan Yavuz (ed.), *The Emergence of A New Turkey: Democracy and the AK Party*, Salt Lake City, Utah University Press, 2006, p.88-106.

The Negotiating Framework, adopted by the European Council in October 2005 was, in fact, circumscribing the accession negotiations with Turkey in such a way that paved the way for voicing alternative formulas such as “privileged partnership.” Although the Framework document did not contain such wording as this would be unacceptable for the conduct of negotiation process, it would nonetheless stipulate that “specific adaptations to the *acquis*” such as “long transitional periods, derogations, specific arrangements or permanent safeguard clauses i.e. clauses which are permanently available as a basis for safeguard measures, may be considered.”<sup>40</sup> As the Framework document tended to justify such specific arrangements on the grounds of the EU’s “absorption capacity”, it also put emphasis on the special relationship that the EU must maintain with Turkey. As stated in the Negotiating Framework document, “if Turkey is not in a position to assume in full all the obligations of membership it must be ensured that Turkey is fully anchored in the European structures through the strongest possible bond.” These have been subsequently interpreted as entailing “stricter conditions and fewer incentives” for the Turkish case that were not found in the accession negotiations of other candidate countries such as Croatia.<sup>41</sup> However, it is pertinent to indicate that the specificity of the Turkish case stemmed rather from the historical legacy of the Ankara Agreement as stipulated by the derogations introduced by the EEC to the Additional Protocol in the late 1970s. This is revealed by the Framework document’s reference to the “freedom of movement of persons, structural policies or agriculture” as areas which the Commission will include in taking the necessary “safeguard measures.” Incidentally, freedom of movement of persons, and agriculture happened to be the areas which were not included in the 1995 completion of the Customs Union agreement either.

One major issue that came into the agenda has been the question of rule of law in general, that of combatting corruption in particular, so as to augment corporate governance and regulatory frameworks. As noted in the 2004 Progress Report, corruption remained “a matter of concern”, that is, “a serious problem in almost all areas of the economy and public affairs”, notwithstanding the fact that Turkey has been a member of the Council of Europe’s Group of States Against Corruption (GRECO) since January 1, 2004, having ratified the Civil Law Convention on Corruption. Hence the AKP government would be “encouraged to set up an independent anti-corruption body and to adopt the anti-corruption law.”<sup>42</sup> Yet, such an independent body would not be forthcoming, as the AKP government was reportedly dragging its feet in acknowledging the need for it.<sup>43</sup> Eventually, the Prime Ministry’s Inspection Board would be assigned to function as a coordination agency for the fight against corruption.<sup>44</sup> But this would come five years later in 2009 when the accession negotiation process have already lost the wind in its sails. More pertinently, it would hardly fit the criterion of being an independent body since the Inspection Board acts with “the order and consent” of the Prime Minister. Whilst there has been some concern about “favoritism and corrupt business practices” becoming a characteristic feature of the AKP rule<sup>45</sup>, perplexingly, this did not prevent the portrayal of the AKP government engaged in a “fight against corruption” as part of its adherence to neoliberal

40 Negotiating Framework, Council of the European Union, Luxembourg, 3 October 2005.

41 Senem Aydın-Düzgit, *Seeking Kant in the EU’s Relations with Turkey*, Istanbul, TESEV Publications, 2006; Eralp, “The role of temporality and interaction”, p.159.

42 European Commission, *Turkey 2004 Regular Report on Turkey’s Progress towards Accession*, SEC(2004) 1201, Brussels, 6.10.2004.

43 “Yolsuzlukla Mücadele Birimi Beklemede”, *ntvmsnbc*, 19 January 2005.

44 TC Başbakanlık, Teftiş Kurulu Başkanlığı Görev ve Yetkiler, <http://www.teftis.gov.tr/webform2.aspx?ShowPageId=10>.

45 Gül Berna Özcan and Hasan Turunç, “Economic Liberalization and Class Dynamics in Turkey: New Business Groups and Islamic Mobilization”, *Insight Turkey*, Vol.13, No.3, 2011, p.63-86.

economic programme.<sup>46</sup> This is all the more striking in the light of the subsequent assessment of the anti-corruption policy by the EC which noted that “there was no increase in the strength or independence of institutions involved in the fight against corruption.”<sup>47</sup>

Another major factor that would be detrimental to the conduct of accession negotiations has been the Additional Protocol to the Ankara Agreement of June 2005 which concluded that this agreement “shall be applicable” to all new members as enlarged through the Treaty entered into force on 1 May 2004.<sup>48</sup> While this concerned the extension of the CU to the Republic of Cyprus which Turkey did not recognise as the representative of the whole Cyprus, it indicated the discrepancy between the EU and the AKP government in interpreting the Additional Protocol’s implementation.<sup>49</sup> This episode is rather revealing about the ways in which the AKP government had attempted to instrumentalise not only the EU accession process for its political ends, but also the Cyprus problem both of which remained as stumbling blocks for the course of Turkey-EU relations. It is true that the adoption of the Negotiating Framework by the European Council in October 2005 was duly celebrated by both parties. However, the dispute over the implementation of the Additional Protocol would soon pave the way to the suspension of negotiations by the EU on eight chapters by the end of 2006. Moreover, the EU decided not to close any other chapters until the Turkish government fulfilled its commitments regarding the Additional Protocol. As these chapters included a wide range of issues from the free movement of goods to financial services, it became increasingly difficult for the AKP government to heed the recommendation of the WB. In other words, it became difficult to maintain the conception of the EU as an anchor of either “reform” or “stability” to the chagrin of TSEP advocates.<sup>50</sup>

However, these developments did not necessarily imply an aversion to the neoliberal policy agenda on the part of the AKP government as it had moored itself strongly to that agenda by continuing with IMF stand-by agreements until 2008. Nor did it mean that the EU itself deviated from its adherence to neoliberalism, as it would be reflected in its Lisbon agenda. As for the IMF which had no inhibition in putting into effect yet another three-year stand-by agreement with Turkey in early 2005 while there was neither a balance of payment nor a banking crisis on the horizon, the rationale was clearly one of political expediency. For it explicitly stated that it aimed to “provide an anchor”, albeit in advance, for the 2007 general elections in Turkey.<sup>51</sup> The EC on its part would acknowledge that the Pre-Accession Economic Programme of Turkey dated December

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46 Ziya Öniş, “Beyond the 2001 Financial Crisis: The Political Economy of the New Phase of Neoliberal Restructuring in Turkey”, *Review of International Political Economy*, Vol.16, No.3, 2009, p.409-432; Tanja A. Börzel, Dığdem Soyaltın and Gözde Yılmaz, “Same Same or Different? Accession Europeanization in Central Eastern Europe and Turkey Compared”, Tekin and Güney, *Europeanization of Turkey*, p.225.

47 European Commission, *Turkey 2011 Progress Report*, European Commission, SEC(2011) 1201 final, Brussels, 12 October 2011, p.19.

48 Council Decision of 13 June 2005 on the signature of the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey following the enlargement of the European Union (2005/672/EC).

49 “On 29 July 2005, Turkey signed the Additional Protocol adapting the EC Turkey Association Agreement to the accession of 10 new countries on 1 May 2004. At the same time, Turkey issued a declaration stating that signature of the Additional Protocol did not amount to recognition of the Republic of Cyprus. On 21 September, the EU adopted a counter-declaration indicating that Turkey’s declaration was unilateral, did not form part of the Protocol and had no legal effect on Turkey’s obligations under the Protocol.” European Commission, 9 November 2005, SEC (2005) 1426, Turkey 2005 Progress Report.

50 Airaud, “Stabilising Stabilisation”.

51 Yalman, “Crises as Driving Forces of Neoliberal “Trasformismo”, p.256.

2006 largely adhered to economic policy framework agreed in the stand-by arrangement with the IMF and in the Country Assistance Strategy with the WB, revised in 2006. It would further stress the need to lock in Turkey to the reform agenda to prevent decision-making on an *ad hoc* basis stemming from political considerations.<sup>52</sup> This makes clear that the EU was in fact delegating to the Bretton Woods institutions the role of keeping the AKP government on the neoliberal reform track. In spite of the slowing down of its relations with Turkey, the EU would adopt the fourth and final Accession Partnership document in 2008.

## Putting the Accession Process on Hold

While trade integration between the EU and Turkey has increased over the last two decades as reflected in the soaring current account deficit of the latter,<sup>53</sup> there has been a slowdown in the pace of the accession process in the second half of the 2000s, as also noted by the EC.<sup>54</sup> This was partly due to political developments in Turkey which tended to change the EU's perception of the AKP rule in parallel to that of the liberal intelligentsia in the country. There was also opposition to the prospective full membership of Turkey by the German and French governments that came to power in 2005 and 2007 respectively. In the midst of turmoil caused by the constitutional crisis of the EU, it was argued that the enlargement policy was becoming "the scapegoat and victim of the EU's institutional problems."<sup>55</sup> Furthermore, the deepening-widening (enlargement) problematic of the EU seemed to have lost its saliency in the wake of the global financial crisis from 2008 onwards with implications for Turkey's accession process, which went largely unnoticed at the time.

However, the perceptible slowing down of the accession process could not simply be accounted by the sort of arguments that referred either to a loss of enthusiasm for reform on the part of the AKP government or the lack of convergence between the time-tables of the parties concerned.<sup>56</sup> It is also necessary to observe that Turkey's position as a candidate country has been subject to a differential evaluation by the EU well before the global financial crisis, reflecting the evolution of its priorities in the course of the accession process. The inclusion of Turkey into the Instrument for Pre-Accession (IPA) framework, which came into effect on January 1, 2007 underlined the peculiarity of its relationship with the EU. For IPA was an attempt by the EU Commission to readjust "its pre-accession policy tools to current challenges of enlargement policy" by bringing the mechanisms of its financial assistance to candidate and potential candidate countries under a single framework. However, Turkey appeared to remain in a rather unique, if not awkward, category for being included in the IPA group of countries. This was not only because of the open ended nature of its accession process, "the outcome of which cannot be guaranteed beforehand"<sup>57</sup>, but also because of the fact that it was lumped together with the Western Balkan countries, which were yet to be considered ready for accession.<sup>58</sup> It is also noteworthy

52 European Commission, *Turkey 2007 Progress Report*, SEC(2007) 1436, Brussels, 6 November 2007, p.26, 52.

53 As it was noted for the first decade of the CU agreement, the overvalued TL made an impact on the soaring trade deficit of the Turkish economy with the EU. Bilin Neyaptı, Fatma Taşkın and Murat Üngör, "Has European Customs Union Agreement really affected Turkey's trade?", *Applied Economics*, Vol.39, No.16, 2007, p.2121-2132.

54 "Enlargement Strategy and Main Challenges 2007-2008", Brussels, 6.11.2007, COM (2007) 663 final.

55 Atila Eralp, "The role of temporality and interaction in the Turkey-EU relationship", *New Perspectives on Turkey*, No.40, 2009.

56 E. Fuat Keyman and Senem Aydın-Düzgit, *Transforming Turkey-EU Relations: Ground for Hope*, Global Turkey in Europe, Policy Brief 06, March 2013; Eralp, "The role of temporality and interaction", p.159.

57 European Commission, *Enlargement Strategy and Main Challenges 2007-2008*, Brussels, 6.11.2007, COM (2007) 663 final.

58 For instance, Serbia started the process of joining the EU by signing of the Stabilisation and Association Agreement on 29 April 2008 and officially applied for membership in the EU on 22 December 2009. It received a full candidate status

that Croatia which started its accession negotiations at the same time with Turkey, was not among the IPA countries, indicating the differential perception of the EU regarding the two candidate countries.

Yet, the EU generally tended to be supportive of the AKP government's political strategy until after the 2010 constitutional amendments, despite the impediments stemming from the disagreement about the expansion of Additional Protocol to Cyprus. This may be considered as one of the last instances where the AKP government openly resorted to the EU accession process for the realisation of its domestic agenda in the second half of the 2000s. It was also critical for the depiction of the AKP as the leading political force of democratisation-cum-Europeanisation on the part of the liberal intelligentsia.<sup>59</sup> Nevertheless, it is debatable whether the rationale for the EU's support actually reflected the arguments of the liberal intelligentsia who portrayed these changes as necessary "reforms" to put an end to the "tutelary controls" of the military and judiciary.<sup>60</sup> As the civilian control over the military has been a constant of the EU's Progress Reports and *ipso facto*, considered as a benchmark of its Europeanisation<sup>61</sup>, the EC would describe the 2010 constitutional amendments as "a step in the right direction", for the accomplishment of the priorities of the Accession Partnership<sup>62</sup>. However, this need not imply a justification for the characterisation of the state as a subject that could exercise its tutelage over the society. For such a characterisation seemed to be a deliberate attempt by the liberal intelligentsia to negate the conceptualisation of the state as a historically-specific form of social relations of production. Thereby, the Turkish state emerges as a subject independent of power struggles, rather than being conceived as condensation of power relations in a historically specific context.

Ironically, the relationship between the government and the liberal intelligentsia that functioned as the organic intellectuals of the AKP regime started to turn sour pretty soon after the Constitutional Referendum on September 12, 2010. They were, in fact, jubilant at the beginning having portrayed Turkey-EU relations as initiating a "process of democratic opening", as it coincided with "a single party majority government [which] increased the possibility of democratic and economic stability."<sup>63</sup> If it could be accompanied by "a radical restructuring of state-economy relations" as implied by the TSEP, this could have paved the way for bringing "the time of the strong state tradition ... to an end", and the "development of civil society as independent of the state and its tutelage."<sup>64</sup> This particularistic account of the Turkish historical development process has been, in fact, putting forward the basic credentials of a neoliberal-cum-conservative perspective for signifying the AKP government as the carrier of a "radical transformation" project whilst maintaining economic and political stability. However, it was not simply a matter of "yesterday's conservatives ...becom[ing] today's reformers"<sup>65</sup>, as reflected in the liberal intelligentsia's dubbing of the AKP regime. Rather, it indicated the extent

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on 1 March 2012 and started accession talks on 21 January 2014. Whereas Montenegro after its independence from Serbia in 2006, would start its accession negotiations in 2012.

59 Yalman, "Crises as Driving Forces of Neoliberal "Trasformismo", p.249.

60 Ergun Özbudun, "Europeanization and Turkey's Constitutional Reform Process", Tekin and Güney (eds.) *Europeanization of Turkey*, p.40.

61 Aylin Güney, "Europeanization of civil-military relations in Turkey: civilianization without democratization?", Tekin and Güney (eds.) *Europeanization of Turkey*, p.108-124.

62 European Commission, *Turkey 2010 Progress Report*, SEC(2010) 1327, Brussels, 9 November 2010, p.8.

63 E. Fuat Keyman and Ziya Öniş, *Turkish Politics in a Changing World: Global Dynamics and Domestic Transformations*, Istanbul Bilgi University Press, Istanbul, 2007, p.286.

64 *Ibid.*, p.283, 286.

65 Nathalie Tocci, "Europeanization in Turkey: Trigger or Anchor for Reform?", *South European Society and Politics*, Vol.10, No.1, 2005, p.73-83.

to which they shared neoliberalism-political Islam nexus signifying the *trasformismo* as a “Turkish model of moderate Islam” or “post-Islamist”, though such labels were not found agreeable by the AKP leadership.<sup>66</sup> Moreover, such particularist-cum-institutionalist accounts also acknowledged the “transformative power” attributed to the accession process by the EC<sup>67</sup> presumably, to break the path dependency of the Turkish state-society relations. As this did no doubt suit the aspirations of the AKP leadership, but it would also lay the ground for a potential rift between the latter and its liberal supporters both at home and abroad.

Defined as the foundational principle of the EU as well as one of the three pillars of the enlargement process<sup>68</sup>, the rule of law has also been used as a benchmark to assess the performance of the candidate countries.<sup>69</sup> In this regard, there was increasing concern about the actions of the AKP government especially in the areas of freedom of expression, the judiciary, and the Kurdish question which would be perceived as resulting from the decreasing credibility, if not removal, of the EU anchor in Turkey.<sup>70</sup> However, it is to be remembered that such concerns did not come into agenda for the first time in the aftermath of the 2010 Constitutional amendments, though they were exacerbated by the developments since then. Indeed, 2007 Progress Report had noted that “the prosecution and conviction for the expression of non-violent opinions” under certain provisions of the Turkish Criminal Code, in particular under article 301, were considered “a cause of serious concern” as well as the prevailing anti-terror law, on the freedom of expression.<sup>71</sup> While such concerns were also reflected by the liberal intelligentsia at the time, it seems that they would be giving the benefit of doubt to Prime Minister Erdoğan, rather than blaming the AKP government for forsaking of the freedom of expression.<sup>72</sup> In due course, there seems to be an acknowledgement of the fact among the AKP’s so-called liberal supporters, albeit belatedly, that the party’s mode of governing has been wreaking havoc with the rule of law and the principle of separation of powers considered as the fundamental premises of a democratic form of government.<sup>73</sup> No less saliently, the expectations raised about the independence and impartiality of the judiciary to be accomplished as a result of the constitutional amendments would soon give way to anxious remarks about the politicisation of the judiciary.<sup>74</sup>

In this deteriorating atmosphere, the EC proposed to start the “Positive Agenda” so as to bring “fresh dynamics and a new momentum” to the Turkey-EU relations. This has to be considered within the framework of the “new approach” adopted by the European Council which entrenched the rule of law “at the heart of the enlargement policy.”<sup>75</sup> More broadly, this would be justified retrospectively as an

66 Asef Bayat, “Islamism and Empire: The Incongruous Nature of Islamist Anti-Imperialism”, *Socialist Register 2008 Global Flashpoints*, Vol.44, 2007, p.38-54; Yalman, “Crises as Driving Forces of Neoliberal “Trasformismo”.

67 European Commission, *Enlargement Strategy and Main Challenges 2014-15*, COM(2014) 700 final, Brussels, 8.10.2014.

68 Ibid.

69 Sanem Baykal, “Europeanization of the Turkish judiciary”, Tekin and Güney (eds.) *Europeanization of Turkey*, p. 91.

70 Ibid, p.100; Daniela Huber and Nathalie Tocci, “Introduction”, Senem Aydın-Düzgit et.al. (eds.) *Global Turkey in Europe*, IAI Research Papers, 2013, p.13-16.

71 European Commission, *Turkey 2007 Progress Report*, SEC(2007) 1436, Brussels, 6.11.2007, p.13-16.

72 “Turkey and a new vision for Europe”, *opendemocracy.net*, 12.12.2007.

73 Galip Yalman, “AKP Döneminde Söylem ve Siyaset: Neyin Krizi?”, Simten Coşar and Gamze Yücesan-Özdemir (eds.) *İktidarın Şiddeti*, Metis, Istanbul, 2014, p.42; Yalman, “Crises as Driving Forces of Neoliberal “Trasformismo”, p.250.

74 Emiliano Alessandri, “Democratization and Europeanization in Turkey after the September 12 Referendum”, *Insight Turkey*, Vol.12, No.4, 2010, p.23-30; European Commission, *Turkey 2011 Progress Report*, European Commission, SEC(2011) 1201 final, Brussels, 12.10.2011, p.15-16; Baykal, “Europeanization of the Turkish judiciary”, p.98.

75 European Commission, *Enlargement Strategy and Main Challenges 2012-2103*, COM(2012) 600 final, Brussels, 10.10.2012.

attempt to maintain “the credibility of enlargement policy” and “enhance its transformative power.”<sup>76</sup> This reformulation of the policy has, in fact, ensued from the need to underline the significance of Chapter 23 Judiciary and Fundamental Rights, and Chapter 24 Justice, Freedom and Security in regards to countries such as Montenegro which started its accession process in 2012. In the Turkish case, however, the acknowledgement of the pause in the accession negotiations by the Commission seemed to have necessitated a trigger “to keep the accession process alive and put it properly back on track.”<sup>77</sup> Indeed, there has been an attempt, so to speak, to recast the EU anchor so that the issue of Chapters 23 and 24 could be brought back to the agenda. The launching of the Positive Agenda in May 2012 has been followed by the Readmission Agreement which the Turkish authorities had been negotiating since 2005, but initialled in June 2012. The signing of this agreement in December 2013 was rather salient since Turkey, as the WB noted, is the only candidate country without a visa-free regime with the EU.<sup>78</sup> Hence, it would be accompanied with the launching of the visa liberalisation dialogue that would be based on the “Roadmap towards Visa-Free regime with Turkey” that set the benchmarks for the Commission.<sup>79</sup> That is, “a list of reforms to be adopted and effectively implemented by Turkey so that the visa obligation may be lifted.”<sup>80</sup>

The AKP government, too, appeared to mend fences with its announcement of a “European Union Strategy” in the autumn of 2014, perceived by the EU as a positive response to reinvigorate the accession process. Yet, the subsequent assessments of the EC of the Turkish case would not only cast a shadow upon the viability of the “Positive Agenda”, but also indicate the limitations of EU’s “transformative power.”<sup>81</sup> In fact, the Commission’s assessment has been increasingly pessimistic, shifting from an understatement of “no progress” in 2015 to “significant backsliding in the areas of freedom of expression and freedom of assembly” in 2016. More gruesome was the indictment that “the independence of the judiciary and respect of the principle of separation of powers have been undermined and judges and prosecutors have been under strong political pressure.”<sup>82</sup>

Expressions of disappointment by the EC in regards to the Chapters 5, 8, 19, Public Procurement, Competition, Social Policy and Employment respectively, could also be seen as indicating the limitations of EU’s “transformative power.” On the labour front, the calls for the alignment of labour laws with EU norms would come to no avail, since the AKP government’s strategy of labour containment has no place for the establishment of “full trade union rights” that would be considered necessary for such an alignment. On the contrary, it would further augment the existing restrictions rather than releasing them with its new legislative measures in due course, while labour unions have lost much of their credibility among the working classes.<sup>83</sup> Yet, this did not prevent the

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76 European Commission, *Enlargement Strategy and Main Challenges 2014-15*, 8.10.2014.

77 “Positive EU-Turkey agenda launched in Ankara”, MEMO/12/359, Brussels, 17 May 2012.

78 World Bank, *Evaluation of the EU-Turkey Customs Union*, Report No. 85830-TR, 28 March 2014, p.86.

79 European Commission, *Report from the Commission, to the European Parliament and the Council on progress by Turkey in fulfilling the requirements of its visa liberalisation roadmap*, Brussels, COM(2014) 646 final, 20.10.2014.

80 “Roadmap towards a visa-free regime with Turkey”, *Voltaire Network*, Brussels, 16 March 2016.

81 In this regard, it has also been contended that the de-coupling of deepening/enlargement dynamic of the EU in the wake of its so-called Constitutional Crisis and Eurozone crisis, had repercussions for Turkey’s accession process by limiting EU’s transformative capacity. Nilgün Arısan Eralp and Atila Eralp, *AB Genişleme Sürecinin Sonu mu?*, Türkiye Ekonomi Politikaları Araştırma Vakfı, TEPAV, Değerlendirme Notu, N201502, January 2015.

82 European Commission, *Turkey 2015 Report*, European Commission, SWD(2015) 216 final, Brussels, 10.11.2015; European Commission, *Turkey 2016 Report*, European Commission, SWD(2016) 366 final, Brussels, 9.11.2016.

83 Oktar Türel, “Turkey vis-à-vis the Periphery of the EU: An Economic Assessment”, *METU Studies in Development*, Vol.41, 2014, p.389-413.

AKP government from receiving compliments from the WB for “the adoption and implementation of a comprehensive new employment strategy, including reforms to increase labour market flexibility.”<sup>84</sup> By contrast, another WB study was rather critical of the current public procurement practices in Turkey for limiting foreign competition by erecting barriers to potential EU contractors.<sup>85</sup> Nevertheless, the government’s strategy was to be defended by adhering to the neoliberal agenda. As stated by the then Deputy Prime Minister Ali Babacan: “We do not want to open three chapters that the EU has not blocked politically, to the extent that they will restrain our economic programme and competitiveness in the world.”<sup>86</sup> Ironically, the AKP government would not refrain from putting an end to the administrative and financial autonomy of the “independent regulatory agencies” in 2011 by subjecting them to the supervision of the affiliated ministries.<sup>87</sup> The EC on its part criticised the lack of developments which would make social dialogue the basis for improving both the working conditions and the exercise of trade union rights.<sup>88</sup>

If these sets of criticisms were to be the basis for a shift in the EU perspective from perceiving Turkey as a candidate country to a strategic partner to make deals with, they hardly justified its portrayal as a model to be emulated in its troubled neighbourhood. Although the EC would continue to identify Turkey as a candidate country as well as a strategic partner for the EU<sup>89</sup>, there were apprehensions that strategic partnership could be elusive, though if developed, might be conducive for accelerating the accession process in the future.<sup>90</sup> Put differently, while Turkey might have been envisioned as helping “the EU develop a common vision of a global Mediterranean”, it had to be acknowledged that “Turkey’s domestic de-democratization” has been in tandem with “its waning appeal in the neighbourhood.”<sup>91</sup> Long gone, in other words, were its portrayal as “a regional *soft power*” that would be instrumental in stabilizing its neighbourhood.<sup>92</sup>

## In Lieu of Conclusion: Back to Basics?

In May 2015, the EC and Turkey agreed to initiate procedures for the modernisation and extension of the CU, not as an alternative but complementary to the accession negotiations which tended to remain stalled. This has been pursued when the Commission asked the Council at the end of 2016 for a mandate to launch talks with Turkey to modernize the CU.<sup>93</sup> What has been at issue, primarily, is the asymmetrical nature of the trade relations that the CU entailed. Indeed, by way of acknowledging the problems involved, the EC had earlier asked the WB to prepare a report on the subject. The WB

84 World Bank. Country Partnership Strategy for the Republic of Turkey for the Period 2012- 2015, the World Bank Group, 2012.

85 World Bank, *Evaluation of the EU-Turkey Customs Union*, Report No. 85830-TR, 28 March 2014.

86 Zeynep Gürcanlı, “AB müzakerelerinde bir ilk”, *Hürriyet*, 16 May 2012.

87 Erdal Sağlam, “Üst Kurullar Artık Bağımlı”, *Radikal*, 20 August 2011.

88 European Commission, *Turkey 2013 Progress Report*, European Commission, 2013; European Commission, *Turkey 2016 Report*, 9.11.2016.

89 European Commission, *Enlargement Strategy and Main Challenges 2014-15*, 8.10.2014.

90 Eralp and Eralp, *AB Genişleme Sürecinin Sonu mu?*

91 Emiliano Alessandri and Meliha Benli Altunışık, *Unfinished Transitions: Challenges and Opportunities of the EU’s and Turkey’s Responses to the “Arab Spring”*, Global Turkey in Europe Working Paper No.4, January 2013.

92 Meliha Altunışık, “The possibilities and limits of Turkey’s soft power in the Middle East”, *Insight Turkey*, Vol.10, No.2, April 2008, p.41-54; Cemal Karakaş, “EU–Turkey: Integration without Full Membership or Membership without Full Integration? A Conceptual Framework for Accession Alternatives”, *Journal of Common Market Studies*, Vol.51. No.6, 2013, p.1057-1073.

93 European Commission - Press release, Brussels, 21 December 2016.

report would do its best to pretend that the modernisation of the CU provides the best means “to move forward with accession negotiations”, whilst proposing “practical steps” to diminish “the costs for Turkey” arising from “the asymmetries in the decision making processes concerning external commercial policy.”<sup>94</sup> Similarly, there have been optimistic appraisals of the call for the modernisation of the CU that it might become “the lynchpin of a strategy to revitalise the EU-Turkey relationship.”<sup>95</sup>

Yet, it seems that the fate of the protracted saga of Turkey’s quest for the EU membership is back to square one. As prescribed more than once over the last three decades:

Europe’s strategy for Turkey was based on building on existing agreements, intensifying the CU and implementing its financial provisions, and approximating Turkey’s laws to the EU’s *acquis* as in the “Matutes Plan” prepared by the EU Commission in 1990. The European Council [in 1998] recalled that “strengthening Turkey’s links with the EU also depends on its pursuit of the political and economic reforms.”<sup>96</sup>

As a matter of fact, the Commission’s proposal for the modernisation of the CU explicitly states that “an essential element of the agreement” will be “respect of democracy and fundamental rights.”<sup>97</sup> With such an emphasis by the EC, it becomes crystal clear that as long as the fulfilment of the political criteria remains something to be longed for, the CU however modernised, would remain as an alternative to full membership rather than an accelerator of the accession process.

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94 World Bank, *Evaluation of the EU-Turkey Customs Union*, 2014. These asymmetries which were stemming from the provisions of the CU agreement that committed Turkey to align its trade policy to the EU’s preferential trade regimes with the third countries, have been a source of complaints by the Turkish business firms for many years. Selen, Akses, “Why the Revision of Turkey-EU Customs Union was Inevitable”, *Hürriyet Daily News*, 1 June 2015; Sübidey Togan, *The EU-Turkey Customs Union: A Model for Future Euro-Med Integration*, MEDPRO Technical Report No.9, March 2012.

95 Marc Pierini and Sinan Ülgen, *A Moment of Opportunity in the EU-Turkey Relationship*, Carnegie Europe, December 2014, p.5-6.

96 Bahri Yılmaz, *The Relations of Turkey with the European Union: Candidate Forever?*, Center for European Studies Working Paper Series No.167, 2008.

97 European Commission - Press release, Brussels, 21 December 2016.