

# THE NEW EASTERN QUESTION FOR THE EUROPEAN UNION

WHAT TO DO ABOUT TURKEY?

Master of Arts in Law and Diplomacy Thesis

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Spring 2003

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## **Abstract**

Ten mostly Eastern and Central European countries will enter the European Union in 2004, extending its eastern boundaries all the way to Russia and dramatically altering the landscape of the EU. Now, the EU must deal with a new "Eastern Question," namely the potential entry of EU candidate Turkey. It is clearly in Europe's interest to see Turkey aligned with the West and to ensure that it becomes a democratic, constitutional state for the sake of peace, stability and security in the Eastern Mediterranean, but extending membership to this predominately Muslim state requires the European Union to expand its conception of identity and revise its future vision of Europe, a move many EU members seem unprepared to accept. Turkey's resolve to meet EU entry requirements has grown, the country has shown an ability to evolve, mature and, above all else, demonstrate that it is both resolved to and able to meet EU entry requirements. The real question then is whether Turkey will ever be *allowed* to enter the European Union.

This paper examines questions faced by the EU as it attempts to grapple with a near doubling of the number of members in the Union and the major obstacles that Turkey will face in trying to gain entry to the EU, using Poland's experience of five years of negotiations with the EU as a comparison. The paper concludes with a look to the future and each country's probable position within the EU sphere in the years ahead.

In December 2002, after successfully completing accession negotiations with Poland, the European Union effectively extended its eastern boundaries in 2004 all the way to Russia. Now, the EU must deal with a new "Eastern Question," namely the potential entry of EU candidate Turkey which would extend the EU's borders much farther than most in the EU currently seem prepared to accept.

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## 1. Introduction

As the European Union (EU or Union) looks forward in the 21<sup>st</sup> century, it sees on the imminent horizon the enlargement of the EU from the current fifteen member countries to twenty five<sup>1</sup> members by January 2004 and most likely to twenty-seven by the year 2008 when both Bulgaria and Romania are expected to join. With the signing of their respective accession treaties in a glittering ceremony in Athens, Greece on April 16<sup>th</sup>, it is now certain that ten mostly Eastern and Central European countries will enter the EU in 2004 and, with one “big bang,” dramatically alter the landscape of the European Union.

With enlargement will come the inevitable questions of what defines the boundaries of Europe, and how best to build a common understanding of Europe that unites so many countries and incorporates such a diverse set of peoples, cultures, and ideas. The largest enlargement in the history of the EU has been and will continue to be for many years ahead, an enormous undertaking on many levels: economic, social, legal and institutional. This process to date has been anything but easy and far from smooth for both the EU and the candidate countries.<sup>2</sup>

As the EU takes a deep breath, and prepares for enlargement, it does so knowing that the success or failure of its enormous undertaking will determine whether the EU’s future purpose is a more limited one as simply a large common market, or will be something much more substantial than something purely economic, with a strong political and cultural dimension as well that could redefine Europe’s place in the global arena. In this context, perhaps no single decision will likely be more difficult or more defining for the future identity of Europe than the

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<sup>1</sup> The ten countries that recently completed negotiations in December 2002 include: The Czech Republic, Estonia, Hungary, Poland, Lithuania, Latvia, Slovakia, Slovenia, Cyprus and Malta. Both Bulgaria and Rumania are expected to complete negotiations in time to enter the EU by 2008. Turkey, recognized as an official candidate for entry by the EU in 1999, is still seeking a date to being negotiations with the EU.

<sup>2</sup> Jasinski, Filip. “Prioritization of Work – Preparing Poland’s Accession to the European Union”, *German Policy Studies*, October 2001: Online. Expanded Academic ASAP 10 Mar 2003

decision on whether Turkey will have a place in the European Union as a full member. Turkey's remarkable progress since June 1999 in fulfilling the EU's "Copenhagen Criteria"<sup>3</sup>, as required by all candidate countries before official accession negotiations can start, will force the EU in the next two years to confront an issue that only a few years ago seemed decades away.

In order to examine Turkey's candidacy for the EU, including its progress to date and its ongoing preparations, it is instructive to compare Turkey to a country that, of the twelve candidates that have either completed or are still negotiating with the EU, sheds the most light on Turkey's readiness for entry and the myriad daunting hurdles the country is likely to face in its quest to join the Union. Poland undoubtedly is the most important member of the EU's current expansion plans due to its size (almost as large as the other nine candidates that will enter in 2004 combined), the critical role it will play in the power structures of the EU, and its importance as a symbol of the EU's current expansion to embrace the formerly communist Eastern Bloc countries. As such, Poland clearly offers the most insight in analyzing the impact on the EU of Turkey becoming a member. The comparison between the two countries is made all the more interesting by their differences in culture, history and religion and by analyzing how the EU has chosen to approach negotiations with both countries.

In focusing on Turkey and its EU aspirations while using Poland for comparative purposes, this paper proposes to show that ultimately the question of Turkey's ability to successfully gain entrance to the European Union will not in fact depend on Turkey's capacity to make changes required by the EU. To be sure, Turkey has considerable work ahead before it can

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<sup>3</sup> The Copenhagen Criteria was laid out by the European Union in 1993 and represents a set of criteria that candidate countries must complete prior to the start of official accession negotiations. These criteria include: 1) existence of a functioning market economy, 2) capacity to cope with competitive pressures and market forces within the EU, 3) ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union and 4) stability of institutions guaranteeing democracy, the rule of law, human rights, respect for and protection of minorities.

credibly be considered ready to join the EU, but in light of the experience of other EU candidates, and in particular Poland, Turkey in fact is facing many of the same struggles that other countries have dealt with and overcome in complying with EU laws, policies and regulations. Turkey has demonstrated in the last four years, against the expectations of even the most optimistic pundits in the EU, the will to march ahead with the fundamental economic, political, legal and social reforms needed for EU entry, in spite of a less than always stable political and economic environment within the country and an EU that has often shown little inclination to assist Turkey in its preparations. These last four years have been most crucial in demonstrating that the question of “if” Turkey is capable of completing requirements is no longer a relevant question. The country can and will most likely complete requirements, even though the issue of “when” given the size of Turkey and what undoubtedly will be lengthy and arduous negotiations with the EU will likely push Turkey’s readiness for EU entry into the medium rather than short term. However being ready and actually entering are two different issues. It will be shown in this paper that while Turkey is likely to complete all the requirements for entry, the biggest and most important question lies in whether the European Union will be capable of evolving beyond a narrow definition of the future EU and be truly prepared to accept Turkey. As we shall see, this is a question that the EU will struggle mightily with and its answer is likely to have repercussions far into the future.

As has already been seen, the challenges faced by both countries has been many and the impact on their respective peoples resulting from the profound changes taking place as both countries prepare for EU entry will not always be smooth. For both, the process in many ways has been nothing short of revolutionary. In looking at these sweeping changes, this paper will first present the current environment and the questions faced by the EU as it attempts to grapple

with a near doubling of the number of members in the Union. Next, the paper will analyze key areas within the domestic realm of both countries, including economic, political and cultural changes experienced on the road to accession. It will also analyze the major obstacles that Turkey will face in trying to gain entry to the EU, using Poland's experience of five years of negotiations with the EU as a comparison. The paper will conclude with a look to the future and each country's probable position within the EU sphere in the years ahead.<sup>4</sup>

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<sup>4</sup> It should be noted that the *Country Profile 2002* reports for Turkey and Poland, produced by the Economist Intelligence Unit (EIU), were used extensively in researching this paper. It should be assumed that unless otherwise



## **2. European Union: *Challenges and Difficulties of Enlargement***

Before analyzing the specifics of Turkey's EU aspirations, it is worthwhile to frame the current environment in the EU and look at the implications for enlargement and how the issue has raised serious debate both within the EU and candidate countries. In the process, this debate has forced the EU to step back and reevaluate itself and its “grand project”. In particular questions have been raised concerning what exactly defines Europe - boundaries, culture, people? With the EU currently at fifteen members and set to expand to potentially twenty-seven by 2008, with a population of 500 million<sup>5</sup>, how will the EU be administered? There are some fears that the Union will become too big and unwieldy. There has been enough difficulty coordinating monetary and economic policy, let alone the task of more cooperation down the road politically and socially. The more heterogeneous Europe is the more difficult 'complete' integration becomes. More importantly, maintaining a ‘common identity’ gets much harder. With over 20 official languages representing the 27 countries, the lack of a shared language, something critical to forging a common identity, makes the task even harder. In many ways decision-making will become more cumbersome and the issue of transparency will become increasingly important.<sup>6</sup>

What will be the future borders of the EU? Will the Union potentially encompass North Africa, Belarus, Russia, Turkey or Moldova? Poland, representing the new eastern border for the EU in 2004, has gone on record as saying that if these countries are capable of meeting

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noted, all economic and demographic statistics cited herein are from the EIU.

<sup>5</sup> Hoge, Warren. "Turkey is Invited to Apply for Seat in European Union." *The New York Times* 11 Dec 1999. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>6</sup> Tibor Dessewffy, “Jumping into the Shining Dark: The Hope of European Enlargement,” *Turkish Time*, December 2002-January 2003, 100.

membership criteria they should have the option of accession to the EU.<sup>7</sup> The answer to such questions will help determine whether the EU is destined to expand beyond just a strict geographic cultural connection to an alliance based more on common universal principals of democracy, free markets and human rights, where any nation that embodies and actively strives to uphold such principals can join the EU. However, such a noble calling for the EU seems, at least in the short term, unlikely. When former French President Valery Giscard D'Estaing recently made his infamous comments about "Turkey not being part of Europe", he was expressing himself from the perspective of someone with an older view of Europe as a homogeneous cultural and religious whole, analogous to "Christendom"<sup>8</sup>. While many in Europe might be able to identify with his views, it ultimately goes against what the European Union is meant to represent and how it defines itself, which in official documents is done more in terms of economic and political criteria, with a general wariness of culture and no references to religion.<sup>9</sup> Hence in order to show more than just lip service to such ideals, the true test for Europe will be its readiness to accept a country such as Turkey which *officially* is striving for all the things Europe *would like* to represent while *unofficially* its candidacy goes against the values that people such as D'Estaing and others *still hold* in high regard, in terms of religion and culture.

In addition, there are other forces working against the process of enlargement. Some nations still have pockets of individuals with a 'me-first' attitude, a situation which can translate into nationalistic, xenophobic or isolationist policies, each a potential barrier to the enlargement of the European Union.<sup>10</sup> The average support for enlargement within EU countries was only

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<sup>7</sup> "EU/Eastern Europe: Poland Lends Its Weight to 'New Neighbors' Debate", *European Report* 29 January 2003: Online. Expanded Academic ASAP 10 Mar 2003

<sup>8</sup> Gorratt, Jon. "Turkey's New Leader Recep Erdogan Takes the Bull by the Horns", *Washington Report on Middle East Affairs* Jan-Feb 2003: Online. Expanded Academic ASAP 9 Mar 2003

<sup>9</sup> Id.

<sup>10</sup> MacShane, Denis. "It's Time for Europe to Stop Holding Poland at Arm's Length." *International Herald Tribune* 25 Sep 2000. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

38% in recent polls. France was the lowest at 26% and Germany was not much better at 34%.<sup>11</sup>

As both France and Germany are in many ways the “twin drivers” of EU policy, their actions can have an enormous impact on the future direction of the EU. Both countries had national elections in 2002 where right-wing, xenophobic candidates came close to defeating both French President Jacques Chirac and German Chancellor Gerhard Schröder.<sup>12</sup> When coupled with a pervasive anti-immigrant, anti-Turkish sentiment, concerns about enlargement, the lingering after effects of 9/11 and concerns about a growing Muslim population in Europe, it is not surprising that both leaders acted in December 2002 to delay the start of negotiations with Turkey until 2005. Given the prevailing mood in Europe, the religious and cultural differences that Turkey’s candidacy brings to the forefront easily become an obstacle to their EU aspirations rather than a welcome addition of diversity to the EU. In such a climate it is all the more imperative that the leaders of France and Germany show the courage of forging a new Europe, rather than caving in to misguided and often grossly exploited sentiments.<sup>13</sup> To date, that courage has sadly been lacking.

The expansion of the EU family with the latest round of enlargement has also exposed a resistance on the part of the “old guard” of Europe to the addition of what they see as mostly poor countries. This has led many in Europe to speak of “enlargement fatigue”<sup>14</sup> as the larger wealthier members of the EU have grown increasingly leery of extending more and more

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<sup>11</sup> Smith, Make. "Poised to Take the Plunge." *Financial Times (London)* 6 Nov 2000. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>12</sup> Kirisci, Kemal. “Copenhagen Summit of the European Council and Turkey (12-13 December 2002)”, Turkish Industrialists’ and Businessmen’s Association (TUSIAD): Washington Office. Email to Alan Perese. 17 Dec 2002

<sup>13</sup> Kupiszewski, Marek. “How Trustworthy are Forecasts of International Migration Between Poland and the European Union?” *Journal of Ethnic and Migration Studies* October 2002: Online. Expanded Academic ASAP 10 Mar 2003

<sup>14</sup> Peel, Quentin. “Europe is the First Casualty of War” *The Financial Times* 12 March 2003: Online. LEXIS-NEXIS Academic Universe. 14 Mar 2003

assistance from their cash strapped budgets to incoming members.<sup>15</sup> This in turn has begun to breed resentment within candidate countries as the “price” of membership has gotten much higher. They have grown weary with the arduous task of complying with the EU’s ever expanding, often burdensome body of rules, regulations, and practices known as the *acquis communautaire*, while at the same time existing members have done everything possible to curtail aid to the incoming members.

This issue was never more telling than in the often contentious debates over EU farm policy and the amount of agricultural aid that new members would receive upon entry. Countries such as Spain, Germany and France, by far largest recipients of EU agricultural aid, have insisted on a ten-year phase in before new members can receive full benefits. They have also asked for import duties to be dropped by new members even though exceptions have been made in the past, such as in the cases of Spain and Portugal who were allowed to maintain such duties for seven years after entry in order to protect local farmers.<sup>16</sup> Such actions seem to indicate a lack of sensitivity to new candidates as current members appear to have forgotten how difficult the process of liberalization is by displaying growing resistance to offer the same assistance to new members that they received during their own negotiations. The days when poorer countries such as Greece, Spain, Portugal and Ireland benefited tremendously from the advantages of membership, seem very distant to some of the newer members. Not surprisingly, such resentment toward existing members and their perceived double standards has fueled the growth of many anti-EU political movements in almost every candidate country.<sup>17</sup>

Many EU countries, especially larger member states, are also fearful that there could be a

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<sup>15</sup> “Anglosphere: A Turkey of a Policy”, *United Press International* 7 December 2002: Online. Expanded Academic ASAP 9 Mar 2003

<sup>16</sup> “Poland Calls for ‘Calm’ as EU Accession Talks Start”, *Agra Europe* 15 February 2002: Online. Expanded Academic ASAP 10 Mar 2003

backlash within their own borders as people's concerns about unemployment rise in the face of increasing competition and large inflows of people from poorer countries. Some of the wealthier EU members also fear that poorer countries will water down the EU and hamper the EU's long term goal of becoming a strong global player.<sup>18</sup> While many of these fears may be unwarranted, especially in light of studies that have shown that only small numbers of East and Central Europeans will want to migrate, they nevertheless exist, and are an impediment to the enlargement process.<sup>19</sup> Even a country such as Poland, the most important of the candidates among the ten that will enter in 2004, has had to deal with stereotypes about eastern European countries being backward, poorly educated and sponging off the wealth of the rest of Europe. Considering that Poland is “within” the family, and has clearly been embraced by Europe as the linchpin of the current expansion efforts, such difficulties would only be intensified many times over with Turkey, often considered by many within the EU as “the other” of Europe.

As the enlargement process has moved forward, there has also been a growing divide between the “old” Europe represented by the core members, and the “new” Europe symbolized by the new candidate countries. In many ways the core group still feels that they should dictate policy, as was evidenced by recent disagreements within the EU about the war in Iraq. Mr. Chirac was very critical of new members that supported the US in their efforts in Iraq. Chirac was seen by many as lecturing, if not trying to intimidate some of the other candidate countries when he warned that ratification of some accession treaties may be in jeopardy, that countries within the EU should “share the ideal of developing a European economic and political identity”

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<sup>17</sup> Miller, Scott and Grow, Brian. “A Bigger Europe? Not So Fast”, *The Wall Street Journal* 12 December 2002: Online. LEXIS-NEXIS Academic Universe. 15 December 2002

<sup>18</sup> "European Integration: Poland Should Do Its Own Job, Then Make Demands." *Polish News Bulletin* 8 May 2000. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>19</sup> “European Commission Quells Migration Fears.” *The Prague Post* 14 March 2001. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001

and that there were “obligations in the EU not just privileges.”<sup>20</sup> Such talk prompted Polish Prime Minister Leszek Miller, whose country supported US actions in Iraq, to comment that there needed to be more cooperation and listening to alternate views in making joint decisions. He also echoed the views of many when he clearly directed comments to France and Germany in saying, “I think that just as there isn’t an ‘Old Europe’ or a ‘New Europe’, there shouldn’t be EU members of the 1<sup>st</sup> and 2<sup>nd</sup> category, better and worse.”<sup>21</sup> Such statements compelled EU enlargement commissioner Gunter Verheugen to state that “There cannot and will not be such a thing as second class membership.”<sup>22</sup>

Such assurances have fallen on deaf ears though, as the actions of many EU leaders often contradict the ideals they have espoused. Recent discussions over the possible creation of a permanent president of the European Council, a measure strongly supported by the “Big 6”<sup>23</sup> further indicates that cooperation within the EU will become an increasingly difficult process in the years ahead. Nineteen current or soon to be members of the Union, representing the smaller countries within the EU, have vehemently objected to such a proposal which they see as usurping power from the European Commission, an organization that has long been viewed as a defender of smaller states and a champion of EU-wide interests rather than simply the well-being of a handful of states. Such criticism prompted Mr. Verheugen to state that the six countries in favor of the proposal represent 77% of the population of the Union, an overwhelming majority, and that the smaller members had to be more sensitive to such realities.<sup>24</sup> Clearly the idea that each

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<sup>20</sup> Graham, Robert. “Chirac Vents Ire Over Behavior of EU Candidates” *The Financial Times* 19 February 2003: Online. LEXIS-NEXIS Academic Universe. 9 Mar 2003

<sup>21</sup> Reed, John. “Polish Premier Fears War May Distract EU” *The Financial Times* 4 April 2003: Online. LEXIS-NEXIS Academic Universe. 9 Apr 2003

<sup>22</sup> Clark, Neil. “East is Eden” *Spectator* 20 July 2002: Online. Expanded Academic ASAP 10 Mar 2003

<sup>23</sup> After enlargement in 2004, the six largest countries comprising 77% of the population of the EU will include: France, Germany, Great Britain, Italy, Poland and Spain.

<sup>24</sup> Newman, Cathy and Parker, George. “Stage Set For Clash Over Creation of EU President”, *The Financial Times* 17 April 2003: Online. LEXIS-NEXIS Academic Universe. 20 Apr 2003

country's vote counts equally does not appear to be something that will be observed in practice in the future, a situation that is almost certain to continue to foster tension between larger vs. smaller, older vs. newer members.

For the EU, the often contentious and arduous negotiation process with candidate countries and the efforts by larger members to consolidate power in what will soon be a much larger and more unwieldy Union, runs the risk of alienating certain countries and putting cracks in the Union before enlargement has even started. It is ironic that enlargement has forced the EU to look at itself in the mirror and answer questions about its own identity, just as candidate countries like Turkey have had to do. The answers the EU finds to those questions will impact greatly the fates of not only Turkey and Poland, but all future aspirants to EU entry.

Unfortunately for Turkey, the existing climate and internal wrangling within the EU means at best it has a very difficult and lengthy negotiation process ahead, assuming that the EU will eventually give Turkey a date to start negotiations. In addition, beyond the details of negotiation and efforts to comply with EU regulations and laws, the latter which Turkey can directly impact and control, there will also be many external factors out of Turkey's control that will create significant impediments to its entry into the Union. This will present Turkey with an even more daunting task than any of the ten countries that will join in 2004 have already struggled through.

### **3. Background:** *Brief Historical & Demographic Summary of Turkey and Poland*

At first glance, Turkey and Poland would appear to be two countries whose contrasts could not be more evident. Poland is overwhelmingly Roman Catholic and is geographically and culturally unquestionably a part of Europe, while Turkey is overwhelmingly Muslim and it is debatable whether it is geographically and culturally “European” in the strictest sense, but nevertheless has very strong historical and cultural connections to both the Middle East and Turkic states of Central Asia/Caucuses as well. However, looking beyond such broad judgments, there is surprisingly much in common between the two countries, which is precisely what makes a comparison between the two, in terms of their respective EU aspirations, so informative. In particular, several areas of commonality are prominent: 1) both have largely conservative societies with religion being an important part of life, 2) both have very large agricultural/rural populations, 3) both have economies that have emerged from a history of very heavy state influence and planning, 4) both have leading political parties that have transformed themselves from movements that were or still are perceived negatively, namely Communism in Poland and Political Islam in Turkey, 5) while Poland currently has only 60% of the population of Turkey, it is by far the biggest of the twelve candidate countries that have finished or are still negotiating with the EU, and as such both are expected to play large roles in EU decision making, 6) both face similar issues of corruption, a general lack of confidence in the political class, and inefficiencies in their respective legal systems, 7) both struggle with wide income disparities between urban and rural populations, and between the western and eastern parts of the country, 8) both potentially have very strategic roles to play as eastern “border states” in the EU. However, perhaps most ironically, despite all that they have in common, the perception of each



country within the EU, their relationship with EU countries, and most critically their long term prospects within the EU could not be more strikingly different.

### **i) Turkey – History and Demographics**

Turkey is a country of more than 65 million people, the second largest in the European Union behind Germany. Based on current population growth rates, it is expected that within twenty years Turkey will surpass Germany and will be larger than any country in the EU, a critical issue given the power it would give Turkey within EU institutions should Turkey ever enter the Union. Its land mass is roughly equal in size to that of France and England combined. The republic was formed from the ashes of the Ottoman Empire following the signing of the Treaty of Lausanne in July 1923. Its first leader and founder was Mustafa Kemal Ataturk, who set out to modernize Turkey and unite it with western civilization through a radical program of reform that would allow Turkey to break from its multicultural, imperial past and forge a new modern nation stated based on a “Turkish” identity. While he died more than sixty years ago in 1938, Ataturk’s legacy continues to live on and impact Turkey greatly through the Kemalist vision of the Turkish military and many political elites. As we shall see, in some ways, this has held Turkey back in its efforts to align with Europe, as highlighted by the recent controversial criticism in a European Parliament report that Kemalism<sup>25</sup> was a hindrance to Turkey in joining the EU.<sup>26</sup>

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<sup>25</sup> Kemalism is the founding ideology of the party that Ataturk formed and which ruled Turkey under a monoparty system from 1923-1950. The six principals or “arrows” as they were known were: Republicanism, Nationalism, Populism, Statism, Secularism and Revolutionism/Reformism.

<sup>26</sup> “Turkish President Slams EU for Trying to Impose New Conditions” *Agence France Presse* 9 April 2003: Online. LEXIS-NEXIS Academic Universe 12 Apr 2003

Turkey's population is approximately 99% Muslim, and in contrast to Europe, has a very young population with less than 5% over the age of 65 and more than 2/3 under the age of thirty-five. In comparison, France, typical of the low-growth aging population in Europe has less than 50% of its population under the age of 35. Since WWII, Turkey has seen a high level of migration from rural areas to the cities and major regional centers such as Ankara, Izmir, Istanbul and Adana. Turkey's urban population has grown to more than 65% from only 18% in 1945, with its five largest cities comprising almost 25% of the total population. While the western third of the country contains roughly half of its population, the region east of the capital is sparsely populated, rural, and much less developed. Prominent minorities include the ethnic Kurds who number over 10 million and form a majority in the southeastern part of the country, and the Alevi, a minority group of unorthodox Muslims who are estimated to be anywhere from 10-25% of the population.

While Turkey has a thriving private sector that has grown tremendously over the last decade, agriculture still accounts for almost 30% of all employment, with the service industry (40%) and regular industry, including construction (25%) comprising the rest. As more of the population continues to migrate to large regional centers, the agricultural labor component will continue to fall. In addition, the transition to a market economy has created wide income distribution gaps between the wealthiest and poorest segments of the population, with the eastern and southeastern parts of the country particularly lagging behind the much wealthier western half of the country. Clearly, bridging this income disparity, and in particular bringing tangible benefits to the lower economic classes through EU related economic reforms, will be critical to reinforcing within society the benefits of EU membership. Without such a link, as in many countries that have already gone through the difficult economic reforms called for by the EU,

pessimism and frustration can quickly set in, heightening social tensions as people see only sacrifices with no benefits. In the future, the EU will also need to be more mindful and sensitive to this than it has previously demonstrated when negotiating with Turkey.

## **ii) Turkey – History of Relations with the EU**

While Turkey was officially recognized as a candidate for the European Union in Helsinki in 1999, it has actively sought and long played a role in Europe for decades. The founders of modern Turkey sought to modernize the country and transition from its Ottoman past into a modern secular state. In doing so, they saw Turkey's rightful place as alongside other modern, civilized, western countries. Strategically located at the crossroads of Asia, Europe and the Middle East, Turkey took advantage of the beginning of the Cold War to more firmly link with the West and shake off its more isolationist position that had existed prior to WWII. Turkey began to enter into traditional western institutions in the late 1940's and thus become an important strategic partner of the West. It was admitted to the OECD in 1948, the Council of Europe in 1949 and, most importantly for Turkey, NATO in 1952. Turkey's relationship with Europe was taken a step further when it applied for an association agreement in 1959 with the European Economic Community (EEC). The agreement became official in 1964 with the signing of the Ankara Treaty which foresaw the eventual establishment of a customs union between Turkey and the EEC as well as Turkey's eligibility for full membership in the Community, no matter how far in the future that might be.<sup>27</sup> Perhaps more significantly for

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<sup>27</sup> Kemal Kirisci, "Turkey and the Mediterranean," The Foreign Policies of the European Union's Mediterranean States and Applicant Countries in the 1990's, ed. Stelios Stavridis, Theodore Couloumbis, Thanos Veremis and Neville Waites (Centre for Euro-Mediterranean Studies, University of Reading, and ELIAMEP, University of Athens, 1999), 253.

Turkey was the hugely symbolic statement by the European Commission president Walter Hallstein that “Turkey is part of Europe.”<sup>28</sup> This was clearly an important moment for Turkey, symbolizing its growing emergence in the international community. Nevertheless, it should be noted that although Europe was clearly pleased to draw Turkey closer to the West, this was not without some reluctance and Europe's actions were done more out of political/strategic necessity and the need to maintain a balance with Greece in the region, than any true embrace of Turkey as a European country.<sup>29</sup> Such an attitude, as will be shown, would come to characterize Europe’s cautious relationship with Turkey: always at arm’s length, never completely shutting the door so as to keep Turkey in the fold for strategic reasons, but never fully embracing or welcoming, and always, without fail, taking their time with regard to any decision that could bring Turkey more strongly into the European sphere.

Turkey, under the leadership of Prime Minister Turgut Ozal first applied for full membership into the EU in April 1987. After a long delay, the EU gave its lukewarm response saying that Turkey was not prepared to enter the community due to a lack of political pluralism, human rights issues, disputes with Greece, and despite considerable reform in the 1980’s, still having a relatively backward economy. Ironically, many have argued that Turkey in fact missed an opportunity to apply for membership much sooner in the 1970’s shortly after Greece submitted its application in 1975.<sup>30</sup> When Greece became a full member in 1981, and Turkey’s application still was yet to be submitted, the attempts that the EU had made in the past to keep a balanced relationship between Turkey and Greece had effectively ended. Perhaps if Turkey had submitted its application at the same time as Greece, it would have forced the EU to accept or at

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<sup>28</sup> Mango, Andrew. “Turkey and the Enlargement of the European Mind”, *Middle Eastern Studies* April 1998: Online. Expanded Academic ASAP 10 Mar 2003

<sup>29</sup> William Hale, *Turkish Foreign Policy 1774-2000*, Frank Cass Publishers, London, 2002, 175.

<sup>30</sup> Hale, 176

least more strongly consider Turkey's application in order to keep a balance with Greece. Hindsight is 20/20 though and the reality was that after 1981, Greece was then much more effectively able to shape EU opinion from within the European Union, particularly in relation to disputes involving Turkey. Time and again Greece has effectively used this to great advantage and increasingly the EU has shown a tendency to side with Greece almost unilaterally in all disputes between Greece and Turkey. Until the day comes that Turkey actually enters the Union and gains equal status with Greece, it will be very hard for Turkey to shape EU opinion in its favor on any issues even remotely related to Greece.

While the denial of Turkey's application in 1989 was clearly a disappointment for Turkey, relations with Europe did improve significantly in 1995 with the conclusion of a customs union agreement with the EU. As a precursor to full economic integration via membership in the EU, the customs union has been instrumental in boosting trade between Turkey and Europe and harmonizing trade legislation. While clearly an important step that further cemented Turkish-EU relations, it should be noted that the Customs Union Agreement came 25 years after the signing of an Additional Protocol in 1970 that set 1995 as the latest date for the completion of the transition period to when Turkey would join the customs union.<sup>31</sup> Again, when making overtures to Turkey, the EU demonstrated its clear willingness to take its time.

The Luxembourg EU summit in 1997 was a critical event in EU-Turkish relations in that it showed a lack of balance on the part of the EU in how it dealt with Turkey and other potential EU candidates. At the summit, the EU refused to officially accept Turkey as a candidate for membership citing its lack of adherence to the Copenhagen Criteria as was required before talks could begin. The EU did agree however to start talks with twelve countries, including several

poorer eastern nations, Bulgaria and Romania, that arguably did not fully meet the necessary criteria in the areas of democracy and human rights as required by the EU.<sup>32</sup> One country, Slovakia, had actually been singled out in an EU report just six months before the summit for not having fulfilled the necessary human rights criteria for membership but nevertheless was allowed to start negotiations with the EU.<sup>33</sup> Even more controversially, Turkey was incensed with the acceptance of Cyprus as a candidate for EU membership after Greece had threatened to block the entire enlargement process if Cyprus was not granted a date to begin negotiations. It is worth noting that Turkey has long claimed, and has a reasonable legal argument, based on the treaties signed in 1960, that it was illegal for the EU to proceed with Cyprus' accession to the EU since those agreements prohibit Cyprus from entering any international organization where Greece and Turkey are not both members.<sup>34</sup> In addition, the 1960 power sharing agreements in Cyprus stated that a legitimate Cypriot government should be comprised of members of both communities. However the current government of Cyprus is comprised solely of Greek Cypriots and should thus not be legally recognized according to the 1960 agreements. Regardless of the legal merits of Turkey's case, the EU had given a clear tactical advantage to both Greece and the Greek Cypriots to be used in their relations with Turkey. As we will see later, such leverage has allowed the Greek side to wait patiently for a resolution on Cyprus knowing that Turkey, without the support of the EU, would clearly be put in the uncomfortable position of eventually having to compromise fully on the issue of Cyprus if it has any hope of beginning negotiations with the EU.

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<sup>31</sup> Hale, 176

<sup>32</sup> Yesilada, Birol A. "Turkey's Candidacy for EU Membership", *The Middle East Journal* Winter 2002: Online. Expanded Academic ASAP 9 Mar 2003

<sup>33</sup> Hale, 240

<sup>34</sup> Barkey, Henri and Gordon, Philip H. "Avoiding a Cyprus Crisis, Brookings Institution Policy Brief 102 – July 2002" *European-Cyprus.Net*. 31 Jul 2002. Online. European Cyprus Network. Available: [http://www.european-cyprus.net/cgi-bin/hweb?-A=166&-V=think\\_tanks&w=](http://www.european-cyprus.net/cgi-bin/hweb?-A=166&-V=think_tanks&w=). 20 Feb 2003

Relations with the EU soured considerably for Turkey for the next two years until December 1999 when it was finally accepted as a candidate in Helsinki, more than 12 years after it had first applied for membership. This did not effectively change Turkey's status though as the EU decision only confirmed Turkey's candidacy, with no date given as to when official negotiations would begin. Turkey's ambiguous status was further confirmed when in the Nice summit in 2000, Turkey was not even mentioned as part of the EU's strategy for expansion through 2010.<sup>35</sup>

Prior to the Copenhagen summit this past December, Turkey had stated that it had been very eager to complete pre-accession negotiations prior to December 2002 and then begin official talks in 2004 with the aim of completing them by 2010.<sup>36</sup> While an aggressive schedule, it was not entirely unrealistic given the impressive progress Turkey had made in political, legal and economic reforms in the previous four years, and the length of time a country of comparable size, Poland, had negotiated with the EU. Despite such hopes, Turkey was again disappointed when, at the Copenhagen summit, the EU issued a recommendation stating that if Turkey had fulfilled the Copenhagen criteria by December 2004, and if the European Commission so recommended, negotiations would then immediately start "without delay".<sup>37</sup> Turkey was essentially given a "date for a date", easily the weakest of all of possible options entering the summit: a) start negotiations immediately, b) delay start of negotiations but given a definite date or c) delay negotiations with no definite date given, i.e. maintain the status quo.

In the wake of the summit, Turkey was particularly incensed with French president Jacques Chirac who it felt was the key figure behind blocking the EU from giving Turkey a firm

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<sup>35</sup> Kosebalaban, Hasan. "Turkey's EU Membership: A Clash of Security Cultures", *Middle East Policy* June 2002: Online. 9 Mar 2003

<sup>36</sup> Lennon, David. "Turkey's Drive for EU Membership", *Europe* October 2002: Online. Expanded Academic ASAP 9 Mar 2003

date. Turkish anger was expressed by foreign minister Abdullah Gul who commented: “The real blackmail is what Chirac has done. I am very disappointed that Chirac has influenced and directed the meeting.<sup>38</sup>” As expected, most resistance at the summit had come from France and Germany, who were both very reluctant about starting negotiations with Turkey. The prime reason cited by the EU for delaying the start of negotiations was their desire to see concrete ‘implementation’ of the impressive reforms Turkey has made in the last year. A large complicating factor though for Turkey as December 2004 approaches will be the reality that 25 members including Greece and Greek Cyprus will then be in the EU rather than the current 15. This will make it much harder for Turkey to convince all members to accept its candidacy without it having to make sizeable concessions on issues related to Greece and Greek Cyprus. The decision by the EU was also telling in that they recommended that the Customs Union Agreement with Turkey should be extended and deepened, setting Turkey up in the future for what many believe will be a weaker “special status” with the EU rather than full membership.<sup>39</sup>

Lastly, it is also interesting to see that after many of the EU’s decisions, there has been considerable anger expressed by the Turkish side over the ‘surprise’ and ‘injustice’ of EU decisions. What is most telling about this is that it indicates the lack of dialogue between Turkey and the EU on critical issues related to Turkey’s future role within Europe. If Turkey was truly accepted as a partner in the Europe of the future, it is highly unlikely that it would be a mystery as to how the EU would proceed and make decisions on matters that impact Turkish-EU relations. That is because if such a relationship of equals existed, both sides would likely be working very closely together, in partnership, where the views of the EU would be clearly

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<sup>37</sup> “Enlargement: Poland Takes Talks Down to the Wire”, *European Report* 14 December 2002: Online: Expanded Academic ASAP 10 Mar 2003

<sup>38</sup> Harding, Gareth. “Turkey Slams EU for Delaying Accession Bid”, *United Press International* 13 December 2002: Online. Expanded Academic ASAP 9 Mar 2003



articulated and the parameters of the relationship clearly understood by Turkey. Instead, such decisions are now given by the EU like a jury delivering a verdict, with the defendant, in this case Turkey, holding its breath in anticipation of what the ruling will be. Not only does this show continued hesitancy on the part of the EU as to how it truly wants to proceed with Turkey, but it also means that in the short to medium term, Turkey can fully expect more hesitancy and lukewarm support from the EU and more importantly, a continued ambiguity as to Turkey's real role in the future of Europe.

### **iii) Poland – History and Demographics**

In terms of size, Poland, like Turkey, represents a very large addition to the European Union, explaining in part the EU's interest in having Poland lead the latest round of enlargement, and also why negotiations were at times such a difficult and often delicate process. If negotiations had stumbled with Poland, enlargement in many ways would have been in jeopardy. With almost 40 million people, Poland easily is the largest of the central and eastern European countries that will be entering into the EU. A large proportion of the population is urban-based (close to 60%), but unlike Turkey, this percentage has held steady since the early 1990's, so the pace of rural-urban migration is much slower. In contrast to Turkey, only 16% of the population is concentrated in the ten biggest cities (closer to 25% in the biggest five in Turkey). The population is also much more homogeneous, consisting almost entirely of ethnic Poles, the overwhelming majority of which are Roman Catholic. Like much of Europe, the growth rate in Poland has declined markedly and while the population is still reasonably young, 15% are in

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<sup>39</sup> "Enlargement: Poland Takes Talks Down to the Wire", Online.

their post productive years. It is expected that after 2010, Poland will have a rapidly aging population. This means that the country will face problems similar to those already experienced in some European countries of a declining workforce supporting a growing retired community.

The creation of modern Poland was no less dramatic than the creation of modern Turkey in 1923. After losing nearly half of its prewar territory to the Soviet Union after World War II, and being under an oppressive communist regime for more than forty years, the Solidarity social movement ushered in a new Poland in 1989, when the communists stepped aside and Solidarity leaders took power in the first free elections of the post communist era. The rise of Poland over the last decade, as it has evolved from a state run, centrally planned economy to a market oriented one, has been nothing short of remarkable. Poland was the first of the transition economies to surpass their GDP level from the end of the communist era, and today the private sector is thriving and contributing an ever increasing share of the country's economic output as state involvement has continually been reduced. Poland has also taken great strides to modernize and has made a considerable effort in recent years to overhaul its education, pension, health and administrative systems. In many ways, Poland has surpassed Turkey in these key areas of reform in a very short period of time.

#### **iv) Poland – History of Relations with the EU**

As a leader in Central and Eastern Europe in the transition from a communist regime to a democratic one, and with its strategic location between Germany and Russia, Poland will play a significant geopolitical role within the EU as a bridge between East and West. For the EU, Poland is very symbolic of the magnitude of the enlargement ‘project’ and the focal point of a

process that will incorporate almost all of the formerly communist countries of Eastern and Central Europe; a triumphant validation to many in the EU of the success of ‘uniting Europe’. Even before the official fall of communism, the process of linking Poland with Europe had begun. Diplomatic relations were started between Poland and the EEC in September 1988 and official negotiations on trade and economic issues began shortly thereafter.<sup>40</sup> Since then, Poland has been quick to enter into the European sphere, and Europe in return has been very welcoming and quick to embrace Poland. In 1991, Poland signed an EU association agreement with a goal of phasing in free trade, particularly in the industrial sector, further developing the institutional links between Poland and the EU. After filing for EU membership in 1994, it was invited to open EU membership negotiations just three years later in 1997 at the Luxembourg summit. It is ironic that Luxembourg in 1997 would represent such a bitter disappointment for Turkey in that ten years after applying for membership, it still had not even been named officially as a candidate for membership, let alone given a date to start negotiations. In stark contrast, the summit proved to be a triumphant victory for Poland and a validation of how quickly they were successfully transitioning from the previous communist regime into modern Europe.

To its credit, during the pre-accession period, Poland was very proactive in starting the process of preparing for the vast changes that would soon impact almost every area of life in the country as it adjusted its institutions, laws, rules and regulations to comply with the new EU legal order<sup>41</sup>. In doing so, it also highlighted the importance of active support in all phases of the process and the need for clear tangible benefits to be realized from the exercise. In this regard, the EU walked along side Poland during the process in a complementary, encouraging fashion rather than the almost adversarial relationship it regularly exhibits towards Turkey. In interim

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<sup>40</sup> Jasinski, Online.

reports presented by the EU detailing candidate country progress toward membership, the EU was almost always very favorable towards Poland<sup>42</sup>, giving much praise and emphasizing what it was doing well.

The task of complying with the EU's *acquis communautaire*, which has grown larger and more complex through the years, is truly a daunting one. Given Poland's size, the process of integrating Poland into Europe was all the more difficult and negotiations were often tense. Nevertheless Poland was, again to its credit, able to complete negotiations within five years, culminating with the official signing of its accession treaty in Athens on April 16, 2003. The success of Poland highlights the premium that countries must place on the sequence, schedule and priority of the implementation and fulfillment of regulations given their high degree of interconnectedness. Poland's case also highlighted the enormous benefit of having very similar countries, in this case Hungary, Slovakia and The Czech Republic, that shared common experiences and cultures with Poland, and which were going through the same process at the same time. Not only did this give each country someone they could lean on for assistance, it also enhanced their collective bargaining power with the EU as the countries could coordinate on issues they shared a common view on, which were many. In contrast, Turkey is likely to be negotiating largely on its own for years and the process portends to be considerably more difficult and time consuming.

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<sup>41</sup> "Poland Poses New Questions on EU Accession Trajectory", *European Report* 26 September 2001: Online. Expanded Academic ASAP 10 Mar 2003

<sup>42</sup> Leonard, Dick. "Poland Membership Negotiations Move to Key Phase", *Europe* March 2002: Online. Expanded Academic ASAP 10 Mar 2003

#### **4. Politics: *Getting Better or Getting Worse?***

While both Turkey and Poland have democratic political systems, until recently no factor has been more instrumental in Poland's success and Turkey's troubles than the domestic political arena. As the early 1990's ushered in many newly democratic states in Central and Eastern Europe, this momentous decade was often marked by excellent leadership in Poland which has taken the hard steps and demonstrated the necessary political will to prepare for the 21<sup>st</sup> century, EU membership, and beyond. In stark contrast, for Turkey, the majority of the 1990's might be considered a lost decade as repeated failures, allegations of corruption and a lack of determination and foresight by the political elites left much of the population by the end of the decade disgruntled, frustrated and with little faith that the political class that had ruled since the early 1980's could solve the host of domestic problems that needed to be tackled.<sup>43</sup>

Ironically though, developments in the last 18 months have brought a kind of role reversal within the two countries as Poland now finds itself coping with many of the same problems that have plagued Turkish politics for decades. The current Polish government elected in October 2001 has been struggling under serious allegations of corruption and a lack of fiscal discipline, while the political landscape has witnessed the growth of several anti-EU parties, demonstrating the increasing lack of faith in politicians. In contrast, the recent election in November 2002 in Turkey that swept away nearly every prominent politician of the last 20 years and brought into a power a new single party government with a strong majority for the first time in 15 years, has increased optimism that a new class of responsible political leadership is emerging that will be able to lead the country in a most crucial period in Turkey's development.

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We will now look at both Turkey and Poland's political systems in more detail in order to see how each has helped and hurt their aspirations for joining the EU.

### **i) Turkey – Recent Political History Up Till November 2002**

In most endeavors, one tends to improve with experience. In the case of Turkish politics, the opposite appears to be true: things get worse. Domestic politics in Turkey has typically been very unstable, particularly in the 1990's, due partly to weak coalition governments of mismatched ideological pairings, resulting in short lived governments that consistently lacked the political will to tackle difficult economic and political structural problems that urgently needed to be addressed. The Turkish political system has also been plagued by a dearth of new faces on the political scene and a very centralized state structure that relegates little authority to the various regional administrations.

True multiparty politics began in 1950, following more than two decades of mono-party rule by the Republican People's Party (CHP) led by Turkey's founder Mustafa Kemal Ataturk and his successor, Ismet Inonu. The first free elections were in 1950. Since then and particularly after the first military coup in 1960, governments have generally been weak, political parties very fragmented, and consensus building very difficult. In addition, the military, a long time supporter of Kemalist ideology and staunch protector of the secular regime, has often played a large role in Turkish politics, and as a result has often been criticized for hindering the development and maturation of the political system in Turkey. There have been military governments three times since 1960, with the latest ruling from 1980 to 1983. It could be argued

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<sup>43</sup> Kemal Koprulu, "Factors of Change in Turkey," Insight Turkey: Quarterly Research and Information Journal Focusing on Turkey, vol. 2 num. 2, (April - June 2000), 5.

that military intervention was precipitated in all three cases by an ineffective political class that because of corruption, inertia, lack of political will or growing social unrest had simply reached the point of being unable to govern the country effectively, thereby necessitating military intervention. Regardless, it is undeniable that even when not in power, the military often exerts considerable influence on domestic and foreign policy through the National Security Council (NSC), an 'advisory' body set up after the 1960 military coup.

After the latest military coup in 1980, the number of political parties was reduced drastically and a more restrictive constitution was put in place giving considerably more power to the military behind the scenes through the NSC. Emerging from this period would be a host of politicians that would play a large role in Turkish politics over the next two decades right up until elections in November 2002 when an entire generation of well-known political figures was swept out of office. The most prominent politician to emerge after the 1980 military coup was former Prime Minister and President Turgut Ozal who would briefly offer a rare period of strong leadership throughout the early 1980's and early 1990's. Among his achievements was beginning the process of transitioning Turkey's economy from an inward looking, import substitution policy to an open market economy by substantially liberalizing the economy through the enactment of numerous economic reforms. In the social arena, he was also credited with making serious attempts to deal with the rising nationalist aspirations of Turkey's sizeable Kurdish minority. However, Ozal's sudden death in 1993 ended hope on that front.

Between 1991 and 1999, the year in which the recently defeated coalition led by veteran politician Bulent Ecevit came to power, Turkey's leadership was particularly poor. Mesut Yilmaz of the center right Motherland Party (ANAP), Necmettin Erbakan of the Islamist Welfare Party and Tansu Ciller of the True Path Party (DYP) all figured prominently in the gross

mismanagement of Turkish policies during this period. Corruption, scandals and/or claims of such were a frequent occurrence and used often as tools by politicians to discredit opponents. The proliferation of parties with little or no ideological differences between them served to fragment both the left and right of the political spectrum and also made things very difficult for the voting public. Most parties were headed by strong willed politicians who used their parties as vehicles for their own power rather than as platforms for any real ideas, vision or leadership. These leaders were very often bitter rivals who offered little in the way of compromise with other similar thinking parties, contributing greatly to the fragmented political landscape and often resulting in ideologically opposed parties coming together in very weak coalition governments. This resulted in instability and made consensus on issues very difficult. Politicians time and time again demonstrated an uncanny willingness to do anything to stay in power, including patronage, wide-spread corruption, intimidation, untenable populist promises and gross manipulation of religion. Even more critical was the lack of depth developed within each of the parties. For more than three decades, the same faces resurfaced time and time again in Turkish politics. Parties have done little to develop new candidates, and as a result, the public has developed a very cynical, almost passive resignation to the fate of poor leadership.

The period between the 1995 and 1999 elections however did begin to show the first signs of change in the political system as evidenced by the fact that one out of two voters switched parties and more than 50% of the MP's voted into parliament had no previous experience.<sup>44</sup> In addition, for the first time in its history, Ataturk's Republican People's Party (CHP) was not voted into parliament. All of this pointed to the slow changing of the status quo. Instrumental in this process is Turkey's aspirations to join the EU. As Turkey continues its efforts to harmonize its laws and administrative procedures with EU and international standards,



its political standards will gradually rise and force a transformation.<sup>45</sup> The country's efforts to bring its political system in line with EU standards also have the added effect of providing a much needed long term set of goals, creating an important check on the short-sighted, politically expedient policies of the past. With the country firmly behind the goal of EU membership, politicians increasingly know that a substantial deviation from, or resistance to, much needed reforms could potentially hurt their political careers by damaging their credibility both domestically and internationally.

## **ii) Turkey – Progress & Strife Under the Ecevit Coalition**

Despite the poor track record of Turkish politicians in the 1990's, the government elected in April 1999 would surprisingly prove to be the most stable and longest lasting government in more than a decade. The government, which stayed in power until early elections were called in November 2002, was typical of previous governments in that it brought together a three party coalition of vastly different ideologies: Prime Minister Bulent Ecevit of the center left Democratic Party (DSP) who, while having a reputation for honesty, was also known for his anti-EU views; Deputy Prime Minister Mesut Yilmaz from the Motherland Party (ANAP) who, while being more reform-minded, had been plagued for years by serious allegations of corruption; and Devlet Bahçeli, leader of the far right wing Nationalist Action Party (MHP) known for his hardline nationalistic views. While ideologically an odd grouping, they did have a strong majority in parliament, something that had been lacking throughout the 1990's. They were also helped by two key external stimuli, the IMF and EU, which provided the key impetus for

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<sup>44</sup> Koprulu, 8.

<sup>45</sup> Koprulu, 9.

many reforms during their tenure. Ironically all three political leaders in one way or another were motivated by a desire to change their political image, and as such, the forging of a common platform that focused on the EU was one way to do that.<sup>46</sup> Whatever their intentions, the government was undeniably successful in passing many critical reforms that will help Turkey greatly in the years ahead.

While the government was clearly not without its mistakes and shortcomings, including a serious financial crisis in February 2001 brought on in part by continuous political infighting within the coalition and foot dragging on key reforms, the coalition was nevertheless able to avert near collapse on numerous occasions and to its credit stay together for more than three years. During that time they were not only accepted as an official candidate for EU membership, but they also passed key legislation concerning the economy, democratic standards, political reforms and human rights that firmly put Turkey on the path to eventual EU accession.

A large part of the credit for the landmark reforms must go to the often criticized Bulent Ecevit. While the aging prime minister, in poor health, may have been in the final days of a political career that spanned more than three decades, he nevertheless was a savvy political veteran who through much skill was able to hold the fragile coalition together and keep Turkey's focus on the EU. It should also be recognized that this was accomplished in what was undoubtedly a very difficult environment for the government both internationally and domestically in its first two years in power. On the international front, the Ecevit government took office at a time of very tense relations with the EU due to lingering anger by Turkey over the EU's failure to recognize Turkey as an official EU candidate at Luxembourg in December

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<sup>46</sup> Beris, Yakup and Gurkan, Asli. "Reform Efforts of DSP-MHP-ANAP Coalition in Turkey: Signs of Change Amid Crisis" *Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office*. 31 October 2001: Online. TUSIAD Available: <http://www.tusiad.org>

1997. Domestically, Turkey was also in the midst of a recession in 1999 which was greatly compounded by a financial crisis in Russia, a close trading partner, and two devastating earthquakes centered on a key industrial region in the northwest. Coupled with the collapse of two IMF agreements in November 2000 and February 2001, the latter precipitating a devastating financial crisis, it is easy to see that Turkey was in crisis mode for much of the Ecevit government's period in office, some of which was through no fault of their own.

It should also be appreciated that many of the reforms that were debated and eventually passed, particularly the landmark packages passed in October 2001 and August 2002, were nothing short of revolutionary for Turkey in the context of its national development. Issues such as capital punishment, broadcasting and publishing rights for Kurds, banking reform, human rights reforms dealing with torture, the role of the military in government to name just a few, were very controversial topics that went to the core of the country's identity. What may have been seen by those outside Turkey as foot dragging and unwillingness to reform was in fact, in the bigger picture, the maturation of a country struggling to bring about positive change in an effort to further modernize and bring about far reaching effects in almost all areas of life: social, cultural, political, legal and economic.

Unfortunately for a country so under the microscope as Turkey, perceived indecisiveness on the part of the government can easily be interpreted as a lack of political will. Given the interconnectedness of Turkey to the global economy and financial markets, such perceptions can very swiftly have a huge impact on the country's key economic indicators, creating tremendous financial instability. Unfortunately for the Ecevit government, this is something that plagued them continuously, particularly in their final two years in power. One such example which spelled the end of the coalition occurred this past July, when a crisis due to Ecevit's poor health

and his unwillingness to name a successor within the party, led to the resignation of 60 MP's including several key cabinet ministers, most notably Foreign Minister Ismail Cem and Economic Minister Kemal Dervis. As nervous financial markets in Turkey plunged, the crisis led to a call for early elections, which Ecevit finally agreed to only reluctantly. Mr. Cem, the respected Foreign Minister said when he resigned: "The government has lost the ability to govern because of infighting. Turkey has reached the point where it cannot make the decisions it needs to."<sup>47</sup> The most critical result to come out of this crisis was the watershed elections this past November that brought in a strong, new single party government for the first time in fifteen years. More importantly was the fact that in the past, when the political system had reached the point where it was ineffective and the government had exhausted itself, the army had intervened in an effort to clean up the mess. In this instance, the inertia in the government was resolved internally through free elections, a sign of a maturing political system.

Instrumental in the process of change started under the Ecevit government was the introduction of a new face on the political scene. One promising figure that emerged during that period is Ahmet Necdet Sezer, the former chief justice of the Constitutional Court who was elected President in May 2000. He replaced Suleyman Demirel, the veteran politician who had been in politics for more than 40 years. Sezer, respected for his integrity and honesty both in and outside Turkey, has shown indications that he will not follow the same course as his predecessors.<sup>48</sup> While the president in the Turkish system has no actual veto powers, he nevertheless does have substantial influence, and in a short time Sezer has made his presence felt. While he had no political experience prior to his presidency, he stood in stark contrast to the

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<sup>47</sup> Boulton, Leyla and Peel, Quentin. "Turkey's Choice" *The Financial Times* 12 July 2002: Online. LEXIS-NEXIS Academic Universe. 14 Mar 2003

<sup>48</sup> Koprulu, 7.

ineffectiveness of past politicians with his reputation for sincerity, honesty and credibility, qualities perceived to be lacking in most members of the political class during the 1990's.

As a liberal, Sezer has been a strong proponent of sweeping democratic reform. He has even shown the courage to pierce the unspoken veil around the military by criticizing the constitution put in place after the military coup in 1980. This constitution places restrictions on freedom of expression and guarantees the strong involvement of the military in politics. Sezer has also voiced his support for legal rights of appeal for Kurds in the Southeast and for Islamic parties banned or members jailed for allegedly violating the secular constitution.<sup>49</sup> In addition, Sezer could play a key role in human rights reforms. As a man who is seen as someone who will always defend the rule of law, he has the potential to restore some much needed credibility to the Turkish government. If there is anything working against Sezer, it is his lack of experience in politics. In a short time, he has managed to ruffle feathers on more than one occasion with his no nonsense style, so it remains to be seen whether he will have the political skill and power to bring about widespread reform. Still, his presence is a positive sign of change in Turkey. As outgoing president Demirel said before stepping down in May 2000, "If we are sincere in our wish to join the EU, then we have no time to lose to raise our standards to European norms."<sup>50</sup> Sezer has the potential to play a key role in this process of change and transformation in Turkey.

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<sup>49</sup> Boulton, Leyla. "Sezer Likely to Prepare Turkey for Entry to EU." *The Financial Times (London)* 5 May 2000: 9. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>50</sup> "Demirel Urges Action on Democracy 'deficiencies' in EU-candidate Turkey." *Agence France Presse* 9 May 2000: Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

### **iii) Turkey – The Silent Revolution: The Emergence of the AK Party**

The election of the center right Justice and Development Party (AKP) this past November, led by former Istanbul mayor Recep Tayyip Erdogan was seen by many as a “silent revolution” that in one day literally swept away decades of political deadwood, including four former prime ministers.<sup>51</sup> So thorough was the housecleaning that not a single party from the previous coalition government reached the minimum 10% threshold in national elections needed in order to qualify for representation in parliament. In many ways the landslide victory of the AKP was as momentous an event as the sweeping change in 1950 when Adnan Menderes and Celal Bayar ushered in the Democrat Party (DP), removing Ataturk’s Republican People’s Party after 27 years in power.

The AKP, given a massive majority in parliament with 360 out of 550 seats, is the first single party government since Turgut Ozal’s Motherland Party (ANAP) in 1987. Their strength in parliament also gives the AKP a very good chance of staying in power for its full five year term, something almost unheard of in Turkish politics.<sup>52</sup> Another key feature of the new government, and a rarity for the political system, is the presence of a single strong, competent opposition party in parliament, the center left Republican People’s Party (CHP) led by Deniz Baykal. The opposition has vowed to work closely with the AKP and so far the welcome cooperation between two parties has stood in stark contrast to the bickering experienced in previous coalitions of mismatched parties. Such an environment might also indicate a maturing of politics and democracy in Turkey where the two parties learn to work together and compromise, rather than

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<sup>51</sup> Boulton, Leyla and Peel, Quentin. “Turkey’s Choice” *The Financial Times* 12 July 2002: Online. LEXIS-NEXIS Academic Universe. 14 Mar 2003

<sup>52</sup> The Economist Intelligence Unit (EIU). "Turkey: Country Report 2003-04." *The EIU Online*. 23 Feb 2003: Online. The Economist Intelligence Unit. Available: <http://www.eiu.com/schedule>. Mar 15 2003.

purely act towards each other in an adversarial way. This would also allow the political system to further develop depth to democracy in the country and ultimately create a greater sense of responsibility and accountability, whereby if things go wrong the single party in power will have nobody to blame but themselves.

Besides the encouraging prospect of a strong, competent two party government, dedicated to continued reforms and Turkey's goal of EU membership, the watershed election was also important for the reason that despite the severe economic problems the country has experienced in recent years and growing frustration towards the political system, anti-EU or hardline nationalist parties were discredited by the election results and did not gain any seats in the Parliament. Such pre-election fears voiced by many to the contrary were simply not realized,<sup>53</sup> a very positive sign. So far, the AKP has also said all the right things by voicing its commitment to continue the current IMF program, strive for membership in the EU, resolve the decades old Cyprus conflict, continue much needed reforms in the legal, economic and political arenas as well as on human rights, and battle corruption. Its credibility was further bolstered when it passed important EU related reforms less than four weeks after taking office and just days before the EU Copenhagen summit in December.<sup>54</sup> The AKP has also been smart about playing its cards and picking its battles, such as its decision to back off the lifting of the controversial ban on woman wearing headscarves in public institutions.

Unfortunately for the new government, despite all the promise and optimism the elections created, the sobering reality is that the AKP has also come to power with a plate full of issues that it must tackle immediately in the short term, many of which are interrelated and will have

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<sup>53</sup> Carkoglu, Ali. "Elections in Turkey: Whither Politics as We Know It?", Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. Email to Alan Perese. 11 Oct 2002

implications for Turkey far into the future. Such issues include securing a date for starting membership negotiations with the EU, resolving the conflict in Cyprus, finding a compromise to Greek objections over European Security Defense Policy (ESDP), improving Greek-Turkish relations, handling the war in Iraq and not least of which navigating the remnants of a terrible financial crisis. Tackling economic problems through fiscal policy will be very difficult though given the tough restrictions called for under the current agreement Turkey has with the IMF, such as developing an aggressive privatization schedule, cutting 1,000's of civil service jobs and maintaining a primary budget surplus (i.e. before interest payments) of 6.5%.<sup>55</sup> At least in the short term, the AKP's lack of experience governing on the national level will likely lead to some mistakes as well, but in fairness the party will need time to settle in and every indication is that the party will quickly learn the political ropes.

#### **iv) Turkey – The Maturation of Political Islam in Turkey**

Two additional factors in Turkish politics that cannot be overlooked as positive instruments of, or hindrances to, change are the centralized nature of the political system and the role of political Islam. Turkey today still has a very centralized administrative system and a state-centered political culture. Since the founding of the republic in 1923, the center has been very reluctant to give up much in the way of autonomy to any of the 80 provinces, each of which are under a governor appointed by the central administration. The inability to pursue initiatives that are best suited to specific regions and provinces can be inefficient and lead to a less than

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<sup>54</sup> Fossedal, Gregory. "Bottom Line: Leftover Turkey", *United Press International* 5 December 2002: Online. Expanded Academic ASAP 9 Mar 2003

<sup>55</sup> Gorvett, Online.



optimal allocation of resources. It also hinders the development of competent civil servants and limits the role provinces can play as a breeding ground for new 'political blood' that can be injected into the system. While municipalities in recent years have seen their economic influence grow in deciding on the allocation of funds, more meaningful legislation aimed at greater decentralization, such as the major public administration reform undertaken by Poland in 1999, does not appear to be on the short-term horizon.

The rise and fall of political Islam is another force that has played an active, if not always stabilizing role in Turkish politics. However there are encouraging signs that the recently elected 'Islamist' AK Party represents a maturing of Islamist politics in the mold of conservative, Christian Democratic parties in many countries in Europe. In 1996, in large part due to the disarray and infighting within the political parties on both the left and right, the Islamic leaning Welfare Party (RP) led by long time politician Necmettin Erbakan came to power. The Welfare Party actually traced its roots to two previous Islamist parties, the National Order Party started in the 1960's, and the National Salvation Party of the 1970's. Both were led by Erbakan but were later closed by the constitutional court for allegedly violating the states secularist principals. In 1996, the Welfare Party won by capturing the vote of rural areas, villagers from central Anatolia, the unemployed and many recent migrants to large cities. It was the first time in Turkey's history that an Islamist led government had come to power. They would ultimately last less than a year though due to allegations of corruption and uneasiness on the part of civil society, such as business groups, trade unions and women's groups, as well as the military, over Erbakan's increased 'Islamization', particularly in the area of education. Erbakan was forced to resign in June 1997 under mounting pressure from the military and public protests.

This previous experience for Turkey with Islamists in power has often been looked upon as representing the “dangers” of political Islam in Turkey and has led many to question the AK Party’s “secret agenda” as simply an extension of Erbakan’s Welfare Party. However, such a characterization would be overly simplistic, not only because it overlooks the maturation of political Islam in Turkey, but also because it masks the real cause for Erbakan’s demise in 1997. When Erbakan came to power in 1996, he did so as part of perhaps the most unorthodox coalition pairing of all time, when he partnered with the Tansu Ciller lead True Path Party (DYP). Likely no politician epitomized the “do anything” manipulative tactics in order to stay in power and the corrupt political excesses characteristic of Turkish politics in the 1990’s more than Ms. Ciller. Prior to elections late in 1995, she had successfully lobbied in Europe for the historic Customs Union Agreement with the European Union signed in March 1995, in large part by playing on the fears of religious fundamentalism, as represented by Erbakan’s Welfare Party. She claimed that leaving Turkey out of the customs union would play into the anti-EU views of Erbakan’s supporters. She later used the theme of religious fundamentalism during her campaign, even declaring on the eve of elections in December 1995, “Tomorrow you will choose between civilization (DYP) and darkness (Welfare Party).”<sup>56</sup> When Ciller’s DYP lost the elections, fearing for her own feeble political survival, she quickly agreed to a deal with Erbakan that would allow her to remain in government, thereby aligning herself with the very person she had demonized as the “evil” lurking in Turkish politics.<sup>57</sup> Such blatant hypocrisy and gross manipulation of religion for her own political gain, something to be tried later by other politicians such as Mesut Yilmaz, gave Turkish politics an incredibly bad reputation in Europe

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<sup>56</sup> Muftuler-Bac, Meltem. “The Never-Ending Story: Turkey and the European Union”, *Middle Eastern Studies* October 1998: Online. Expanded Academic ASAP 10 Mar 2003

<sup>57</sup> Muftuler-Bac, Online.

and portrayed the country as somehow being on the constant verge of a groundswell of Islamic fundamentalism that would rise up and overwhelm the country. The clear reality is that the Erbakan/Ciller government failed in 1997 not because of the threat of an Islamic state being established in Turkey, but rather because of the sheer ineptitude of the ruling parties that were wholly incapable of even remotely competent leadership.

Eventually the Welfare Party was banned by the constitutional courts, only to reemerge as the Virtue Party (FP), which itself was later closed down in the summer of 2001. Before its closure though, a strong indication of a more moderate, reform minded wing that was trying to distance itself from politically motivated religious rhetoric was given at the party's congress in 2000 when Abdullah Gul, a reformist within the party who would later become foreign minister in the current AK Party government, challenged the then party leadership of Recai Kutan who had long been viewed as simply a puppet of the former Welfare Party leader Erbakan. Gul received a surprising 45% of the votes of the congress delegates; a clear indication that even within the leadership of political Islam, the status quo was slowly being questioned.<sup>58</sup>

After the Virtue Party's closure, the reform minded wing within the party led by Gul and the popular former mayor of Istanbul, Recep Tayyip Erdogan, who himself had been previously jailed and banned from politics because of a poem he had read many years ago that supposedly challenged the secular state, sensed the opportunity to make a firm break from its predecessors and the Erbakan legacy in August 2001, and formed their own party, the Justice and Development Party (AKP). So while technically only fifteen months old, the AK Party in a larger context represents the evolution of several decades of Islamist parties. Like previous Islamist parties, its roots are in the urban poor of the largest cities, but unlike its predecessors it was also able to

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<sup>58</sup> Koprulu, 8.

mobilize support from a variety of segments of society including industrialists and the urban educated class as well as women on an “unprecedented scale”.<sup>59</sup> An even broader indication of how the party has evolved beyond simply a religious message was the fact that 70% of those who voted for the AKP had never voted for a religious party before and many of the MP’s in the party were recruited from more socialist or nationalist parties. Such a broad spectrum of constituencies that supported the party in the recent election does not exactly present a viable base or mandate to a party whose aim is to supposedly pursue an Islamist agenda.<sup>60</sup> It also is worth noting that the party representing the more conservative hardline Islamist rhetoric of Erbakan, the Prosperity Party (SP), was likely dealt a death blow when it only garnered 2.5% of the vote in recent elections, a clear sign that the electorate distinguished between religious manipulation by politicians the likes of Erbakan, and the more reformist, conservative Justice and Development Party (AKP).

For their own part, the AKP views themselves more as a conservative, democratic party on the center right, filling the vacuum left by Tansu Ciller’s DSP and Mesut Yilmaz’s ANAP, rather than as a religious party.<sup>61</sup> One can say based on the party’s platform that the party has evolved from the religious political and economic rhetoric of past ‘Islamist’ parties to one that continually emphasizes human rights and alignment with Europe. Both domestically and internationally they have smartly tried to portray themselves as “Muslim” or “Conservative” Democrats in the same vain as the Christian Democrats of Europe. Erdogan himself has said often that he dislikes the reference to his party as “Islamists” as it misrepresents who they are and what the party’s core ideas rest on:

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<sup>59</sup> Alpay, Dr. Sahin. “Elections of November 3: A Victory for Turkish Democracy”, Turkish Industrialists’ and Businessmen’s Association (TUSIAD): Washington Office. Email to Alan Perese. 12 Nov 2002

<sup>60</sup> Matthews, Owen. “The Minarets are Our Bayonets”, *Spectator* 23 November 2002: Online. Expanded Academic ASAP 9 Mar 2003

“We do not accept being characterized as an Islamist party. That carries with it too many misperceptions and anti-democratic associations. If you call yourself an Islamist, it suggests you are trying to impose some Jacobian and intolerant uniformity. Furthermore, we believe religion is a personal issue.”<sup>62</sup>

On another occasion he went on to further elaborate that:

“We are not an Islamist Party. Our party views secularism as an important segment of our democracy. Together with democracy, secularism is the basis of the Turkish state. We respect that, and if we did not, we would lose our support immediately.”<sup>63</sup>

Given the perception of Islamic parties in Turkey, both inside and outside the country, the party has taken painstaking efforts to show moderation on a variety of issues so as not to play into perceived fears of their “secret/hidden” agenda.<sup>64</sup> Wisely, the military, despite the overblown fears voiced by many before the election, has to date let the free and fair elections from November stand. After the election, the immediate reactions from Europe towards the new government can safely be characterized as lukewarm, preferring to take a more wait and see attitude concerning the AKP’s policies. Such reaction also highlights the uphill battle that leaders of the AKP face in changing the perceptions of Turkish politics, particularly in Europe. It is very difficult for most people outside of Turkey to simply see the recent political developments as the maturing of a secular democracy and political system within an overwhelming conservative Muslim society. Many people arguably want to see things as not working in Turkey or on the verge of chaos, thus demonstrating a very simplistic view of Turkey that uses old stereotypes and refuses to see how much the country has changed. A recent profile of AKP leader Recep Erdogan in the Financial Times gives insight into how Turkey and religion is perceived:

“Furthermore, Mr. Erdogan does not conform to extant models of an Islamist leader. A tall self assured figure, impeccably tailored and groomed with a neat moustache rather than an Islamic beard, and a hint of a swagger in the ease with which he dominates both

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<sup>61</sup> Matthews, Online.

<sup>62</sup> Gardner, David. "Confident Leader with a Mandate" *The Financial Times (London)* 10 December 2002: Online. LEXIS-NEXIS Academic Universe. 9 Apr 2003

<sup>63</sup> Matthews, Online.

<sup>64</sup> Fossedal, Online.

adoring crowds and his loyalist entourage, he looks more like a Mediterranean football manager than a mullah.”<sup>65</sup>

Another example of just how distorted views of Turkey can be presented in supposedly respected mainstream media comes from a recent article in the *Harvard International Review*. The author, commenting on the recent victory of Recep Erdogan’s AK Party in November said Erdogan staying in power “jeopardized Turkey’s identity as a secular state.”<sup>66</sup> The author went on to further express a growing concern that “a significant portion of the population believes that the government should adhere more closely to Islamic principals.”<sup>67</sup> Such characterizations, to put it mildly, are grossly distortive and in no way reflect the reality of Turkish politics or society. The existence of such a lack of understanding of a country that supposedly is such a vital, strategic partner of the West, is to say the least very unfortunate for Turkey, as it struggles to overcome the perception that a Muslim country cannot be a modern, democratic one adhering to the highest standards of democracy. More than just seeing events through different colored glasses, at times it is as if people outside of Turkey are looking at events with blinders on. One can argue that the likelihood of a fundamentalist state in Turkey is about as probable as Poland reverting to an oppressive communist regime like the one they emerged from only fifteen years ago. Simply because Turkish society is largely conservative and Muslim should not obscure the fact that it has also matured and become more demanding of its politicians. A society of people that consider themselves ‘religious’ does not preclude them from objecting to the manipulative religious politics used Mr. Erbakan and other politicians. First and foremost, people want jobs, they want an end to corruption and they want an end to ineffective government policies, not more religion in politics. For Mr. Erdogan and the AKP, the most effective way of dealing with

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<sup>65</sup> Gardner, Online.

<sup>66</sup> Captain, Alex. “Divine Inspiration: Islamism in Secular Turkey”, *Harvard International Review* Winter 2003: Online. Expanded Academic ASAP 9 Mar 2003

pervasive stereotypes that exist about Turkey is to build credibility by producing results through effective leadership and ending the legacy of politics as usual in the country. First and foremost, this would benefit Turkey immeasurably, and secondly (though not likely in the short term), it could enable Europe and others outside of Turkey to finally come to grips with the evolution of Turkish politics and society.

Besides the fact that the strength of the AK Party's mandate as a single party government with a strong parliamentary majority puts it in a very good position to provide effective, stable leadership, something sorely lacking in Turkish politics, its election victory may also portend more importantly for the future as a true maturing of democracy within Turkey. The time may have come to incorporate a brand of democracy that suits Turkey, and strikes a balance between democracy and cultural realities. In the past the country, and in particular the military, has felt compelled at times to place a heavy hand on perceived religious politics. Considering Turkey's geographic location, its own history and the current governments of many countries that border Turkey, one can argue that such caution is understandable. Now the time though has come where it is necessary to allow the political system to "breathe". The AKP in that regard has a tremendous responsibility to eschew the manipulation of religion for political gain as attempted by many politicians in the past, and effectively govern with the mandate it has been given, with responsibility, clear leadership and free of the corruption that has plagued Turkish politics for decades. This more than anything, would elevate Turkey's image both domestically and internationally, help to break down many of the misperceptions about religion and politics in Turkey and show that a democratic party with "Muslim" values can bridge the gap and appeal to a largely conservative, moderate Muslim population without compromising the unquestioned

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<sup>67</sup> Id.

secular character of the republic. Such an accomplishment by the AKP would be nothing short of transforming in the development of Turkey as a nation. A fall back on "politics as usual" though, at such a crucial juncture in Turkey's history, would likely stagnate the country for years to come and represent a genuine missed opportunity for the country to take a tremendous leap forward.

#### **v) Poland – Recent Political History Up Till October 2001**

Ironically, while Turkey had a forty year head start on a democratic, multiparty system and free elections long before the cover of the oppressive communist regime was lifted from Poland in 1989, Poland has in many ways accomplished in fifteen short years what Turkey has struggled to establish in nearly fifty. However, after the decade-long honeymoon that followed the establishment of democratic rule, Poland has increasingly found itself mired in some of the very same problems that have plagued Turkey: allegations of widespread corruption<sup>68</sup>, ineffective politicians lacking the political will to get things done, a lack of confidence in government by the voting public, increasing fragmentation of political parties, and the rise of several hardline, EU-skeptic parties in parliament. While the EU considers Poland to have clearly fulfilled all necessary political conditions for membership, the political system can often times still be very volatile and unpredictable. At a time when Poland is guaranteed to enter the EU in 2004 and based on its size become one of the most important members in the soon to be 25 country block, it is imperative that Poland quickly re-establish the effective leadership that so successfully helped pull the country out of the darkness of the communist era if it hopes to solidify its leadership position in the EU within the short to medium term.

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<sup>68</sup> "Pot-holes on the Road to Brussels; Poland's New Government Already in Trouble", *The Economist* 15 December 2001: Online. Expanded Academic ASAP 10 Mar 2003



Prior to 1989, Poland was a member of the Warsaw Pact, with a communist, centrally planned system, and with trade and diplomatic relations strongly directed towards the former Soviet Union. Almost all industry was nationalized and as was common under centrally planned economies, inefficiency, shortages and technological backwardness were hallmarks of the system. Despite a brief period of reform in the early 1970's under a rather progressive first secretary Edward Gierek, the economy went into a tailspin due to the oil crises and more economic mismanagement. By the end of the 1970's Poland had reverted to a strong centralized approach.

In 1980, the Solidarity labor movement emerged as a unifying social movement against the communists. While the movement was put down and brutally oppressed for much of the 1980's, the tide of change was on their side and the Solidarity trade union was re-legalized in 1989. Shortly after the re-legalization, the communists stepped aside as Solidarity swept into power. Within seven short years leading up to the elections of 1997, two groups would come to dominate politics, each commanding the support of roughly 30% of Polish voters. On the right was the Solidarity Electoral Action Party (AWS), a coalition of center right and right wing groups with strong backing from the Solidarity trade union. On the left were the former communists who had reinvented themselves as a social democratic party, called the Democratic Left Alliance (SLD). The founder of the SLD, the former communist Aleksander Kwasniewski, was elected president in 1995, and was then re-elected in a resounding victory in October 2000.

While the Polish political system experienced some growing pains in its first decade after the end communist rule, the political arena during that crucial period was largely characterized by stability. This was due in large part to continuity, good leadership, a strong sense of will, determination and credibility in both the domestic and international arenas - all traits that have

often been sorely lacking in many of the politicians in Turkey. Early governments under the Solidarity leaders from 1989-93 and the SLD from 1993-97 implemented many important reforms that enabled the economy to get on track quite quickly. Thanks to sound policies, they kept inflation down, economic growth strong, and reduced the role of the state in the economy. Ironically, during this period Solidarity lacked some of the consensus it had when it was a social reform movement united in its efforts to bring down the previous communist regime. This splintering of the right though opened the door for the former communists, the SLD. The metamorphosis of the center-left SLD after the fall of communism, and the speed with which they transformed themselves into a social democratic party was quite remarkable. In the process they have turned themselves into a political force and have proven to be much more organized and disciplined than the increasingly fractured parties on the right. More importantly though, especially during the 1990's, they shared with Solidarity and its successor AWS a commitment to liberalizing reform that kept Poland solidly on track towards eventual EU integration.

In 1997 the center-right was able to regroup enough to win elections by pulling together a fragmented group of parties. They began their term with the highest public support of any government since the fall of communism in 1989.<sup>69</sup> They formed a coalition with the Freedom Union (UW) led by Leszek Balcerowicz, the former finance minister who was the architect of many of the economic reforms in the early 1990's that set Poland off on the right course. While the coalition lacked discipline and the liberal UW ultimately withdrew from the government in June 2000, the government did embark on many challenging reforms in several key areas such as

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<sup>69</sup> Sibierski, Mary. "Poles See Uncertain Future after Coalition Collapse." *Deutsche Presse - Agentur* 7 June 2000. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

healthcare, social insurance, education and privatization.<sup>70</sup> There is always a fine line for any country in such transition as Poland is in, as it inevitably faces the difficult task of choosing between undertaking the sacrifice to introduce tough but necessary reforms for the sake of progress, or delaying hardship in the present but risking falling behind in the future. If anything, the AWS could be faulted for being too ambitious. To the credit of both the main parties though, they have, more often than not, shown a willingness to make tough decisions rather than simply do what is politically expedient. In Turkey by contrast, such willingness on the part of politicians has only been demonstrated more recently in past three to four years.

Poland is also fortunate to have a president that is a strong political figure with broad support. As the country's most popular politician, President Kwasniewski has very high approval ratings and a good reputation both at home and abroad as a level headed politician who is able to rise above the divisions in Polish politics. He has helped to instill a sense of confidence and stability in the government, which is a tremendous achievement given where Poland was only fifteen short years ago.

Several other points clearly distinguish Poland from Turkey in the political landscape. A significant one in the eyes of the EU is the clear absence of the military in any political capacity in Poland. Civilian control of the military was enshrined in the constitution that was officially adopted in 1997, which establishes the President as the head of state and supreme commander of the armed forces. Another clear distinction came about with the reform Poland undertook in 1999 that decentralized administration and put more authority in the hands of sixteen regional municipalities. This key piece of reform has not only made Poland's administration more efficient, but has also served to align its administration with the EU's funding policy concerning

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<sup>70</sup> Sibierski, Online.

the allocation of funds to regions within EU members. This was yet another example of taking tough reforms now for the sake of long term benefit to the country.

One could also make an argument that Poland has greatly benefited from being in the right place at the right time. When Poland emerged from communist rule in 1989, it did so at a time when the Cold War was clearly coming to an end, and democratic reform was taking root around the globe. In such a climate, there was an impetus for Poland to push away from communism and to 'validate' its new found freedom by linking with the rest of Europe. Poland also benefited from its alignment with Europe in the formative stages of its development. In some ways Europe 'caught' Poland early in the process, and has had a tremendous stabilizing effect on its development by providing the economic and political blueprints for Poland to follow. Europe was able to do this at time when there was generally a broad consensus within Poland on its future, and before interests had become splintered. Had this occurred, the reform process would have been much more difficult.

In contrast, when the EU finally accepted Turkey as an accession candidate in 1999, the Turkish political system had already been in development for more than fifty years and divergent institutions, parties and interests had become entrenched in Turkey's political landscape. Reform in such an environment can be very slow and painful. In some ways, the period in Turkey after the end of World War II leading up to the first military coup in 1960 was a period that could have paralleled the 1990's for Poland had Turkey been offered the right guidance. During this period multiple parties and free elections first came into being, Turkey joined NATO in 1952 and a host of other important Western international organizations and applied for an association agreement with the EEC in 1959. Turkey was clearly reaching out to Europe and the West, but for a variety of reasons, neither side was quite ready to cement the relationship. Turkey was still

too early in its development, politically, economically and socially, to truly be an equal partner in Europe and, as today, Europe was very unclear of the scope of the relationship it wanted with Turkey beyond one based on strategic and eventually economic considerations. The resulting fragmentation of Turkey's political parties, weak governments and omnipresent military that would plague the country for decades after that first military coup in 1960, have in many ways kept Turkey's dream of integrating with the EU out of reach right up till the 21<sup>st</sup> century. It is only in the last four years thanks to the key impetus from Turkey's official acceptance as an EU candidate in 1999 that we have begun to see the sweeping changes that are rapidly putting Turkey on the path to realizing its goal of EU membership, should Europe finally make up its mind that that is what it truly wants. One can only surmise whether the process of rapid changes we are seeing now in Turkey could have been initiated much sooner with the proper encouragement and incentives from Europe.

#### **vi) Poland – Struggles of the SLD: The Second Time Isn't the Charm**

In October 2001, as expected, the Democratic Left Alliance (SLD) led by current Prime Minister Lezek Miller, swept into power for a second time in partnership with the Polish Peasants' Party (PSL). They soundly defeated the Solidarity Electoral Action (AWS) which had been in power since 1997. Despite some laudable attempts at ambitious reforms, the AWS was plagued by very poor execution although it had good intentions. As the party became increasingly fractured, it effectively lost its ability to govern.<sup>71</sup> The most recent elections have

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<sup>71</sup> Owsiak, Katarzyna and Owsiak, Stanislaw. "The Dilemma of Decentralizing the Public Finance System in Poland", *International Journal of Public Administration* February 2001: Online. Expanded Academic ASAP 10 Mar 2003

left the center right of the political spectrum in complete disarray as the AWS did not earn a single seat in the parliament.<sup>72</sup>

While the SLD was clearly more determined and organized at the start of its term than the previous government, and was quick to make the EU its main focus, even achieving some key early successes in negotiations with the EU<sup>73</sup>, the government in the last year has run into several significant bumps in the road. To start, its coalition with the PSL collapsed in early March, leaving it a minority government at a crucial time when it is trying to rally public support in the run-up to the vote on the EU referendum in June and also trying to pass much needed reforms on public finances.<sup>74</sup> After being plagued by several high profile corruption allegations, the SLD has clearly lost much of its support from the October 2001 election, leaving much of the public completely disenchanted with politics. Unfortunately for the government, it also entered office at a time when the once robust Polish economy was faltering, only made worse with the lingering economic slowdown in Europe, particularly in its main trading partner Germany. While there is still a majority in parliament backing EU-related legislation, the SLD is clearly on the ropes.

Adding to the concerns of the SLD is the strong and increasingly vocal anti-EU vote that gained seats in the parliament in the last election. This faction is most clearly symbolized by Andrzej Lepper, the leader of Samoobrona (Self-Defense), the 3<sup>rd</sup> biggest party in parliament.<sup>75</sup> The radical farm leader's vitriolic attacks have created quite a problem for the government as the SLD's attempts to neutralize him by making him the deputy speaker of parliament failed. While

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<sup>72</sup> Valencia, Matthew. "Limping Towards Normality; Poland may be one of Central Europe's most successful reformers, but its new government has plenty left to do", *The Economist* 27 October 2001: Online. Expanded Academic ASAP 10 Mar 2003

<sup>73</sup> Leonard, Online.

<sup>74</sup> Reed, John. "Polish Premier Left to Plough Lonely Furrow", *The Financial Times* 4 March 2003: Online: LEXIS-NEXIS Academic Universe. 5 Mar 2003

<sup>75</sup> Fairlamb, David and Turek, Bogdan. "Mission Impossible for the New Finance Chief?", *Business Week* 22 July 2002: Expanded Academic ASAP 10 Mar 2003

he was later stripped of his deputy speaker post and is considered too extreme to be taken seriously, he nevertheless represents important segments in Polish society, namely the poor rural areas as well as farmers that have felt increasingly alienated by the lack of benefits realized from tough EU reforms enacted over the last decade.<sup>76</sup> Self-Defense, along with the nationalist Roman Catholic League of Polish Families (LPR) and Law and Justice Party all have seats in parliament bringing the representation of those parties with strong reservations about EU related policy to about 20-25% in parliament.<sup>77</sup>

While one can say that democracy is maturing in Poland and Turkey, in the sense that ideologies are not as polarized along the lines of communist vs. anti-communist in Poland or Islamist vs. secularist in Turkey, both clearly have shortcomings within their respective political systems that often render policy making in government less than efficient. It is ironic though that at a time when Turkey's political scene appears to be stabilizing, the political situation in Poland seems to be growing more uncertain. This highlights the difficulty in managing the grueling process of EU integration, something Poland, even with the unquestioned support of the EU, has struggled with for five years. The demands placed on all facets of society, economic, political, legal and social, no matter how efficient or well intentioned the state leadership, can create significant strains among the people, as the benefits of such a lengthy process is not always realized in the short or even medium term. This is an important lesson to learn for Turkey and hopefully the EU as well, that needlessly dragging out negotiations longer than necessary, without the proper support and initiative of all parties, can create resentment within segments of society that ultimately will make the process even more difficult.

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<sup>76</sup> "Pot-holes on the Road to Brussels; Poland's New Government Already in Trouble", Online.

## **5. Economy: *The Engine of Future EU Growth?***

Both Poland and Turkey share much in common with regard to their respective economies. Both economies: a) have a dynamic private sector that has seen the state's involvement in the economy decrease considerably; b) had robust growth in trade and GDP throughout the 1990's; c) have the EU as their largest trading partner; and d) still have a sizeable agricultural sector that will need major reform in the years ahead. However, beyond their similarities, what is most striking about the two economies is: a) how quickly Poland has transformed itself in fifteen short years from a state-run economy to a market-oriented one, and b) how resilient the Turkish private sector is despite the existence of politicians who have been notoriously bad at managing the economy. We will now look more closely at the development of both economies, their strengths and weaknesses and how this has impacted their readiness for EU fiscal and monetary integration.

### **i) Turkey – Solid Growth & Dynamic Economy despite Problems**

Until 1950, the state played a large role in the Turkish economy with heavy involvement in industries deemed vital to the state, or where the private sector lacked the capital or incentive (i.e. profit motive) to be involved. In that sense rather than controlling the economy, the state sector was meant to complement the private sector, supporting and nurturing its development. Under Menderes in the 1950's and various coalition governments in the 1960's, Turkey began to open its economy and considerable portions of both decades were marked by rapid growth.

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<sup>77</sup> Kaslow, Amy. "Preparing Poland: Poles need the EU's markets and vitality, but they are chafing at the rigorous reforms required for membership", *Europe* June 2002: Online. Expanded Academic ASAP 10 Mar 2003



However, during that period, the first indications of structural imbalances within the economy began to develop as well. Such imbalances, brought on primarily from short sighted, populist policies that often lacked purpose and direction and were too focused on short term growth rather than long term development, would come to hamper the economy for decades. This would also lead to numerous financial crises, the most serious and recent of which in February 2001 Turkey is just now beginning to emerge from. However an enormous positive to come out of the most recent crisis was the realization by the government that the Turkish economy simply could not continue to sustain itself and avert further crisis without serious reforms that would impact all phases of the economy. In the last several years, largely under the guidance of the IMF, Turkey had made serious efforts to clean up its economic problems and has made considerable progress, the fruits of which should be enjoyed for years to come.

After a decade dominated primarily by import substitution policies, starting in the 1980's, and in particular under the leadership of Turgut Ozal, Turkey began to institute many reforms geared towards liberalizing the economy, reducing state involvement, and moving away from import substitution towards a robust market economy geared towards exports. The growth in the economy over the last two decades has been impressive, even more so considering the ill advised nature and implementation of many of Turkey's economic policies and an often unstable political environment. During the 1980's GNP growth averaged around 4% and in the 1990's around 5%. The last decade's average would have been even higher, approaching 7-8%, if one discounts the year 1994 when Turkey's economy was severely impacted by a financial crisis, and the year 1999 when it was adversely affected by a series of devastating earthquakes and the lingering effects of the Russian financial crisis. Some independent analysts have also indicated that with regard to

membership in the EU, Turkey's problems are clearly more political than economic.<sup>78</sup> Before the most recent financial crisis in February 2001, a research fellow at the Center for European Policy Studies had characterized Turkey, with its high growth rates and unemployment below 10%, as the fastest growing economy in Europe.<sup>79</sup> It is a testament to the dynamic nature, ingenuity and resourcefulness of the private sector that despite having an economy with poor guidance, Turkey by some estimates is now the 16<sup>th</sup> largest economy in the world with a pre-crisis GDP of almost US\$200 billion. Turkey today, would represent the 8<sup>th</sup> largest economy of the soon to be 25 member European Union, and as such could be expected to play a key role in EU economic growth.

As Turkey has transitioned away from its legacy as a state run economy, major structural changes have taken place. Over the last two decades both industry and services have been steadily increasing their contribution to the GDP, while the agricultural sector's contribution has been in decline. As of 2001, industry (including construction) accounted for roughly 31% of GDP, services 54% and agriculture about 15%. Construction, iron and steel, automobile manufacturing and related parts are all industries that have prospered and helped to push manufacturing's total contribution of GDP to more than 20% by 2001.

The diversity and quality of Turkish products have helped to boost the level of trade and its composition. While Turkey's main exports were once mainly unprocessed agricultural goods with little contribution from manufactured products, today 90% of the value of merchandise exports comes from manufactured products. The manufacture of consumer goods has become the most dynamic sector of the economy and is almost entirely owned by the private sector. In

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<sup>78</sup> James, Barry. "Turkey Tells the EU it's On Track to Join; Lower Inflation Cited with Growth Prospects." *The International Herald Tribune* 4 Mar 2000: 11. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>79</sup> Id.

particular, textiles, which account for about 35% of exports, electronics, food products and motor vehicles have all shown considerable growth and contribute in a substantial way to total exports. In general the economy has shown strong growth in both imports and exports, with the latter's growth being steadier and less volatile. Total foreign trade as a percentage of GDP has soared in the 1980's and 90's from 7% of GDP to 35-40%. More than 50% of Turkey's exports and imports are now with the countries of the EU. Trade has been greatly aided by the trade liberalization that has occurred since Turkey joined the EU's customs union in 1996. Turkey has worked to align its legislation with the European Union on trade-related issues such as customs legislation, administration and tariff reduction as well as the removal of protection from certain industries. Clearly big strides have been made in this area.

## **ii) Turkey – Build Up of Structural Problems**

While progress in economic terms has been impressive, the economy's development has been anything but smooth. Turkey has some major structural problems in its economy that must be solved with better financial management if the country is to prosper and improve the standard of living of its people. Some of the most visible problems for Turkey have been its persistently high inflation, burdensome debt load and persistently high interest rates. All are very much interrelated. These problems, not surprisingly, stem largely from a lack of political will on the part of politicians to make tough economic decisions. Starting with Ozal's regime in the 1980's that aimed to liberalize the economy and transition it to an open, export driven, market-economy, the government has rung up large deficits and had very lax fiscal policies.<sup>80</sup> Politicians have

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<sup>80</sup> Moustakis, Fotis. "Turkey's Entry into the EU: Asset or Liability?" *Contemporary Review* September 1998: Online. Expanded Academic ASAP 10 Mar 2003

continually eschewed the tough measures needed to build a sound market economy and have instead focused on short term, populist policies geared most often towards political expediency. This in turn has led to a boom/bust cycle of economic growth seen in many emerging markets.

The problem of persistently high inflation has been particularly acute for Turkey. Average consumer price inflation ranged between 60-90% for the 12 year period between 1988 - 99 and was even higher over the 2<sup>nd</sup> half of the 1990's. Recent IMF programs have begun to have some success reducing this problem, as year-end 2002 inflation was below the IMF-mandated 35% target. Inflation is expected to be approximately 25% in 2003. Inflation has the damaging effect of keeping real interest rates high, thereby increasing the cost of borrowing which discourages long-term planning and investment. High real interest rates have also led to substantial "hot" money flows, namely short term portfolio investments chasing high interest rates on government debt instruments. Such investments can create tremendous instability in financial markets as they are typically of a short term nature and can rapidly be pulled out of the market, particularly by foreign investors, at the slightest sign of trouble in the markets. Such volatility can then lead to tremendous fluctuations in exchange rates, almost always in the downward direction.

Perhaps even more damaging is the distorting effects of business constantly having to manage in a state of crisis. While such an environment ironically has had the benefit of making business managers very flexible and nimble, such lessons come at a very high cost. High inflation very often also creates a self-perpetuating mindset where the constant anticipation of such high inflation creates the need for business to increase prices and wages which further exacerbates the problem. Such a mindset also makes business too reliant on price increases to maintain margins, which in the long term can mask cost inefficiencies. Any kind of long term

planning also becomes extremely hard and has led many manufacturers in Turkey to seek opportunities to invest abroad in more stable environments. Inflation also encourages consumption on the part of consumers which not only helps to keep prices high, but also keeps savings rates very low, hurting much needed capital accumulation in the economy needed for investments.

One of the primary causes of inflation has been large public sector borrowing requirements, leading to a very high level and cost of government debt, the servicing cost of which was 18.4% of GDP in 2002. Persistent large budget deficits (15.7% of GDP in 2001) and external debt in Turkey that has reached a staggering \$115 billion<sup>81</sup> in 2001 or roughly 70% of GDP, gives an idea of the magnitude of the problem. This situation has created a vicious cycle that feeds on itself as larger borrowing requirements have led to higher yields on government bonds and thus a higher cost of debt. The higher rates being paid to service the debt have put a tremendous strain on the treasury. The sizeable debt financing needed by the government also tends to crowd out the domestic market creating a general lack of capital for the private sector and increases domestic interest rates, making financing for banks and private sector companies very costly.<sup>82</sup>

A key reason for the very high borrowing requirement of the government, and resulting large budget deficits, has been the slow progress in reducing the role of the state in certain industries, such as airlines and telecommunications. State run companies in these industries are often very inefficient and are an enormous drain on the state budget as more and more financial resources go into funding poorly run state enterprises. There is clearly the need for a better separation of politics from business, more transparency, less corruption and more efficient

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<sup>81</sup> Roughly 40% or about \$69 billion is public sector debt.

allocation of public funds. Some of these problems can be traced back to Turkey's more statist days and the close beneficial relationships that a handful of businesses in the private sector made and maintained with the state. The issue now is trying to dismantle those very entrenched links and tentacles of the state.<sup>83</sup>

The lack of capital in the banking system, caused by excessive government borrowing and a general lack of saving within society for the reasons cited above, could have been mitigated if Turkey had been able to attract more foreign direct investment (FDI) throughout the years. In general, Turkey has attracted less than US\$1 billion in FDI a year. For a country the size of Turkey, this is extremely small, but given the political and economic instabilities we have seen, it is not necessarily surprising. The amount of FDI received also pales in comparison to other developing markets, most notably Poland. In terms of its eventual potential, some say Turkey could attract as much as US\$8-9 billion per year based on estimates using foreign investment-to-GDP ratios of Poland and other developing countries with large scale investment.<sup>84</sup> Considering the remarkable staying power of many industries in Turkey despite this lack of investments, an infusion of capital of even half the estimates predicted would have an immeasurable positive effect on the Turkish economy and likely help to spur strong growth.

While recent reforms have started to pay great dividends, the banking industry historically has been very weak, wracked with corruption and excessive political influence in the funding of projects.<sup>85</sup> In the past, it was the bloated, unreformed and undercapitalized state

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<sup>82</sup> Edgerly, David. "The challenge of life in a more normal world", *The Financial Times* 10 December 2002: Online. LEXIS-NEXIS Academic Universe 8 Mar 2003

<sup>83</sup> Lennon, Online.

<sup>84</sup> Boulton, Leyla. "Greenfield factory highlights the perils", *The Financial Times* 25 June 2002: Online. LEXIS-NEXIS Academic Universe 14 Feb 2003

<sup>85</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "Selected News on Turkey (March 13-19 2001)." Email to Alan Perese. 19 Mar 2001

banks that had to underwrite many of the government's costs via low cost subsidies to inefficient state enterprises. Some action was begun under the Ecevit government to tackle this problem, such as the establishment of the Bank Regulation Supervision Agency (BDDK) to serve as a watchdog over the industry. The government has been aggressive in the last two years in enacting new legislation aimed at further stabilizing and restructuring the banking industry, such as new capital adequacy requirements, loan loss provisions and limits on exchange risk exposure. While more needs to be done, Turkey today has a much stronger banking sector thanks to these reforms.<sup>86</sup> Further restructuring and privatization along with additional consolidation of weaker banks in the system, has been planned with IMF help over the next several years.

### **iii) Turkey – Reforms, Crisis, More Reforms**

In spite of these problems, there began a positive, though sometimes painful, change for the better under the politicians that came into power in April 1999, who appeared to finally realize, though sometimes grudgingly, the need for structural reforms and responsible fiscal policy. Shortly after Turkey was accepted as an EU accession candidate in December 1999, Prime Minister Ecevit had even remarked that he felt Turkey would be ready in three years for full EU membership.<sup>87</sup> While that clearly was a bit optimistic, Turkey did make significant progress in the three and half years the government was in power. Through the help of a three-year IMF standby credit agreement in December 1999, a stabilization program was developed aimed at once and for all bringing chronically high inflation under control. Through tighter

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<sup>86</sup> Campbell, Colette. "Turkish borrowers defy the critics", *Euroweek* 10 Jan 2003: Online. Expanded Academic ASAP 9 Mar 2003

fiscal policy such as controls on public sector wage increases, increased privatization, and tighter monetary policies such as anti inflationary exchange rate policy, the main goals were to bring inflation down to single digits by 2002, and eventually float the Turkish lira. The program hoped to also enact structural reform in the agriculture, energy and banking sectors and overhaul social security, all of which would help reduce government debt and borrowing requirements.

Despite considerable fighting within the coalition government over much needed reforms that often left markets jittery and questioning the political will of the government, the Ecevit coalition nevertheless was able to achieve some critical structural reforms of the economy and political system. These critical changes included an amendment of the banking law which called for the restructuring of state banks, a further reorganization or sale of private banks that had been taken over by the government and declared insolvent, and an amendment of the central bank law which gave autonomy to the central bank, making it the sole authority authorized to set monetary policy, thus freeing it from political pressure and being used as a tool for simply printing money.<sup>88</sup> To reduce state largess, new privatization legislation was passed and independent authorities to oversee the restructuring and eventual sale of state assets in various industries such as electricity, tobacco and natural gas were established.<sup>89</sup> Progress was also made on closing the budget shortfall through improvements in the tax system, a reduction in subsidies and price supports and an increase in the retirement age. Significant progress was also made in the agricultural sector to bring it in line with EU requirements, such as the implementation of a system of direct payments rather than subsidies to farmers.

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<sup>87</sup> Kinzer, Stephen. "Inspired by EU Prospects, Turkey Hopes to Puncture 60% Inflation." *International Herald Tribune* 21 Dec 1999: 11. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>88</sup> Beris and Gurkan, Online.

<sup>89</sup> Beris and Gurkan, Online.



The overall enhanced fiscal discipline and transparency shown by the government, coupled with the IMF program and newly awarded EU candidate status provided a tremendous boost of confidence to the economy in late 1999 and most of 2000.<sup>90</sup> Clear progress was being made as annual inflation was brought down to below 40% by 2000 year end. While this missed the target of 25% set in accordance with the IMF program, the improvement represented more than a 25% drop from 1999. Turkey was making progress on all aspects of the IMF backed stabilization program, and GDP growth had rebounded to 6% in 2000 after a down year in 1999 due to the Russian crises and several devastating earthquakes.

Despite the Ecevit government being considered the strongest in Turkey in years,<sup>91</sup> the economy was thrown into a serious crisis in February 2001 due to continued foot dragging by the government on additional reforms seen as essential by the financial markets. As a result, Turkey was forced to abandon the IMF plan and its crawling peg exchange rate system and allow the Turkish lira to float freely. Almost \$7 billion in investor capital fled the country when the crisis hit and all told the currency has dropped more than 60% in value against the dollar to date. The event plunged the government into crisis with numerous calls for Ecevit and his government to step aside.<sup>92</sup> The crisis marked the 17<sup>th</sup> failed IMF program for Turkey in 54 years. Even more painful was the impact on the average person in Turkey. The cost of many essential items such as energy, electricity, telephone prices and other imported products skyrocketed<sup>93</sup> and those with dollar-denominated assets saw their value cut in half.<sup>94</sup> Many jobs were lost and many

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<sup>90</sup> James, Online.

<sup>91</sup> "Turkey Promises New Economic Measures." *CNN.com/World*. 24 Feb 2001. Online. CNN. Available: <http://www.cnn.com/2001/world/europe/02/24/Turkey.economy.02/>. 27 Mar 2001.

<sup>92</sup> Ward Anderson, John. "In Turkey, A Quieter Day to Examine Core Problems." *The Washington Post* 27 Feb 2001: A19. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>93</sup> "Turkish Anger as Fuel Prices Rise." *CNN.com/World*. 4 Apr 2001. Online. CNN. Available: <http://www.cnn.com/2001/world/europe/04/04/Turisheconomy/index.html>. 10 Apr 2001.

<sup>94</sup> Id.

businesses, especially those that had taken out loans in hard currencies, were closed.<sup>95</sup> There were also numerous protests across the country, criticizing the current government and IMF for its policies and placing blame on both for the latest crisis.

#### **iv) Turkey – IMF: Friend or Foe?**

Without question, a considerable portion of the blame for the financial crisis which saw Turkey's GNP contract by 7.5% in 2001, the single worst year since WWII, and real wages of workers drop to pre-1997 levels, must be placed squarely on the shoulders of Turkey's political leaders. Years of accumulated problems had reached the breaking point, leaving the government little room for error. In such an environment, even seemingly small events are capable of triggering a crisis. While the crisis was ostensibly precipitated by a disagreement between Turkish President Sezer and Prime Minister Ecevit over Sezer's criticism of the slow pace of banking reform and his calls for an independent probe into the banking industry, clearly there was more behind it.<sup>96</sup> Underlying the collapse, despite much progress by the government, were continued fundamental structural problems within the economy, persistent corruption and a lack of sufficient progress on reducing the public sector's role in the economy.<sup>97</sup> According to Ozdem Sanberk of the Turkish Economic and Social Studies Foundation, the cause of the crisis was largely political: "The crucial link between economic and political stability has been thrown into

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<sup>95</sup> "Turkish Crisis Sparks Protests." *CNN.com/World*. 5 Apr 2001. Online. CNN. Available: <http://www.cnn.com/2001/world/europe/04/05/Turkey.protest/index.html>. 10 Apr 2001.

<sup>96</sup> Id.

<sup>97</sup> Ward Anderson, Online.

sharpest relief. Economic reforms will only be successful if political reforms are undertaken first."<sup>98</sup>

However, beyond the tenuous political situation, it would be very hard to say that IMF policies did not play at least some role in the creating the crisis. Many IMF policies have been criticized, not just in Turkey but in other countries as well. The very austere measures insisted upon by the IMF leave very little room for error and often enforce too harsh a penalty on the majority of the population. The regular IMF prescription for the common ailments of most developing economies entails imposing high taxes, creating a large budget surplus and implementing massive reforms imposed from the outside in a very short time. Such policies can overlook the importance of growth, jobs and political realities, and can also leave the country with enormous debts.<sup>99</sup> Economist Paul Krugman sums up the apparent contradictions of some “tough love” measures prescribed by the IMF:

“You would have to search far and wide to find anyone who thinks that the US government should slash spending and raise taxes to offset the budget impact of this year’s downturn, or who thinks the Fed (Federal Reserve) is wrong to cut interest rates in the face of a slump. Policymakers in Washington and bankers in NY often seem to prescribe for other countries the kind of root canal economics that they would never tolerate here in the US.”<sup>100</sup>

In addition, many experts now acknowledge that the pegged exchange rate policy that collapsed in Turkey in 2001 was a mistake. The mini-devaluations prescribed under the plan did not keep up with inflation, causing the currency to be overvalued. This in turn fueled consumption, leading to a large increase in imports and a ballooning current account deficit. This was compounded by an IMF prescribed sharp reduction in interest rates, which further fueled consumption. At the same time substantial “hot” money flows that came into Turkey from

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<sup>98</sup> Id.

<sup>99</sup> Rosett, Claudia. “How the IMF Lost Turkey”, *The Wall Street Journal* 2 April 2003: Online. LEXIS-NEXIS Academic Universe 9 Apr 2003

foreign investors chasing still relatively high Turkish Lira interest rates and the growing dependence by Turkish banks on interest income greatly exacerbated the problem. The lira overvaluation created a bubble, making a large currency correction necessary. In such an environment, the argument between the prime minister and the president simply became the pin that burst the bubble, while questionable IMF policies had a big hand in creating that situation. After the devaluation, Turkish banks were left holding massively devalued Turkish Lira because of a shortage of liquidity in the system and lack of central bank intervention due to a restriction in Turkey's prescribed IMF package. In one day, the Turkish economy was devastated. Without question, IMF policies have been an important catalyst for structural reforms that will benefit the economy greatly in the long term. However a lack of appreciation for political realities, and the excessively harsh restrictions imposed by the IMF, underestimate the difficulty that developing countries have adhering to such programs in the highly complex world of global financial markets. More critically, the IMF fails to appreciate the problems that can result for developing countries when their policies fail.

#### **v) Turkey – Aftermath of the Crisis; Brighter Future Ahead**

Ironically, the crisis, as devastating as it has been, represents a crucial turning point for Turkey in its development both economically and politically as new light has been thrown on critical issues that Turkey must resolve if it is to move forward and eventually join the EU: political reform, reducing corruption and establishing sound monetary and financial policies.<sup>101</sup> Tremendous progress has been made in the last two years, creating optimism that Turkey has

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<sup>100</sup> Kaur, Hardev. "De facto economic directorate and its policies", *Business Times (Malaysia)* 23 July 2001: Online. LEXIS-NEXIS Academic Universe 14 Mar 2003

finally made the commitment to market oriented reforms and a substantial reduction in the role of the state in the economy. In this regard, continued IMF direction, despite its shortcomings, and continued emphasis on implementing new policies in line with EU standards have provided great incentives for Turkey to stay the course. For Turkey to become a stable member of the global economy, it will require sound leadership and new thinking, not an attitude of “politics and policy as usual.” Respected central bank governor, Sureyya Serdengeçti, who came into his position shortly after the crisis in March 2001, and has been praised for the bank’s steady hand over monetary policy that has achieved considerable success over the last 18 months in bringing down both inflation and interest rates,<sup>102</sup> emphasized recently the continued fragility of the financial markets and small margin for error, necessitating an unquestioned commitment to the economic program:

“The markets are fragile. Even if expectations are on the right track, they can deteriorate very quickly. That’s why we cannot afford to make any mistakes in our program. This program has been successful because we have done everything according to plan without hesitation. If you hesitate about anything, you remind people about past hesitations over the previous program. We walked out of previous programs because we lacked resolve. That was a huge mistake.”<sup>103</sup>

Thankfully for Turkey, continued resolve from the current government and credible leadership in the economic arena since the crisis has given the Turkish economy a much better outlook for long term sustainable growth than it has had in many years. The appointment of respected former World Bank Vice President economist Kemal Dervis as Economic Minister after the crisis can largely be credited with helping Turkey avert a complete collapse and allowing it to weather the worst of the storm in the summer of 2001. Dervis helped inject some much needed credibility into the government with his focus on transparency which helped to

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<sup>101</sup> Ward Anderson, Online.

<sup>102</sup> Campbell, Online.

<sup>103</sup> Boulton, Leyla. “Prime mover in driving down inflation”, *The Financial Times* 25 June 2002: Online. LEXIS-NEXIS Academic Universe 14 Mar 2003

restore confidence in jittery financial markets. Despite the obstacles he faced, the economic program he presented in May 2001, even with its deficiencies, set the framework for a profound political and economic transformation in Turkey and coincided with a new \$16 billion IMF loan package, Turkey's 19th package with the IMF.<sup>104</sup>

In the midst of the political turmoil this past summer over former Prime Minister Bulent Ecevit's health, Dervis resigned from his post when it became clear that early elections would be called. After stepping down, he joined the Republican Peoples Party (CHP), which gave the party a much needed boost that allowed it, after a four year absence, to return to parliament in the recent election as the sole opposition to the AKP on the center left. With the worst of the financial crisis appearing to be over and the economy returning to growth after expanding 6.1% in 2002, the new AKP government has created a sense of optimism that it will continue to provide solid leadership in the economic arena and that it will be able to avoid the problems of previous weak coalitions and keep a steady hand on the economy.

To their credit, the AKP appears to have learned from the mistakes of its predecessors by realizing the importance of a clear articulation of policies to financial markets and a realization that wavering on financial and monetary policies, even slightly, can have a tremendous impact on the Turkish economy due to its links with the global financial system. In the run up to the election, the AKP went out of its way to communicate its planned policies to the international financial community. The AKP's continued vocal support for IMF policies, a renewed commitment to privatization and independent regulatory bodies were all hailed, leading markets to react very favorably in the weeks after election.<sup>105</sup>

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<sup>104</sup> Beris and Gurkan, Online.

<sup>105</sup> Boulton, Leyla. "Investors hope AKP win will bring economic reforms", *The Financial Times* 5 November 2002: Online. LEXIS-NEXIS Academic Universe 15 Mar 2003

While the AKP, as with any new government, faces the challenge of striking a balance between meeting the demands of the public and maintaining fiscal responsibility, every indication so far is that the party will work very hard to meet that challenge. The new government budget recently announced calls for a primary budget surplus of 6.5% as dictated under the current IMF program, and cutting numerous civil service jobs in an effort to reduce the total bill for public employees, which is already at double the OECD average.<sup>106</sup> A further positive sign was an announcement by the new government that it will make it a priority to attract new investment and that an action plan has been drawn up that included establishing a National Development Agency to try and help attract foreign investment.<sup>107</sup>

#### **vi) Turkey – March towards the EU**

The significant reforms of the last four years in the economic and political arenas have put Turkey that much closer to meeting the requirements necessary for beginning negotiations with the EU, if they do not meet them already. Clearly Turkey's EU membership goals have been a key impetus for many of the reforms. The framework for Turkey's economic integration with the European Union has largely been in place since the signing of the Customs Union Agreement on March 6, 1995. Undoubtedly Turkey still has several problems that it must tackle before full integration could be a possibility, but most significantly for Turkey, the customs union has clearly demonstrated that Turkey can compete and deal with the competitive challenges of free trade in manufactured goods. It has also shown that it can align itself with the

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<sup>106</sup> Barchard, David. "Drive to modernize and serve a market economy", *The Financial Times* 25 June 2002: Online. LEXIS-NEXIS Academic Universe 15 Mar 2003

EU's *acquis communautaire*<sup>108</sup> in the areas of trade, competition and intellectual property issues. Most importantly these facts show that Turkey can in fact fulfill the Copenhagen criteria as it relates to economic conditions needed for EU membership.<sup>109</sup>

However, while the Customs Union Agreement has been a success and, at least in the economic arena, has brought Turkey that much closer to Europe, in a broader context it once again highlights the EU's continued hesitancy to fully embrace Turkish membership in the Union. For Turkey, when the Customs Union Agreement was signed, it represented a short term stepping stone on the way to full membership. For the EU, it represented the best Turkey could hope for in the near and medium future. That they had different perceptions was not so much the issue as was the fact that the EU did not effectively communicate to Turkey how the customs union fit into longer term EU-Turkish relations. Turkey's initial expectations led to even more frustration and disappointment when it was the only EU candidate at the 1997 Copenhagen summit who had signed a Customs Union Agreement but was not made part of the EU's membership plans. As of today, Turkey still has not been granted a date to begin negotiations.<sup>110</sup>

In trade with the EU, Turkey takes in more imports than all candidates except Poland, and even some existing members.<sup>111</sup> Since 1996, Turkey has incurred large trade deficits with the EU, as the initial result after the customs union came into effect was to rapidly increase Turkey's imports from the EU, yet only marginally increase exports. One can even argue that such deficits are helping to fund EU enlargement, a process which to date Turkey has been excluded from.<sup>112</sup> Turkey further suffered in the early years of the customs union as it lost considerable revenue

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<sup>107</sup> Munir, Metin. "A serious attitude problem", *The Financial Times* 10 December 2002: Online. LEXIS-NEXIS Academic Universe 14 Mar 2003

<sup>108</sup> The *acquis communautaire* is the EU body of law (rules, regulations and practices) that all members must harmonize their local laws with.

<sup>109</sup> Muftuler-Bac, Online.

<sup>110</sup> Yesilada, Online.

<sup>111</sup> "Why are we waiting?" *The Economist* 10 June 2000: Online. Expanded Academic ASAP 9 Mar 2003



from the ending of taxes on imports from the EU and a reduction of those on imports from non-EU countries. While the EU did offer to provide budgetary assistance over a five year period to help Turkey adjust to those losses, the budgetary assistance was subsequently blocked by a Greek veto.<sup>113</sup>

The above examples do not deny that the customs union or EU membership will not be beneficial to Turkey. In both regards, the customs union has been, and EU membership will be even more so, immensely helpful to the Turkish economy. Rather what they do show is a continued lack of communication on the part of the EU, more apparent double standards with regard to the handling of Turkey's EU application, and a general lack of sensitivity and appreciation for the sacrifices Turkey is making in its efforts to gain EU membership. Without question, a closer economic alliance with the EU will help many sectors in Turkey, particularly in the areas of agriculture, financial services and manufacturing by bringing in some much needed efficiency, discipline and competition.<sup>114</sup> The prospect of more regional aid from the EU, which in turn would trigger increased investment and attract large sums of capital,<sup>115</sup> is another enormous benefit Turkey can look forward to. In return, the EU can expect to benefit from Turkey's well educated workforce, particularly in the highly skilled middle and senior professional management, flexible work rules, low cost labor,<sup>116</sup> and in general a large, dynamic, growing economy that already would be the 8<sup>th</sup> largest of 25 members. The question for Turkey is not *if* they are capable of fulfilling the economic criteria for membership. That they have already shown in many ways. The question is *when* the EU will be ready to establish a relationship of equals with Turkey that goes much beyond the purely economic.

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<sup>112</sup> Yesilada, Online.

<sup>113</sup> Hale, 237

<sup>114</sup> Moustakis, Online.

<sup>115</sup> Id.

## **vii) Poland – Remarkable Transition in 1990's**

As volatile as economic development in Turkey has been, Poland for its part has had a remarkably smooth transition considering the change it has undergone in the last fifteen years. In the process it has avoided any meltdowns characteristic of emerging markets in recent years. The economic transformation that Poland has undergone as the country has recast itself from the shadows of the communist era into a growing, thriving economy is nothing short of remarkable. Poland was the first transition economy to surpass real GDP levels of 1989, which it did in 1996. It is also considered the 2<sup>nd</sup> best transition economy, just behind Hungary. That in itself is remarkable because Hungary is only about 1/4 the size of Poland and had also started reforms much earlier.<sup>117</sup>

The first key steps towards the development of Poland's market economy were taken under the Balcerowicz Plan in the early 1990's, named after Leszek Balcerowicz, the former finance minister who authored the reforms. His "shock therapy"<sup>118</sup> approach was highly successful in taming hyperinflation, the most critical problem that plagued Poland after the collapse of the state run economy under the previous communist government. It also laid the groundwork for market liberalization. In the initial three years after the collapse of the communist government in 1989-92, the GDP plunged nearly 18%, but by 1992 the plan had begun to take hold. From that point on the economy showed steady growth throughout the 90's, with particularly robust growth from 1993-97 (peak of 7% GDP growth in 1995) before tailing off slightly in 1998-99 due to the Russian ruble crisis.

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<sup>116</sup> Edgerly, David. "The challenge of life in a more normal world", *The Financial Times* 10 December 2002: Online. LEXIS-NEXIS Academic Universe 14 Mar 2003

<sup>117</sup> Westlake, Melvyn. "Poland: Tough Strategy of Reform Brings Poland to the EU Gateway." *The Banker* 1 Apr 2001. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>118</sup> Velencia, Online.

Much of Poland's early success can be attributable to Balcerowicz. His determination and willingness to pass through reforms was a key to Poland's rapid and stable transition to a market economy.<sup>119</sup> Timing was also crucial, and he was the right man, at the right time. His contribution was perhaps best summed up by Nick Stern, chief economist at the World Bank in Washington, D.C.:

"The one thing we have learned from the transition process is that the early steps are crucial to determining later outcomes. If the early steps are wise and measured, that sets the pattern for what follows. Not only did Mr. Balcerowicz do well at the beginning, but we now know how important it is to do well in the beginning."<sup>120</sup>

The success of Poland's reforms also benefited from the unique political environment in the early 1990's. The Solidarity social movement helped to shield the government, giving it some breathing room before potential unrest could set in. In addition, given the state of the economy inherited from the communist era, economic reforms were given a better chance of success because the government was starting from scratch rather than trying to retool and tweak a system that had serious structural problems as was the case in Turkey in recent years. To succeed in such a challenging situation, the key is to have leadership that is smart and willing to forgo political expediency for the tough measures needed to put the economy on the right track. Poland was very fortunate to get such leadership at a crucial period in its development.

In stark contrast to Turkey, that sound leadership has lead to a remarkable continuity in macroeconomic policy throughout the 1990's for Poland, thereby avoiding many of the pitfalls that plagued Turkey during the same period. The government deficit was kept in check (4% of GDP vs. 7-11% of GDP in Turkey over the same period), there has been a strong commitment over successive governments to maintain the market economy, banking and tax reforms have gone through, and privatization has proceeded albeit sometimes slowly.

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<sup>119</sup> Westlake, Online.

While political leadership was vital to Poland's early success, it cannot be underestimated how much more difficult Poland's economic reforms would have been without the concerted outside help of various European institutions that had a vested interest in seeing the formerly communist Poland succeed in its transition, and "return home" to the rest of Europe. Crucial to the success of Poland's reforms was the additional help of a very generous debt restructuring and forgiveness package from official Paris and London Club banks as well as an acceptance into the OECD and having an EU association agreement firmly in place. There was thus "little doubt that Poland was firmly locked into an economic policy whose ultimate goal (shared by all leading political parties and by all government's of the 1990's) was to qualify it for membership of the EU and eventually economic and monetary union (EMU)."<sup>121</sup>

An indication of just how swiftly Poland turned to Europe economically was the fact that within only five years after the collapse of communism, Europe had replaced the dominance of the former Soviet Union to become Poland's largest trading partner. This was further helped by trade agreements signed with the EU in the early 1990's that initially allowed Polish products quicker access to EU markets than EU markets had access to Polish markets. This gave Polish companies time to adjust to full competition from more efficient western European countries. The EU's policies towards Poland also stand in contrast to what happened to Turkey after the signing of the Customs Union Agreement in 1995. The customs union which allowed for free trade between Europe and Turkey initially had more of an effect of opening Turkey's markets to EU goods rather than vice versa. The result was a ballooning trade deficit with the EU for Turkey. To make matters worse, proposed budgetary assistance allocated to help Turkey during an adjustment period was ultimately vetoed by EU member Greece. It is safe to say that the

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<sup>120</sup> Westlake, Online.

experiences of Turkey and Poland during a formative stage of linking with Europe were quite different.

As in Turkey, the dynamic private sector has been the driving force behind Poland's economy. In less than ten years after the collapse of the state run economy, the private sector has grown from 18% of GDP in 1989 to 71% in 2001 and the private sector non-agricultural labor force has grown from 14% to 64% of the total labor force. In addition, similar to other market economies, the composition of the GDP changed significantly, with a growing emphasis on services (64% of GDP, doubling in one decade) and less on industry (25% of GDP or 33% of GDP if include construction).

In looking at Poland, several factors for its success readily stand out in contrast to Turkey. One factor is Poland's debt level. As mentioned, Poland was helped tremendously in the early 1990's when almost 50% of its external debt burden was written off as part of a generous debt restructuring package given by international lenders. Most of the country's debt is now long term and will not come due until Poland is squarely on its feet in the 2005-8 timeframe, with other portions of its debt due even later. This has been a huge benefit to Poland because it has allowed the country to return to international debt markets to raise needed financing at reasonable rates.

In terms of its overall debt level, Turkey is not necessarily that much worse off than Poland, but the interest rates it pays on that debt are extremely high, and the resulting interest payments it makes, as a percentage of the budget, are very high. For example, despite maintaining a primary budget surplus<sup>122</sup> of 6.5%, after debt servicing Turkey had a budget deficit

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<sup>121</sup> The Economist Intelligence Unit (EIU). "Poland: Country Profile 2002." *The EIU Online*. 2 Aug 2002: 25 Online. The Economist Intelligence Unit. Available: <http://www.eiu.com/schedule>. Mar 15 2003.

<sup>122</sup> Government revenues minus government expenditures, not including interest payments

of nearly 16% of GDP in 2001. In contrast, Poland's interest payments went from \$4.2 billion to \$422 million between 1992 and 1996. As confidence in Poland continues to rise, it will become even easier for the country to borrow at even more reasonable rates. To illustrate, total external debt as a % of GDP for Poland in 2001 was roughly 40% while in Turkey it was over 70%. Of that debt, Turkey had nearly twice as much short term debt and nearly three times the amount in yearly interest payments. Until Turkey gets its debt level down to a much more manageable level, it will continue to be on a very short leash with the international debt markets. Another critical aspect for Turkey of the high debt load and burdensome debt servicing is that because a large portion of the state budget must go to debt payments, Turkey has much less money to spend in other vital areas such as education and health care or internal development projects. Poland's financial flexibility has served it well during its development.

Another element that contrasts sharply between the two countries is the composition of capital inflows. While a concern for Poland in recent years has been a fairly large current account deficit (4.1% of GDP in 2001 though historically higher), due mainly to a negative trade balance, this deficit has been largely funded by substantial inflows of long-term foreign direct investment (FDI), particularly in the second half of the 1990's. This FDI has been invaluable in developing the economy, bringing in much needed capital and expertise, helping Poland boost its manufacturing productivity and developing a more diverse set of value-added products for export rather than simply relying on the export of raw materials and semi-processed products. Poland has the dual benefit of being a low cost export market with a fairly strong infrastructure. Poland has also done an excellent job in creating a favorable climate for FDI in terms of protection for private property, reasonable tax rates, and general harmonization with EU standards. With the

region's largest domestic market outside of Russia, access to the EU and low labor costs, Poland should continue to be a regional leader in FDI.

Coupled with creating a favorable climate for FDI, Poland has also been cautious about limiting speculative portfolio inflows. Speculative cash inflows can result in excessive monetary expansion, exchange rate overvaluation, and lead to a speculative 'bubble'. At the first sign of trouble, capital can flow out of the country very quickly, putting tremendous downward pressure on its currency and throwing markets into chaos. This is exactly what happened in Turkey in both November 2000 and February 2001. In general, capital inflows to Turkey have been strong, but they have mainly been in the form of speculative portfolio investment in the equity and debt markets, lured by high interest rates on government debt and a Turkish stock market that has had some exceptional years of performance. While these inflows have kept foreign exchange reserves strong, this has not come without a price. On those separate days nearly three years ago, almost \$7 billion was pulled out of Turkey on a single day, when investors became jittery sending financial markets into turmoil. Turkey has had extremely low levels of FDI for an economy of its size and growth. There are several historical reasons for this, with the foremost being political uncertainty, inflation, accounting problems and an unpredictable legal and judicial system. A recent World Bank assessment termed Turkey's portfolio inflows 'fairly dangerous' and said the private sector needs to do a better job of attracting FDI.<sup>123</sup> For Turkey though, recent reforms, a more stable economic and political situation, and a new administration focused on attracting investment bode well in the short term that Turkey will start to attract more foreign investment lured by Turkey's unique geography, skilled, low cost workforce and size of its market. The potential in this area for Turkey is tremendous.

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<sup>123</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "Selected News on Turkey (March 19-23 2001)." Email to Alan Perese. 27 Mar 2001

While both Turkey and Poland have much work to be done in reducing the role of the state in the economy, Poland has shown a greater willingness to tackle entrenched political interests and accelerate the process of 'de-politicization' of the economy. Through increased privatization, particularly in the banking sector, deregulation and removal of trade barriers, Poland's efforts have been a constant throughout the 1990's and have generally been quite successful in reducing the influence of the state in the economy. Its privatization efforts have also been a key reason for its success in attracting large amounts of FDI. It has also been recognized as having done a good job of preparing previously state-owned enterprises for free-market competition.

One critical area in which recent reforms have allowed Turkey to catch up to Poland is in the structure of economic decision making. Like in Poland, Turkey now guarantees the independence of the central bank, which is the driver of monetary policy and free from political influence. Ironically, in the last year, it has been the Polish government that has raised some eyebrows by calling into question its central bank's autonomy. The government has been battling with the central bank over interest rate policy during the recent economic slowdown and is hoping to have more control over fiscal policy in an effort to boost growth. While it is unlikely that central bank autonomy which is guaranteed by the constitution will be compromised, it does raise troubling questions about some of the policies of the current government in Poland.<sup>124</sup>

One area of concern shared by both countries is a wide disparity in regional income levels within each country, and an overall wide gap in living standards between their respective economies and even the poorest of the EU members (Spain, Portugal and Greece). The eastern halves of both countries are more reliant on agriculture, have lower investment, lower incomes,

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<sup>124</sup> "Poland poses new questions on EU accession", Online.



poorer infrastructure and higher unemployment than other regions. In Turkey, the gap between the richest and poorest is particularly pronounced, where the top 5% of the population accounts for 30% of the country's wealth and the bottom 20% only 5% of the wealth. According to various statistics, income distribution in Turkey is considerably worse than in Western Europe. Between the two countries, Poland has taken greater initiative in trying to deal with the problem, but nevertheless it is still a lingering concern. Administrative reform that was passed in 1999 should slowly help disadvantaged regions though. Decentralization has given more control to local governments which should stimulate local investment initiatives. The new regional structures are also more in line with EU regional initiatives making it easier to qualify for and receive aid. While Turkey has given some more authority to local municipalities in recent years, it is still very centralized administratively, which continues to hamper regionally focused policies.

#### **viii) Poland – Some of the Luster of Early Successes is Beginning to Fade**

As was also seen in the political arena, Poland's economy is generally in good order thanks in large part to considerably better management and external support during its formative years. However despite all the problems that Turkey has encountered economically through the years, most politically generated, it would be hard to say that Poland is that much more developed, if at all, than Turkey. In addition, though Poland has now finalized negotiations with the EU and is guaranteed to join in 2004, it finds itself dealing with several new and lingering problems that have started to take the luster off its impressive economic growth witnessed in the 1990's. Such developments have grown at a time of increasing public disenchantment with

Poland's politicians due to perceived corruption and frustration with the lack of benefits realized to date from EU integration despite the many sacrifices and costs of EU membership shouldered by Poland in the last decade.

Most notably for Poland is the slowdown in its robust economy that has resulted in a meager 1% growth rate over the last two years. While Poland has clearly been hurt by the global economic slowdown, particularly in Europe and its main trading partner Germany, additional issues are beginning to make people question when solid growth in the economy will return. Interest rates continue to be high (around 8%) despite inflation being largely under control and there being no obvious signs of inflationary pressures. This has led to a continuing battle of words between the government and the central bank governor, Leszek Balcerowicz whose "shock therapy" plan in the early to mid 1990's so successfully guided Poland through its early years of transition. While the government is favoring lower interest rates and a weaker zloty in an effort to spur investment and exports, Balcerowicz has been firm in calling for more structural reforms, faster privatization and increased labor market flexibility before any interest rate cuts are made. In other words he wants to see a clear commitment from politicians that they are ready to make necessary changes, something that has been lacking of late.<sup>125</sup>

Poland's lack of growth has intensified its number one problem: very high unemployment which currently stands at 18%. This issue will not be helped by the fact that while Poland's population is generally older and growth is slowing and expected to start declining by 2015, in the short term Poland is forecast to have an influx of approximately 1.4 million new workers between now and 2010. Given the already high unemployment rate and slow economic growth, this issue could become a very serious one for Poland in the very near term unless it is able to

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<sup>125</sup> "Poland poses new questions on EU accession", Online.

quickly rebound to strong growth of around 5% a year if it has any hope of absorbing that many workers into the economy, let alone make a dent in the existing problem.

While Poland's external debt burden does not pose a risk, its large internal public sector budget deficits in recent years have begun to cause concern in Poland and the EU as it has shown an increasing lack of fiscal discipline and an unwillingness to make tough reforms in public finances. In 2002, the deficit was 5.1% of GDP but considering that it will have to be below 3% before it joins the European Monetary Union (EMU), considerable belt tightening from an increasingly unwilling group of politicians will be necessary. Poland's budget concerns are compounded by two additional factors: a) a lack of transparency in its general government deficit (as opposed to the much narrower reported state budget deficit), and b) the increasing cost of EU integration such as for new stricter border controls with non-EU countries and the need to make contributions to the EU once it officially joins in 2004 and make matching payments on any aid transfers from the EU.<sup>126</sup> Since considerable spending is outside the control of the finance minister, the lack of transparency has forced Poland's monetary committee to keep a tighter reign on monetary policy because of a lack of trust in budget data.

As the costs of EU integration increase for Poland, economic growth continues to be stalled and unemployment remains high. There has been an increase in pessimism, resentment and resistance to European Union integration and its as yet unrealized benefits. While at least 60% of the people in Poland still are said to support EU membership, the increasing inequality between urban and rural sectors and the east/west regions has caused displacement and anger within certain segments of society.<sup>127</sup> This has not been more evident than in Poland's rural/agricultural sector. Poland has been very slow to reform its mostly inefficient rural sector

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<sup>126</sup> "Poland poses new questions on EU accession", Online.

<sup>127</sup> Velencia, Online.

where although farming contributes only 3% of GDP, it employs nearly 27% of the population. In contrast, Turkey's more efficient agricultural sector contributes 15% of GDP and employs 30% of the population. In Poland, farmers' incomes today are just 38% of urban dwellers compared to 102% at the time of communism's collapse.<sup>128</sup> As the social cost of EU integration increases, it highlights once again the difficulty and enormity of the task for countries like Poland and Turkey to merge with the EU. Managing that process, not just in terms of the economic and political details of integration, but just as importantly in terms of the social and cultural impact on people is absolutely critical. As we have seen, even with the unquestioned support of Europe since Poland began its journey to fully integrate with the EU more than a decade ago, Poland has struggled with the process. For Turkey, a country that shares many of the same concerns and issues as Poland, but who at times has had at best an adversarial relationship with the EU, the road ahead appears to be a long one.

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<sup>128</sup> Id.

## **6. Obstacles: *How High Should I Jump?***

As we have seen so far, in both the political and economic arenas, Turkey and Poland share many common struggles. Both though have a clear focus in their desire to be part of the Europe of tomorrow, and both have worked hard in all facets of European integration. Clearly Poland's efforts to develop into a modern, democratic state that will play a leading role in Europe are to be applauded. Its progress since the collapse of communism has been truly remarkable. However, if one judges Poland to be clearly ready for EU membership, despite many of the problems it still has and the many years it will likely have to struggle to resolve them, it is hard to say that Turkey, despite its many shortcomings, is "decades away" from being able to join the European Union, as some have suggested.

In the past four years, Turkey has undergone a transformation of a magnitude it has not experienced since WWII. The three landmark reform packages that it adopted in September 2001, August 2002 and December 2002, covering all areas of Turkish society, have essentially removed all major obstacles cited by the EU that have prevented Turkey from beginning negotiations with the EU for full membership. These reform packages, coupled with the structural reforms in recent years in banking, public finances and state ownership comprise nothing short of a revolution in the way the country's economy and society are run.<sup>129</sup> However despite these efforts, which are a clear indication of Turkey's remarkable progress and commitment to achieving the highest standards adhered to by the EU, Turkey is yet to even be given a date to *begin* negotiations. Does Turkey have a long way to go before it can enter the EU as a full member? Undoubtedly it does, and if Poland's experience is any indication, the negotiating process (once talks begin) will take a minimum of five to six years given Turkey's

size. Thus, the EU's decision in December in Copenhagen to not begin negotiations with Turkey calls into question its sincerity about wanting Turkey to join the Union. Perhaps even more telling is that the decision by the EU indicates a lack of vision as to the future of the EU.

European Parliament Vice President Renzo Imbani expressed this best when he said,

“(the EU's decision on Turkey), narrows the horizon of Europe and reduces a fascinating project into merely a big market ... an enlargement involving Turkey will necessitate a reconsideration of everything. If we can meet this kind of challenge deemed ‘new frontiers’ by the Americans, we can have a future.”<sup>130</sup>

Unfortunately for the EU and Turkey, not many in Europe appear ready to embrace Mr. Imbani's vision of the future.

In light of Europe's hesitancy to fully embrace Turkey, we will now look at the key obstacles, real or perceived, that Turkey must overcome before it can realistically be considered for membership by the EU. We will then use Poland's experience during its difficult negotiating process just completed in December to show how Turkey will likely face many of the same issues as Poland in its struggles for complete EU integration. From that experience, we will see that there are many lessons to be learned by both Turkey and the EU that could make an already arduous negotiation process more manageable.

### **i) Turkey – Obstacle #1: The European Union**

If there is one thing that Poland and other EU countries have been able to show it is that negotiations with the EU are a very difficult process. Complying with the EU's *acquis communautaire* is a staggering task that will likely take a country the size of Turkey anywhere

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<sup>129</sup> Rodrik, Dani and Zel, Soli. “Rewarding Turkey”, *The Financial Times* 14 August 2002: Online. LEXIS-NEXIS Academic Universe 15 Mar 2003

<sup>130</sup> Cerrahoglu, Nilgun. “One Has to Give Them a Chance”, *Turkish Time*, December 2002-January 2003, 63

from five to ten years to complete based on the experience of other candidates. However, the actual negotiations and implementation of the EU's laws are in many ways simply the technical aspects of membership. With effective political leadership, a country can complete all requirements of the EU, no matter how contentious some issues can be. It requires much give and take and a healthy spirit of realistic compromise between the EU and the candidate country, but ultimately everything can be finalized, as Poland has clearly demonstrated. However before real negotiations can begin, there has to be a genuine commitment on the part of the EU to be a partner in the process with the candidate country and walk alongside it as equals. For Poland, that commitment from the EU was unquestionably made many years before negotiations even began, and as such it was simply a matter of time and effort by both parties before the marriage was complete. For Turkey on the other hand, the EU's continued uncertainty as to whether it truly wants to welcome Turkey as a full member of the Union will likely make the integration process extremely difficult, if not impossible, for Turkey. Because of the EU's hesitancy, Turkey can continue to expect to be forced to walk the path to EU membership alone, at least in the short term.

By analogy, one can say Turkey is like a sick patient in the hospital. It is in need of medical attention. The EU is the doctor on call. Rather than the doctor working with the patient to administer proper medical treatment, it tells the patient "I cannot see you until you are healthy. First get better, check out of the hospital, call me in a week and then we can talk." As implausible and nonsensical as such an exchange would be between doctor and patient, that is precisely what the EU has essentially said to Turkey on several occasions. The EU has frequently demonstrated that it chooses to apply a different set of standards to Turkey's EU application

when compared to other EU candidate countries. Such a dynamic between Turkey and the EU is best described by Prof. Meltem Muftuler-Bac of Bilkent University in Ankara:

“The EU’s credibility is questioned because it treats Turkey and the rest of the applicant countries differently. Central and Eastern European nations are invited in and the EU discusses whatever problems they have, and these problems are addressed jointly, with the EU’s help. On the other hand Turkey is told that it will have to get its political house in order before the EU will reconsider its position. The mixed messages coming from the EU unfortunately undermine its legitimacy, thereby decreasing Turkish trust and weakening the pro-European and pro-democratic arguments of the modernizing, western oriented forces in Turkey.”<sup>131</sup>

To put it mildly, Turkey has not exactly been welcomed with open arms by the European Union. It has been the only one of the thirteen candidates to pursue accession preparations almost entirely on its own. Financial and technical support by the EU has been weak, especially in comparison to support lent to other candidate countries prior to starting negotiations, and the decision in December to delay negotiations with Turkey will only make it more difficult. When the task of adopting nearly 100,000 pages of the EU acquis is considered, something that requires countless new laws, regulations and institutions, it quickly becomes evident that it is an almost insurmountable task for a candidate country to pursue alone.<sup>132</sup>

Another example of the lack of support extended to Turkey in its preparations is that the EU has chosen not to make Turkey a part of the key regional EU funds, PHARE, ISPA and SAPARD, all of which were set up to help Central and Eastern European countries. A further indication is the fact that the EU only fully staffed its representation in the Turkish capital of Ankara in 2002. Considering that there are twelve regional EU offices that have been set up to assist the other twelve candidate countries, and that Turkey by size encompasses nearly 75% of the land area covered by the other twelve candidates combined, it is telling that the EU has

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<sup>131</sup> Muftuler-Bac, Online.

<sup>132</sup> Aktar, Cengiz. “EU’s new Turkey Policy”, *Turkish Daily News* 25 December 2002: Online. LEXIS-NEXIS Academic Universe 15 Mar 2002



chosen not to set up a single office in any major city in Turkey outside of Ankara.<sup>133</sup> The EU in its communication efforts with regard to EU programs has even failed to mention Turkey as a candidate country in several of its official publications. Not surprisingly, since 1999, only four EU countries have chosen to partner with Turkey in EU related projects.<sup>134</sup> More than anything these actions by the EU demonstrate at best a lukewarm relationship towards Turkey. Again, it must be emphasized that Turkey needs to make considerable more progress before it can be considered for membership, but that process will be made immeasurably more difficult by the continued reticence of the EU towards Turkey.

Perhaps the clearest indication of the different standards the EU has chosen to apply towards Turkey is its continued insistence that Turkey has not fulfilled all aspects of the EU's Copenhagen criteria. After Turkey passed considerable legislation in the past several years dealing directly with the EU's biggest concerns, such as the removal of the death penalty, broadcasting and publication rights in languages other than Turkish and tougher laws aimed at perpetrators of human rights violations, particularly torture, the EU has been typically cautious in its praise towards Turkey, indicating that while the reforms are commendable, they need to see implementation before negotiations can begin.<sup>135</sup> However such an attitude goes precisely against the "spirit" of the EU and the attitude that it has taken towards other candidates. In the past, more than anything the EU needed to see "sufficient resolve" on the part of the candidate country that it was making a sincere, committed effort to comply with EU guidelines. Anybody who has witnessed the remarkable passing of EU-related legislation in Turkey, often under very adverse economic and political conditions, would see that the efforts Turkey has made clearly demonstrate "resolve". For many countries (Bulgaria, Romania, Slovakia to name a few),

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<sup>133</sup> Id.

<sup>134</sup> Aktar, Online.

implementation has taken place during the preparation *and* negotiation stages, and each country arguably still had considerable issues with regard to human rights and instability in the political or economic sphere prior to beginning talks. However, the same approach has not been provided to Turkey.<sup>136</sup>

EU policy on this matter has been documented in its enlargement strategy paper published in 1999, which clearly summarizes the EU's new accession strategy covering all applicants:

“[The Commission] proposes a strategy for the opening and the conduct of accession negotiations destined to ensure that they will progress *in parallel with the candidate country's preparations* for membership. This approach will stimulate the candidates' preparatory efforts. Ensuring parallelism between negotiating and preparatory progress [reduces] the risk that accession treaties may not be approved.”<sup>137</sup>

Based on this understanding of the EU's own policies, it is clear that the EU has chosen to exclude Turkey from the process that all the other candidate countries have gone through, forcing Turkey to undertake a different and much more difficult process on its own. If Turkey truly featured in the long term plans of Europe, the EU would be much more willing to demonstrate to Turkey that it will be a partner in the process, thus working with Turkey in a constructive way to reach a common goal.

The most remarkable aspect of the EU's behavior is that all of the efforts put forth by Turkey have been done simply in an effort to *start* negotiations. Even if Turkey were to start negotiations that would not in itself guarantee future membership for Turkey as the EU could still reserve the right to suspend negotiations over an issue that it disagrees on with Turkey.<sup>138</sup> While that may be the case, in reality once the EU officially grants Turkey a date to begin negotiations, there would likely be no going back as it would be truly difficult for the EU to

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<sup>135</sup> Leonard, Dick. “Turkey's choices”, *Europe* October 2002: Online. Expanded Academic ASAP 9 Mar 2003

<sup>136</sup> Aktar, Online.

<sup>137</sup> Aktar, Online.

suspend talks once they have started and still be able to justify such an action based on any reasonable explanation.<sup>139</sup> As such, this seems to further indicate that the EU has not made up its mind as to whether full membership will ever be possible for Turkey. It is to Turkey's credit that in the face of such ambiguity, it has nevertheless persevered with reforms and open debate about how to elevate Turkey to the standards of an open, free democracy, with a well functioning market economy and full respect for the universal principles of human rights. In the face of such efforts, Prof. Dani Rodrik of Harvard University indicated that minimizing the efforts taken by the Turkish government would be a misguided position for the EU to take:

“For the EU to belittle the nature and the magnitude of the steps taken by the Turkish parliament (after landmark reforms passed on August 3<sup>rd</sup>), and to equivocate on its response or present Turkey with yet another hurdle, such as the resolution in Cyprus, would not just be wrong. Such a response would also be politically, strategically and ethically self-defeating.”<sup>140</sup>

As we will see, the EU's attitude towards Turkey has been reflected in numerous issues related to Turkey's candidacy.

## **ii) Turkey – Geography, Size & Timing**

The recent war in Iraq is a perfect reminder of the volatility of the region of the world that Turkey is in. While Turkey would like to present itself as a bridge between the East and West, there are many in the EU who wish that bridge was a gate. Europe is already dealing with numerous issues within its borders concerning illegal immigration and an increasingly large minority Muslim population. Considering the reservations that many in the EU already have with

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<sup>138</sup> Cerrahoglu, Online.

<sup>139</sup> Gorvett, Online.

<sup>140</sup> Rodrik and Soli, Online.

Turkey, concerns about what it would mean to extend the EU's borders to Syria, Iraq, Iran and the Caucasus is yet one more obstacle that Turkey will have to overcome. As one official in Britain has stated in the past, "You have to clarify about where the boundaries of Europe are; and the boundaries of Europe are not on the Turkish-Iran border."<sup>141</sup> While taken in a more optimistic light it could be looked at as a positive for the EU to have such a loyal NATO ally protecting such a volatile region of the world, realistically in the aftermath of the Iraq war and September 11<sup>th</sup>, at least in the short-term, Turkey's geography likely works against it. Granting membership to Turkey, a country that admittedly lies largely outside of Europe in the geographic sense, would also break the "Muslim" barrier, raising questions of whether other Muslim countries that are not in Europe, for example Morocco, could potentially gain membership. Again, that is not an issue that Europe is ready to confront any time soon.

Another concern for Turkey is enlargement fatigue on the part of the EU. After admitting ten new members in 2004, and probably Romania and Bulgaria between 2007 and 2009, there is a question as to what the EU's appetite will be after gaining twelve new members, especially considering that Turkey would be nearly the size of the other twelve new members combined. There is also the issue that with twenty five members soon to be in the EU, including Greece and Greek Cyprus, getting agreement from all members that Turkey should be allowed to start negotiations in 2004 will not be an easy task for Turkey. This is especially true if the resistance shown by the current fifteen members to concessions asked for by the new incoming members is any indication. It is likely in that case that Turkey will have to make concessions to either Greece or Greek Cyprus on outstanding issues between the countries. 'Going it alone' figuratively and literally in that there will be no other candidates that Turkey can partner with on key issues to generate negotiating leverage with the EU, as Poland did when it grouped with

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<sup>141</sup> Muftuler-Bac, Online

Hungary, the Czech Republic and Slovakia on various issues, will also be a disadvantage to Turkey. All of these factors point to negotiations for Turkey in the future being more protracted and hence much more contentious.

Turkey will also in the short run be hurt by a question of timing. During the Cold War, Europe had a clearly defined interest in keeping Turkey in the European fold for strategic reasons. Despite Turkey's continued vital role in NATO, its strategic importance to Europe is no longer as clear.<sup>142</sup> In addition, because it was strategically advantageous to do so during the Cold War period, Europe was willing to overlook Turkey's shortcomings in the areas of human rights, democracy and rule of law. These areas form some of the key pillars of Europe's "identity", and unfortunately for Turkey are its biggest weaknesses with regard to EU membership. So at time when Turkey's strategic importance was being questioned and an increasingly important 'pillar' of the EU was one of Turkey's main weaknesses, the EU moved to fill the vacuum after the Cold War by embracing the formerly communist Central and Eastern European countries.<sup>143</sup> In this sense Turkey's candidacy is lacking a single key factor catapulting them towards membership, as Poland had in its integration with the EU. This is not to say that Turkey has lost its strategic importance or that such a key factor won't develop in the future, but as it stands now, Turkey lacks a clear impetus. In the meantime, Turkey must continue its remarkable progress in reforms, particularly in upholding and actively promoting democratic values as those are likely to be the most important areas it will be judged on by the EU, while also being the areas that Turkey needs to make the most progress in.<sup>144</sup>

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<sup>142</sup> Id.

<sup>143</sup> Muftuler-Bac, Online.

### **iii) Turkey – Cyprus**

Another issue that clearly does not work in Turkey's favor is the nearly three decade old conflict in Cyprus. It is highly unlikely that Turkey will ever be able to proceed with its EU application until this dispute is resolved. Regardless of the legitimacy of Turkish legal claims in the dispute, the reality is that after three years of UN sponsored talks failed in The Hague in early March, Turkey has little to no leverage on this issue. Once again, this issue has demonstrated the EU's lack of balance in issues involving Turkey. Both the Greek and Turkish Cypriots are now left with a situation that is not a preferred one after the failed talks at The Hague in early March. While both share heavily in the blame for a deal not being reached, the outcome of the talks is that Turkey is left in the unenviable position of having no supporters in the international community of its views on Cyprus. They also know that the closer they get to May 2004, the expected entry date for Cyprus to the EU, the price Turkey will have to pay for both Greek Cyprus and Greece agreeing not to block Turkey getting a date for starting negotiations with the EU will be a high one indeed. As the Greek side correctly calculated, they will have even more leverage when both Greek Cyprus and Greece are in the EU, which will allow them to even more effectively craft a solution on Cyprus in their favor. Given this, it is not surprising that Greek Cyprus would have less incentive to be flexible and negotiate in good faith knowing that its bargaining position would in fact improve with no settlement. This eventuality was cemented when the EU made the decision in Copenhagen in December 2002 to admit Cyprus regardless of whether the dispute had been settled prior to accession. Given such a hand, the Greek side has negotiated perfectly.

The decision on Cyprus by the EU in Copenhagen was followed by comments in recent weeks from EU Commissioner for Enlargement Guenther Verheugen that "It is difficult to see how it would be possible to start accession negotiations (with Turkey) under such circumstances (divided Cyprus) ... Ankara would have been well advised if they had more seriously considered the

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<sup>144</sup> Muftuler-Bac, Online.

consequences of the failure of the talks (at The Hague) for their own ambitions for EU accession.<sup>145</sup> Such comments appear to directly contradict his statement at Copenhagen where he explicitly stated that the conflict in Cyprus and Turkey's quest for a date to start negotiations were *not* linked. Such conflicting statements only serve to make Turkey and Turkish Cypriots wary of how genuine the EU is in reaching an agreement that serves all parties. Mr. Verheugen's comments also highlight that credibility in negotiations and sincerity in reaching an agreement have to be genuine. In addition to the EU's actions, sincerity of other parties involved were called into question when most said a solution "lies with Ankara" at the same time the US was putting intense pressure on Turkey about Iraq, an arguably more important matter of enormous consequence to Turkey, which took away greatly from their focus on Cyprus. In light of that, criticizing Turkey for ultimately not getting a deal done is disingenuous at best. These points are critical because they highlight the weakness of the Turkish and Turkish Cypriot negotiating position and just how steep a hill they must climb in order to generate any leverage whatsoever in future negotiations, given the overwhelming tide of sentiment against them. In light of this situation, unless Turkey wants to have a permanent roadblock to beginning EU negotiations, it would be in its interest to do whatever is necessary to resolve the dispute in Cyprus as quickly as possible.

#### **iv) Turkey – The Kurdish Question**

Another visible problem that has attracted the harsh criticism of EU governments and human rights organizations is the situation involving ethnic Kurds predominantly located in the southeastern part of Turkey. While the situation is now more or less under control, with the state of emergency in all provinces in the southeast having recently been lifted and the fighting with

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<sup>145</sup> "Turkey Fumes Over EU Cyprus Condition" *Turkish Daily News* 12 March 2003: Online. LEXIS-NEXIS

the Kurds that had cost more than 30,000 lives since 1984 stopped, the damage done to Turkey in terms of its image and monetary cost has been enormous. The Kurdish issue is a complex one and has much to do with a deep rooted belief, namely the fear on Turkey's part about the Republic being splintered and broken up. The state's fear was that if special rights were granted to the Kurds, other groups would demand the same and split the country, undermining the notion of a common "Turkish" identity. Granting special recognition to the Kurds is seen as a danger to territorial integrity as it could open the floodgates to other groups wanting recognition. Former Foreign Minister Ismail Cem indicated Turkey's stance on the Kurdish issue shortly after acceptance as an EU candidate in 1999, when he said, "We will give our citizens the rights enjoyed by the citizens of other EU countries, but it is out of the question to create minorities."<sup>146</sup> Former Prime Minister Ecevit also indicated that the problems in the southeast with the Kurds do not necessarily stem from racism but more from the societal structure of the region and has again reiterated the fears that foreign interests are trying to break up the country.<sup>147</sup>

While Turkey has long viewed the problem with the Kurds as a military problem, namely an issue of suppressing separatist terrorism instigated by the Kurds, the reality is that the problem should be treated as a political one. However, for some of the reasons stated above, the Turkish state has resisted for decades in coming to this realization. In 1998, the EU cited in a progress report on Turkey that: "A civil, non-military solution must be found to the situation in southeastern Turkey, particularly since many of the violations of civil and political rights observed in the country are connected in one way or another with this issue."<sup>148</sup>

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Academic Universe. 4 Apr 2003

<sup>146</sup> "Turkey Not Just 'Any' EU Candidate: Turkish FM." *Agence France Presse* 13 Dec 1999. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>147</sup> "Ecevit Hits Out at EU Over "go-slow" on Turkish Entry", Online.

<sup>148</sup> Yesilada, Online.



However, a huge indication that Turkey is beginning to take a different approach to the issue of Kurdish identity are the reforms passed last August that lifted all restrictions on broadcasting, publishing and education in mother tongues other than Turkish, ensuring cultural diversity and guaranteeing cultural rights for all citizens.<sup>149</sup> In what only one year earlier would have seemed impossible, the reforms enacted are a testament to the incredible change taking place in Turkey and an indication that even the most sensitive of subjects are not only being brought out into the open and debated, but also being acted on. In addition to being a tremendous leap forward for the country in terms of finally coming to grips with an issue that has plagued the country for decades, the recent legislation passed also in large part takes care of one of the most consistently voiced objections to Turkey's membership by the EU.

While such reforms are an enormous step in the right direction, more will clearly need to be done in the southeast to improve the conditions of the mostly Kurdish population that has been devastated by years of conflict. That region has long been neglected, with quality of infrastructure, living standards and social services such as schools and hospitals lagging far behind the rest of the country. The region has also been hit hard by the loss of \$35 billion in trade with Iraq since the imposition of UN sanctions against Iraq in 1990. With the recent regime change in Iraq, and the possibility of an increased flow of trade, the economic situation in the southeast should improve, albeit slowly. A concerted effort by the government to increase investment in the region, thereby leading to an increase in the standard of living for the lives of the majority of the Kurds could go a long way towards improving relations between the state and the Kurdish population. Since the halt in fighting following the capture of PKK leader Abdullah Ocalan in 1999, Turkey has started to invest more in the region. However, considerable more

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<sup>149</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "Passage of EU Reform Laws Mark a Historical Moment for Turkey." Email to Alan Perese. 6 Aug 2002

investment will have to be made in order to make a more meaningful difference in the lives of the Kurds.

While the recent efforts by Turkey to normalize relations with the Kurds is long overdue, and much still needs to be done, Europe has again shown a lack of appreciation for the uniqueness of some of the problems that Turkey faces; arguably problems that no other European country has had to deal with to the same magnitude. Many of the issues that Turkey must deal with are much more complex than the black and white world that the EU often prefers to see. One can only wonder why Spain's vigilant fight against Basque separatists and oppression of groups or organizations linked to the Basque cause<sup>150</sup> is viewed as a struggle against terrorism, while Turkey's actions with separatist Kurds are viewed as brutal oppression.

During the recent war in Iraq, Europe was also very critical of Turkey's announcement that it reserved the right to go into northern Iraq to protect national interests. Belgian Foreign Minister Louis Michel even went so far as to say "Very strong pressure must be put on Turkey to let it know that taking such action will be a determining factor in refusing it entry to Europe."<sup>151</sup> This statement would seem to express the height of hypocrisy when one considers there are current or soon to be members of the EU that are actively involved in the war, and yet Turkey is the only country that actually *borders* the conflict! To claim that any other European country would somehow have more legitimacy in entering Iraq would seem to defy logic. It is easy to forget what a heavy price Turkey had to pay for its assistance in the previous Gulf War in 1991. Most costly was the fact that the Kurdish safe haven in Northern Iraq established after the Gulf War, which Turkey has helped maintain through allied use of Turkish airbases, became a

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<sup>150</sup> Crawford, Leslie. "Lunch with Spain's Ana Botella de Aznar", The Financial Times 26 April 2003: Online. LEXIS-NEXIS Academic Universe 28 Apr 2003

launching pad for Kurdish separatist attacks into Turkey. Coupled with a massive influx of refugees and loss of trade with Iraq, it is safe to say that to this day Turkey is paying for events in 1991 more than any European country could imagine. Turkish Chief of Staff Hilmi Ozkok recently commented on criticism of Turkey's perceived intentions: "I have difficulty understanding those on the other side of the ocean who say they are under threat (from terrorism) but do not believe Turkey when it says we face those same threats directly across our borders."<sup>152</sup> It should be stressed that these examples are not meant say that Turkey entering northern Iraq would be a good thing, or that all of Turkey's actions in the past against the Kurds were justified. That would most definitely not be the case. However what these examples do clearly highlight is a consistent double standard by Europe and how Turkey and issues relevant to it are consistently looked at in the most negative light.

#### **v) Turkey – European Security and Defense Policy (ESDP)**

An issue which has caused much animosity between the EU and Turkey over the last three years involves plans by the EU to set up its own independent European defense force. This is a critical initiative for the Union because it is a key element in the future vision of the EU as a strong supranational entity with influence reaching beyond purely economic issues and extending into the political and foreign policy realm as well. The proposed 60,000 member rapid reaction force would complement NATO and rely heavily on its assets for missions within Europe. While the issue was finally resolved in December when Turkey lifted its objection to a

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<sup>151</sup> "Isolated Turkey warned by EU", *BBCNews.com/World/Europe* 24 March 2003. Online. BBCNews Available: <http://newsvote.bbc.co.uk/mpapps/print/news.bbc.co.uk/1/hi/world/europe/2881> 25 Mar 2003

<sup>152</sup> Boulton, Leyla. "Turkey moves to defuse Iraqi Kurd concerns", *The Financial Times* 26 March 2003: Online. LEXIS-NEXIS Academic Universe 27 Mar 2003

long delayed agreement for NATO to assist the EU's ESDP,<sup>153</sup> this issue again called into question the sincerity of the EU's long term plans to include Turkey within the EU. Perhaps no future issue other than the ESDP would have seemed a more obvious opportunity for the EU to reach out to Turkey and demonstrate the long-term importance of Turkey to the EU. Once again though, Europe could not bring itself to make such an overture and in the process further reduced the EU's credibility in the eyes of Turkey.

With the largest army in Europe and the second largest in NATO, Turkey has played a key role in European security through its steadfast and active participation in NATO for more than 50 years. As such, one would expect this to be an important selling point for Turkey in its future relations with Europe. Turkey's main concern with the ESDP using NATO assets was that it wanted to have full decision making power within the ESDP while the EU was insisting that since Turkey was not an EU member its participation in decision-making within the organization would have to be limited. Considering that thirteen of the sixteen potential crisis scenarios in Europe detailed by the EU calling for ESDP deployment would be within the immediate vicinity of Turkey<sup>154</sup>, and considering the size of Turkey's contribution to NATO, whose resources the ESDP would be using, it seems only reasonable that Turkey would want a full say in the planning of such operations.

The EU's stance angered Turkey because it felt it was yet another example of excluding Turkey from EU affairs and key decision making. If the EU viewed Turkey as a long term member of the Union, it would seem that the matter of not allowing Turkey full participation in the ESDP because it is not an EU member was in reality merely a technicality. Turkey would be

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<sup>153</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "EU Copenhagen Decision Clarifies Turkey's Situation and Gives Perspective to Start Accession Negotiations" Email to Alan Perese. 18 Dec 2002

contributing more than any other European nation to such a force in Europe, and while Turkey is only a candidate for EU membership, it is clearly working actively towards full membership. As William Hale points out, “The Turks seemed quite entitled to reply (to a request by the EU for participation in the ESDP via NATO) that they should be granted full participation in decision making within the new security structures, irrespective of whether Turkey could or eventually would be admitted as a full member of the EU.”<sup>155</sup>

The EU’s stance also shows a lack of sensitivity to the sacrifices Turkey has made over the years in helping to defend Europe. Although many EU countries earned a “peace dividend” after the end of the Cold War, Turkey has not been able to realize the same benefits as the rest of Europe and has in fact shouldered a very heavy burden in the post-Cold War era due to instability in neighboring countries, two Gulf Wars and problems with terrorism.<sup>156</sup> The EU’s failure to acknowledge this and bring Turkey into the ESDP on equal terms with other members, appears to be yet another indication of how the EU looks at Turkey as an outsider, even within an organization as closely aligned with Turkey’s strengths as the ESDP.

#### **vi) Turkey – The Role of the Military**

In numerous reports on Turkey, the EU has cited the constitutionally protected role for the armed forces in Turkish political life as a major issue that still needed to be resolved.<sup>157</sup> Recently, the European Parliament commented on the military’s role in Turkey: “As for the role played by the army in society, it must be said that its influence over Turkish political life is

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<sup>154</sup> Dobra-Manco, Yasemin. “The changing nature of Europe and its road to autonomy through the ESDP”, *Turkish Daily News* 26 July 2001: Online. LEXIS-NEXIS Academic Universe 15 Mar 2003

<sup>155</sup> Hale, 232

<sup>156</sup> Dobra-Manco, Online.

excessive by any standards. Its de facto and de jure position in the legal and constitutional framework is far in excess of what is used in the EU member states.”<sup>158</sup> Reducing the role of the military, a deeply entrenched institution in Turkey, is likely to be one of the slowest and hardest transformations Turkey will have to make in the years ahead. Since the Republic's founding, the military has viewed itself as the guardian of Kemalist ideology, particularly in its vigilant protection of perceived threats to national security and secular ideas. On occasions where the military felt the political system had exhausted itself due to corruption or ineffective civilian governance, it has stepped in to run the government for short periods. The military's broad powers were also enhanced in the constitution, largely rewritten by the military in 1982, via the National Security Council (NSC), an ‘advisory’ body originally set up after the 1960 military coup. As the second largest force in NATO, Turkey has a large military budget, which given its economic difficulties, represents a huge drain on the government's resources. More importantly, by not allowing the political system to mature on its own, the military has in some ways hampered its growth and development. The military needs to be under civilian control, but that will be very difficult to achieve in the short term. In the long term the most likely means of reducing military control will be effective political leadership, which will strengthen civilian rule and lessen the need for the military to feel compelled to step in and avert a crisis due to a weak, ineffective government.

Two things the EU would like see done with regard to the Turkish military is: 1) the abolition of the heavily military-influenced National Security Council, and 2) the placement of the general staff (head of the military) under the civilian defense ministry.<sup>159</sup> Not surprisingly,

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<sup>157</sup> Islam, Online.

<sup>158</sup> Gunduz, Aslan. “Human Rights and Turkey’s Future in Europe”, *ORBIS* Winter 2001: Online. Expanded Academic ASAP 9 Mar 2003

<sup>159</sup> Muftuler-Bac, Online.

the military bristles at this and says that others are insensitive to Turkey's history and that such actions would leave Turkey vulnerable. Such a belief gives the military power to essentially link anything in public life to 'national security'. An indication of the military's view on whether changes are necessary came from retired army Gen. Cevic Bir who told the Turkish daily newspaper *Hurriyet*: "From now on the army says there will be no more coups. Isn't that change enough?"<sup>160</sup>

The military's power and influence in Turkey is considerably more than that given to the military in other modern western countries. It captures 9% of the national budget with little civilian oversight or parliamentary debate. It also controls weapons procurement even though it owns many defense companies and has extensive business holdings throughout Turkey through the army's pension fund OYAK (Army Mutual Assistance Association). It has also been accused of heavy handed tactics, particularly in conflicts with the Kurds in the Southeast and has even acted in the past without the consent of the Prime Minister or defense minister.<sup>161</sup>

While it is clear that the military's role needs to be changed, and its impact on government reduced, political opinion inside Turkey in recent years has been mixed or hesitant to do anything that might upset the military. Part of this may also stem from the fact that the military is consistently rated in opinion polls as one of the most respected institutions in Turkey, and stands in stark contrast to many of the tainted politicians who would call for such a change. The well respected Turkish NGO, TUSIAD, has called for a gradually reduced role for the military and the security council. Former Prime Minister Ecevit during his recently ended term rejected such demands and often discouraged such debate. Former Foreign Minister Ismail Cem,

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<sup>160</sup> Boudreaux, Richard. "Turkish Military Sees EU Entry Terms as a Threat to Its Power." *Los Angeles Times* 5 Mar 2000. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>161</sup> Id.

while realizing the need for military reform, was fearful of pushing the wrong button: "The Security Council should continue to have its role, but this role will not be as preponderant. Democratic solutions will come with time."<sup>162</sup> The military has echoed much of the same thoughts, saying a reduced role for the Security Council would come only in time, "... not now, and only if Turkish democracy can prove its maturity. It all depends on the civilians."<sup>163</sup>

While major changes are not likely to happen in the short term, like almost every other aspect of Turkish society, changes are slowly beginning to take place, even within the military. In 2001, as part of sweeping reforms passed by the Ecevit government, the number of civilians in the NSC was increased to a majority and its sphere of activity was redefined, emphasizing its advisory role.<sup>164</sup> While in practice the military's 'suggestions' are still taken very seriously by civilian leaders, this is an indication that the balance of power is slowly changing. The appointment of Ahmet Sezer, the former head of the constitutional court, as president in May 2000, the first non-military or non-high profile politician to ever be appointed to the post was also a positive. Again, one can say the military's power is so strong that they no longer needed their "own" person in the position, but nevertheless it broadens the scope of opinions within the government and allows for a further balancing of power. Ironically prior to Sezer's election, the then military chief of staff in March 2000 refused to comment on the looming presidential crisis: "We are not saying anything because anything we say could change the [political] agenda. We are being particularly careful in light of our EU candidacy."<sup>165</sup> The military's low profile during the recent elections in which the Islamic AKP party won a resounding victory, its cooperation with recent landmark reforms previously deemed unthinkable by the military and the lifting of

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<sup>162</sup> Boudreaux, Online.

<sup>163</sup> Boudreaux, Online.

<sup>164</sup> Beris and Gurkan, Online.



emergency rule in the predominantly Kurdish Southeast, even during the recent conflict in Iraq, are all further indications of the military's increasing willingness to let civilian authorities handle matters. Does this represent a real changing of the tide or simply a temporary backseat taken by the military? Time will tell, but as we have seen in both the political and economic sphere, there are indications that the military and its role are evolving and that it is not the same institution it was even five years ago. To continue to see the military and other aspects of Turkish society as monolithic and unchanging would thus be clearly misguided.

The EU's criticism of the role of the military highlights once again a lack of appreciation for not only Turkey's political evolution but also the EU's own recent history. Given that Turkey borders such an unstable region of the world, that the military played an important role in the birth of the Turkish republic only 80 years ago and that Turkey has experienced its own struggles with terrorism, it is not altogether surprising that Turkey's military continues to play a key role in public affairs. The EU's criticism also neglects the positive role that the military has played in backing alignment with the EU and being one of the staunchest pro-Western forces in the country.<sup>166</sup> Certainly there are factions within the military that are resistant to change and who are concerned with protecting their own interests, but that is no different from many other constituencies, not just in Turkey, but in any country undergoing such sweeping changes.

A recent report by Arie Oostlander, a Dutch member of the European Parliament, criticized once again the military's perceived excessive influence and even suggested that the military should adopt a "more relaxed approach to religion."<sup>167</sup> Such words are to say the least insincere and typical of the attitude taken by the EU on many issues related to Turkey. In the

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<sup>165</sup> Peterson, Scott. "Is Turkey Fed Up with Europe?" *The Christian Science Monitor* 10 Apr 2000. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>166</sup> Gunduz, Online.

words of one current diplomat in Europe, “If Turkey were to renounce such things, Oostlander would be the first to say Turkey cannot join the European Union because it is disorderly and displays dangerous Islamic tendencies.”<sup>168</sup> Another diplomat commented, “The report is one-sided because it does not explain why things are the way they are in Turkey.”<sup>169</sup> Such reports by the EU again demonstrate a clear lack of willingness to work with Turkey as partners in an effort to improve Turkey and more closely align it with Europe. The stance taken by Europe is very often one of a teacher scolding a student for his/her shortcomings rather than as two adults working together as equals to solve a problem.

Europe’s views in this case also seem to completely ignore Europe’s very own history with authoritarian rule and military governments in the 20<sup>th</sup> century. Current EU members Spain, Greece and Portugal have all had extended periods of military rule prior to entry into the EU, and while there is no such threat today, all three looked at EU membership as a stabilizing force for change and a means of greatly diminishing the chance of any resurrection of military rule.<sup>170</sup> Clearly these countries, as well as many other subsequent members, were not “perfect” before entering the EU in various areas of development. However for all such countries, the partnership with the European Union was a definitive means of demonstrating their long term goals for the country and the democratic principals they stood for. Over time they would strive and eventually hope to achieve such ideals. While Turkey has clearly reached out for such a partnership, and is making genuine efforts to improve in many areas, the EU has yet to fully reciprocate in kind.

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<sup>167</sup> Boulton, Leyla. “Turkish army feels heat after Cyprus rejection.”, *The Financial Times* 14 April 2003: Online. LEXIS-NEXIS Academic Universe 17 Apr 2003

<sup>168</sup> Id.

<sup>169</sup> Boulton, “Turkish army feels heat after Cyprus rejection”, Online.

## **vii) Turkey – Human Rights & Legal Reform**

One area that has received repeated mention with regard to Turkey's EU status is its alleged frequent violation of human rights. This past December, in its report on Turkey, the EU indicated that it still wanted to see continued progress on ending the practice of torture including stricter punishment for people that commit such crimes, a freeing of all political prisoners, a widening of freedom of speech and an improvement in minority rights.<sup>171</sup> While Turkey does accept the European Convention on Human Rights and other international human rights instruments, in practice the country for many years has been rife with abuses. A notoriously heavy handed police force that has been accused of torture and mistreatment of prisoners, the jailing of politicians such as former Islamist Welfare Party leader Necmitten Erbakan, MP Leyla Zana and the case of elected Kurdish mayors from the Southeast who were jailed and later released<sup>172</sup> have resulted in some very justified heavy criticism from the EU.

The Turkish military and courts have also long maintained a very close watch on many Islamic groups and have been quick to crack down on them based on strict secularist legislation. As a result, since the 1960s numerous Islamist and Kurdish parties have been threatened with closure or have actually been shut down. In the past the government has also said it would more closely scrutinize companies wholly or partly owned by municipalities run by an Islamic party and also cracked down on Islamic oriented publications. The Turkish military has seen political Islam as a huge threat and has consistently done what it feels is necessary to maintain the secular

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<sup>170</sup> "Why are we waiting?", Online.

<sup>171</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "Selected News on Turkey (December 2-9 2002)." Email to Alan Perese. 11 Dec 2002

<sup>172</sup> "Ecevit Hits Out at EU Over "Go-Slow" on Turkish Entry." *Deutsche Presse-Agentur* 10 Mar 200. Online. LEXIS-NEXIS Academic Universe. 10 Apr 2001.

integrity of the country.<sup>173</sup> As the roots of the military's convictions go back to the founding of the republic under Ataturk and the staunchly secular principals that he laid down, this ingrained belief is something that will not wash away overnight. As such, the criticisms leveled by the EU are not likely to go away soon either.

While Turkey's problems are numerous, there is hope that the country may finally be realizing the importance of confronting these issues. That these issues are now openly being discussed in Turkey is in and of itself a substantial achievement. The election to the presidency in May 2000 of the former chief justice of the Constitutional Court, Ahmet Sezer marks a positive step because Sezer is a strong proponent of democratic and human rights reforms and has shown willingness to stand up to entrenched interests. Recent governments, including the current one under Tayyip Erdogan and the previous coalition led by Bulent Ecevit, have made human rights and democratization more of a priority. In the process some very meaningful legislation passed in the last two years has allowed Turkey to take a tremendous leap forward in the area of human rights. In addition to the passing of laws targeted towards the Kurdish population that broaden the rights of minorities, additional legislation has been passed that abolished the death penalty, removed military judges from state security courts, reduced the detention time of individuals without a lawyer, increased training of security services, made it harder to ban political parties, and created various governmental committees on human rights.<sup>174</sup> In particular, the Supreme Coordinating Human Rights Council (under the Ministry of State for Human Rights) has issued a comprehensive report detailing 53 key areas of urgent reform needed in the legal arena. These reforms deal with all the controversial areas the EU has

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<sup>173</sup> "Report: Turkey to Tighten Squeeze on Islamic Businesses." *CNN.com/World*. 31 Mar 2001. Online. CNN. Available: <http://www.cnn.com/2001/world/europe/03/31/Turkey.islam.ap/index.html>. 10 Apr 2001.

<sup>174</sup> Gorvett, Jon. "Human rights, Cyprus issues Loom over Turkey's EU aspirations", *Washington Report on Middle East Affairs* Jan-Feb 2002: Online. Expanded Academic ASAP 9 Mar 2003

expressed concerns about, including democracy, rule of law, civilian control of the military, independence of the judiciary, freedom of association and torture. A considerable portion of their recommendations have already been enacted and much more progress is expected under the Erdogan government. The key for Turkey is that, unlike the past, human rights are now squarely on the agenda of the country, significant progress has been made and considerably more is expected. The constitution that was written by the military after the 1980 coup is slowly but surely being rewritten, ridding itself of the authoritarian articles that restricted individual civil and political rights and is now going back to the more liberal democracy represented by the constitution that was introduced after the 1960 coup.<sup>175</sup> Turkey undoubtedly has much more progress to make, particularly in the area of implementation where there is often disconnect between law and practice, but it unquestionably has made tremendous strides in elevating the importance of the principals of democracy and human rights in Turkish society.<sup>176</sup>

For its part, Europe continues to be sharply critical and often eager to make an example of Turkey on human rights issues. Doing so overlooks the fact that EU candidates such as Romania, Bulgaria and even Poland have numerous cases brought on behalf of their citizens at the European Human Rights Tribunal in Strasbourg,<sup>177</sup> or that France only began to allow broadcasting in minority languages in the 1980's. For sure, Turkey has farther to go in the area of human rights than any other candidate country. However the EU would be well advised to better appreciate exactly what Turkey is trying to achieve. As stated by international law professor, Aslan Gunduz at Marmara University in Istanbul:

“Hardly any country in the world has been so criticized for its human rights record, nor is the future of any other country so dependent on the promotion of human rights. And

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<sup>175</sup> Gorrivett, Jon. “Turkish military fires warning shot over EU membership”, *The Middle East* May 2002: Online. Expanded Academic 10 Mar 2003

<sup>176</sup> Gunduz, Online.

<sup>177</sup> Reed, John. “Justice seeks a firmer footing”, *The Financial Times* 17 June 2002: Online. LEXIS-NEXIS Academic Universe 15 Mar 2003

therein lies the irony: because the criticism stems not from what is appalling about Turkey, but what is laudable about it; not from what it has been in the past, but what it aspires to be. In sum, the spotlight is on human rights in Turkey precisely because its government and people aspire to the highest standards of humanity and full membership in the Western club of nations.<sup>178</sup>

### **viii) Poland – Hard Lessons Learned**

For Poland, its recently completed negotiations with the EU in December that paved the way for its entry to the European Union with nine other members in 2004 was a remarkable achievement by any measure. Despite the often difficult and contentious negotiations, in large part because of Poland's sheer size and future importance to the EU, Poland demonstrated throughout the process that it was without question fully committed to EU membership, and will likely emerge within a few years as one of top five or six key drivers of EU policy with the Union.

As it enters the EU in two short years though, Poland is far from complete in its transformation from a communist regime only fifteen years ago to a modern, democratic state. Most importantly, its economy is struggling with low growth and extremely high unemployment. In the political arena, the public has become disenchanted with the perception of widespread corruption in government and the ineffectiveness of leaders who have continued to drag their feet on a variety of key economic reforms. In addition, the legal system remains largely inefficient, and administratively the government is still not capable of handling and making use of all EU funds, particularly on the regional and local levels.<sup>179</sup> Despite this, the future for Poland is bright, provided it can return to the sound leadership that so smartly guided its early years of development in the 1990's.

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<sup>178</sup> Gunduz, Online.

What would shed light on Turkey's aspirations for EU integration is to see what lessons can be learned from Poland's application process, and how both the EU and Turkey could possibly avoid some of the same pitfalls. In fact, many of the issues that we will now look at with regard to Poland are ones that Turkey will also have to deal with in one form or another in the years ahead.

The first key lesson to learn from Poland's case is that managing the process, on the part of both the EU and Turkey, will be extremely critical for successful implementation. Despite the clear support of Poland's leaders for EU membership over the last fifteen years, and the consistent support from the EU during the entire process, the journey taken by Poland was a difficult one that has alienated portions of Polish society and created considerable anti-EU backlash as the date for entry draws nearer. Parties representing Poland's "anti-reform trinity" of the Catholic Church, unions and farmers garnered collectively almost 25% participation in parliament.<sup>180</sup> As negotiations got more intense and Poland now gets closer and closer to official entry, resistance to the process has grown and once EU supporters have turned into Euro-realists and/or Euro-skeptics. Approval has become more guarded as people have begun to slowly realize domestic and personal repercussions of reforms.<sup>181</sup> The process of being put under the microscope by wealthier members who have often been resistant to assisting "poorer" candidates and having to comply with a blizzard of new regulations and laws is bound to generate some resentment. As such, public opinion on accession is a crucial aspect of the integration process.

In such an environment, managing the process becomes of utmost importance, and in particular, being conscious of public opinion. There are conservative forces in every society that

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<sup>179</sup> Reed, John and Wagstyl, Stefan. "Tensions rise as EU entry deadlines near", The Financial Times 17 June 2002: Online. LEXIS-NEXIS Academic Universe 14 March 2003

<sup>180</sup> Valencia, Online.

when faced with the massive changes that Turkey and Poland have gone through will resist the modernizing process. There will be clear winners and losers as those not able to adjust will have a very difficult time surviving in the new environment. In negotiations with the EU, resistance is only heightened by the perception of richer EU members taking advantage of smaller members and national identity being undermined.<sup>182</sup>

The difficulty in getting all members of society on board with the EU process also highlights the importance of bridging the gap between elites pushing for EU entry and the often ill-informed public. This means that the need for establishing dialogue early on in the process with social organizations, enterprise and employer's organizations and trade unions is all the more critical. A societal effort and push for EU membership requires education, and not simply a process managed by a handful of people.<sup>183</sup> Learning from its experience, Poland has recently made suggestions for setting up an EU fund to help local NGO's in candidate countries promote democracy and implement assistance programs.<sup>184</sup>

It is also imperative that the expectations of the public be managed. This is especially true for Turkey where negotiations are expected to be long and difficult. While the sacrifices and costs of integration can accumulate very quickly in the short term, the benefits are often not fully realized until the medium or long term. The longer the time frame between sacrifice and gain, the greater the fear and resentment created in society. Considering that this is a concern for a country such as Poland, the unquestioned 'leader' of the EU's latest enlargement process, it is safe to say that this will be an enormous concern for Turkey, a country which has received minimal support from the EU in its reform process.

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<sup>181</sup> Bielasia, Jack. "Determinants of public opinion differences on EU accession in Poland", *Europe-Asia Studies* December 2002: Online. Expanded Academic ASAP 10 March 2003

<sup>182</sup> Kaslow, Online.

<sup>183</sup> Jasinski, Online.



Because Poland is now at this intermediate stage where the benefits of membership have not been fully realized, the government is genuinely concerned about the outcome of the public referendum scheduled for June that will ask the public to vote 'Yes' on EU accession. While support in Polish society has generally been consistent at around 60%, there is concern that people will stay away from voting to protest the current economic environment and ineffectiveness of the government which just recently has experienced some high profile corruption scandals. A low turnout of below 50% participation would render the referendum invalid, but technically this probably would not matter because the parliament would then be able to confirm EU entry with a two-thirds vote in the parliament. Such a result would be deeply embarrassing though for the government and create a situation where a supposed key cog in the future of Europe is limping into the Union.<sup>185</sup> The government's concern has been so acute that it has even signed a "social pact" with business leaders and trade unions in an effort to head off any labor unrest prior to the referendum.<sup>186</sup>

Clearly, the most sensitive issue that Poland will have to address, and the one that best demonstrates the social pressures placed on a country going through integration, is agricultural reform. The agriculture and farming community in Poland represents a very large and powerful constituency, and retains huge social and political importance. Poland also has the largest farming sector of all current EU aspirants except for Turkey.<sup>187</sup> As manufacturing and industry have grown throughout the 1990's, the agricultural sector's share of Poland's GDP has dwindled to only 3.3% in 2001. However, it still represents a large portion of the workforce at 26.3%. The sector has been very resistant to structural change, and opposition to EU accession in the

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<sup>184</sup> "EU/Eastern Europe: Poland Lends Its Weight to 'New Neighbors' Debate", Online

<sup>185</sup> Reed, "Polish premier fears war may distract EU", Online.

<sup>186</sup> Wagstyl, Stefan. "Poland in move to prevent labour unrest", *The Financial Times* 11 February 2003: Online. LEXIS-NEXIS Academic Universe 14 Mar 2003

large rural community has more than doubled from 21% in 1998 to 53% in 2001, compared to an increase of only 7% in the rest of society from 19% to 26% during the same period.

Clearly what is needed are larger, more efficient, technologically advanced farms. This will be difficult to accomplish though, because most of the 2 million farms in Poland are small, use little technology and are run by elderly farmers. Given the labor to output ratio (26.3% of employment, 3.3% of GDP), a higher level of productivity is critical. Attempts at generating a land market in the 1990's in an effort to spur the development of efficient farms in terms of scale have thus far not had much success. Things are further complicated by the generally poor condition of rural infrastructure in Poland. The low level of efficiency also means that about half of the farmers produce only for subsistence. Some estimates have indicated that only about 600,000 of the 2 million farms would even survive EU integration.<sup>188</sup>

The issue was settled in December with an agreement reached to phase in the full benefits under the EU Common Agricultural Policy (CAP) over ten years, starting at 25% full subsidies. Ironically, the inefficient and much criticized CAP policies in general benefit the most developed EU members such as France, Germany and Spain the most. Not surprisingly, these countries were also the most vocal in resisting full aid to new EU members.<sup>189</sup> Such resistance has only fueled more fears in the Polish countryside, where culturally the attachment to family farms still remains very strong. In the years ahead, the change in the rural sector will likely be a painful

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<sup>187</sup> "Fischler Says Poland Must Drop Tariffs on EU Farm Imports." *Deutsche Presse-Agentur* 1 Jun 2000. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>188</sup> Paterson, Tony. "Polish Farmers Declare War Over EU Membership." *The Guardian (London)* 18 Apr 2000. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>189</sup> Wagstyl, Stefan. "EU and the seeds of prosperity", *The Financial Times* 17 June 2002: Online. LEXIS-NEXIS Academic Universe 14 Mar 2003

one, and represent as large a transformation as the one the country went through after the fall of communism.<sup>190</sup>

While Turkey can expect to have difficult negotiations with the EU over additional issues such as the free movement of labor, environmental reform and land reform, none are likely to be major obstacles that cannot be overcome with hard work, good faith and compromise as was so aptly demonstrated by Poland. However, for Turkey, the biggest obstacle that it will face must be cleared before negotiations even start and ironically is something beyond Turkey's direct control. Namely, the EU must determine in its own mind whether it is truly prepared to accept Turkey as an equal and full member of the EU. Until that time, no matter how high Turkey jumps, it is very unlikely that it will ever clear the hurdle of EU membership.

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<sup>190</sup> Wagstyl, Stefan. "EU and the seeds of prosperity", Online

## **7. Image and Culture: *The Sick Man of Europe (not Asia)?*<sup>191</sup>**

In comparing Turkey and Poland, one element that cannot be overlooked, and which in many ways permeates every topic discussed so far, is the respective cultures of the two countries and their external images as seen through the eyes of the EU. Fundamentally, you cannot have two more different countries. Poland is almost 99% made up of ethnic Poles, with no significant minorities and the overwhelming majority of its population is Roman Catholic. Turkey is almost 99% Muslim, but is made up of sizeable minorities such as ethnic Kurds and Alevi. In that sense, Poland's population is much more homogeneous. However, even beyond the demographic makeup of the countries, they vary greatly in the historical experiences that led to the creation of their respective nation-states.

In 1989, when communism fell, Poland was thrust into an era of democratic reform that would soon sweep across all of Eastern Europe and the former republics of the Soviet Union. Poland was moving away from communist ideology and a state run system and the Church, a visible and powerful presence in Poland, was in some sense a partner to that transformation. Even through communist times, the presence of the Church had always remained with people, and today can be looked upon as a unifying cultural element. What is more, Poland in every sense is connected historically and culturally to Europe. The institutions, ways of thinking, culture and society of modern Europe were not completely unfamiliar to Poland. When Poland gained its newfound freedom in 1989, there was an immediate embrace by Europe and vice

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<sup>191</sup> Ironically, in 1854, Tsar Nicholas I of Russia dubbed Turkey the "sick man of Europe" not Asia. This certainly demonstrates to some degree that while geographically mostly in Asia, Turkey has unquestionably been linked to Europe for centuries.

versa. There was a mutual feeling of belonging, and after centuries of conflict in Poland, there was a sense of obligation by the EU in having Poland “return home”.<sup>192</sup>

For Turkey though, the historical base on which it rests is quite different from that of Poland. The ideas of a nation state, civil society, legal order, the role of religion in state affairs and the values that these ideas rest on were all ideas that had been dealt with internally in Europe from the Renaissance through the Enlightenment during the 14<sup>th</sup>-17<sup>th</sup> centuries. Poland is part of that collective history. In contrast, Turkey and other former regions of the Ottoman Empire had these ideas essentially thrust on them at the end of World War I by external forces. These ideas had never been dealt with internally. How does one build a nation state, complete with the institutions of a western, modern society when that is not part of your collective experience, and with a societal structure vastly different from anything experienced in Europe? It is ironic that while the Ottoman Empire was very multicultural and tolerant of different religious and ethnic groups, Turkey in trying to found a modern republic was forced to be more exclusive rather than inclusive. This is because Ataturk and the founders of modern Turkey had to develop a 'national' identity and the idea of what it meant to be a 'Turk' with a common language, culture and history and an allegiance to a 'nation state' rather than to the imperial, Islamic order that had dominated for centuries.

Given that there were such strong allegiances to an order that ran completely contrary to what Turkey was trying to become, it is not surprising that two of the six 'arrows' or founding principals of the ideology of Kemalism were nationalism and secularism. Nationalism focused on the creation of a national identity that was culturally and ethnically homogenous, i.e. a transformation of the country from the Ottoman Empire's multicultural, imperial order to a new

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<sup>192</sup> Valencia, Online.

national order represented by the Turkish republic. If you did not want to be part of that national identity or wanted to emphasize the old societal structures, e.g. communal, tribal, client patronage with an emphasis on Islam such as the Kurds or Alevi, you would always be at odds with the state. It is ingrained in Turkey, or at least its secular leaders, that there is no such thing as a 'minority' in Turkey, except for the Armenian, Greek and Jewish communities that were officially recognized as minorities under the Lausanne Treaty. Everyone else is simply a 'Turk'. There is no distinction within the latter identity, and to try and distinguish oneself attacks the very core idea of cultural and ethnic homogeneity.

Part of this insecurity of recognizing different ethnic groups and treating everybody as a “Turk” also stems from the special status that was afforded to ethnic communities in the Ottoman Empire, e.g. Greeks, Armenians. The special rights or ‘capitulations’ granted to these minorities allowed foreign parties such as Britain and France to manipulate the Ottomans and make them a de facto colony of Europe, particularly in the final decades of the crumbling empire. These groups also had no real allegiance to the Empire as it was falling since they wanted their special privileges maintained. This was further evidenced by the particularly harsh terms drawn up by the Entente powers in the Treaty of Sevres in 1920. Though legally quite invalid, the treaty envisaged a partition of the empire among the British, French, Italians and Greeks.<sup>193</sup> As indicated by Arnold Toynbee, one of the architects of this partition plan, the intentions of the western powers were quite clear:

“Turkey’s provinces were gone; her allies were crushed; and except for her champions among the Indian Muslims, she was friendless even in the camp of Islam. Constantinople was held by the victors, Turkey was encircled by enemies. Like wolves around the camp fire the Powers were prowling at the threshold with hungry eyes, for Turkey by nature is rich, and imperialism is greedy.”<sup>194</sup>

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<sup>193</sup> Hale, 45.

<sup>194</sup> Feroz Ahmad, The Making of Modern Turkey, Routledge, London, 2000, 47.

Thankfully for Turkey, the Powers could not enforce this plan, but it is quite easy to see how bitterness was born and a distrust of ‘minority’ rights other than those recognized under the Lausanne Treaty developed. These episodes also have led to what many call the “Sevres Syndrome” or fear on the part of many in Turkey that the country could be split up by foreign powers along sectarian/ethnic lines as envisaged under the Treaty of Sevres. Given these concerns, it is not surprising that Turkey has acted the way it has towards the Kurds, fearing the splintering of the country if one group is granted special rights.<sup>195</sup>

Another key principal of Kemalism was its focus on secularism. When the Republic was formed out of the ashes of the Ottoman Empire, indelibly linked to the Empire was the powerful role of religion and Islam as represented by the Caliphate, the core basis of legitimacy for the Empire for more than 500 years. In moving away from the previous 'system', Islam and religion were in many ways looked at as something that had prevented the Ottoman Empire from modernizing. In building a secular republic, the role of religion was suppressed even though it had been an ingrained part of, if not *the* culture for centuries. Turkey’s founders actually adopted what is known as ‘laicism’ rather than secularism in the western sense. Under laicism, religion, rather than being separate from the state is in fact controlled by the state. The state felt it was imperative to place religion on the level of individual practice and take it out of the public sphere where it could be manipulated as a tool for mobilizing the masses. Such a potential could have jeopardized the allegiance to a new national order by reestablishing ties to a religiously oriented one of the past. As a result, the role of Islam in Turkey, society and government, has often been seen as at odds with what the country was founded on, namely the idea of a staunchly secular republic, with an ultimate goal of becoming a modern country based on rational thought. This

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<sup>195</sup> Kosebalaban, Online.

has been seen several times through military crack downs on perceived Islamic leaning groups, parties or newspapers, that were viewed as a 'threat' to the secular republic.

Such concerns that religious or ethnic division could split the country has created in Turkey a 'fear based security identity' where anything that in any way questions the ethnic homogeneity of Turkish identity or the principle of secularism is seen as a threat to national security.<sup>196</sup> Not surprisingly, the question of EU membership has raised fears among many in Turkish society, particularly the military and hardline nationalists, that the democratic and cultural reforms called for by the EU are yet another example of 'foreign powers' trying to split the country and undermine Turkey's identity. This view stands in contrast to those who see such fears as being exaggerated and who argue that integration with Europe would in fact protect the country and its borders, and reinforce the importance of human rights. The former deputy Prime Minister responsible for EU affairs Mesut Yilmaz expressed the dangers of the mindset of those in Turkey who always see danger lurking behind the bushes:

“We cannot transport Turkey into a new era with a nation offended by the state, with a system that views the society as a threat, with a bureaucracy that belittles the citizen, with a republic that ousts the individual, and with a political system that is impotent in the face of these adversities.”<sup>197</sup>

It is a credit to Turkey though that through the EU process, there are clear signs that those with a less fearful view of the world have been slowly winning out. Through much internal debate and soul searching prompted by the goal of EU membership, one sees in Turkey a country that is slowly evolving and maturing. In only the last four years, there has been an end to fighting with Kurds in the southeast, a granting of cultural rights to minorities including broadcasting, publishing and education in 'mother tongues', landmark reforms that have broadened personal

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<sup>196</sup> Kosebalaban, Online.

<sup>197</sup> Bozdogan, Sibel and Kasaba, Resat. "Turkey at a Crossroad", *Journal of International Affairs* Fall 2000: Online. Expanded Academic ASAP 9 Mar 2003



freedoms and the victory of an ‘Islamic’ party whose party platform rests on Turkey achieving the highest standards in human rights and full membership in the European Union. A perfect example of Turkey slowly coming to grips with its cultural and religious diversity was a conference organized in Istanbul that brought together foreign ministers of current EU countries and the Organization of the Islamic Conference (OIC) in February 2002 to discuss the impact of 9/11 on relations between the two groups.<sup>198</sup> This conference was a big step forward for Turkey in that it brought together the two conflicting identities of the country.

Turkey in many ways is grappling with fundamental issues that were dealt with centuries ago in Europe. The process of EU integration and the fears of national identity and sovereignty being compromised are also not necessarily unique to Turkey, and have been voiced by many candidates. As the EU even states: “... in accepting European treaties, Member States relinquish a measure of sovereignty to independent institutions representing national and shared interests.”<sup>199</sup> With Turkey only 80 years into its nationhood, and born out of a history quite different from other European countries, one could argue that Turkey is still not quite sure enough of its identity and mature enough yet to take the next step in its national development. As Turkey sheds its insecurities and continues to come to grips with its religious and cultural diversity, the Turkish identity is likely to grow and strengthen as the country develops a more confident place in Europe and globally. Turkey as a modern nation state has made tremendous progress and will continue to do so, but it will require much more change and, above all, time before it has dealt with its complex internal issues and is ready to fully integrate with the EU. Just as importantly, it will also require considerably more support and sensitivity on the part of Europe as it wrestles with these difficult issues.

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<sup>198</sup> Kosebalaban, Online.

<sup>199</sup> Id.

Given the cultural and historical differences between Turkey and Poland, it is only natural that Europe would perceive each country differently. As we have seen, it is quite clear that the EU has looked at Poland as a partner in the process of EU integration, while it has arguably treated Turkey's case for EU entry in a detached way. Although Europe knows the strategic importance of Turkey and does not want to alienate it, it grapples with the consequences of admitting Turkey into the 'club'. While some countries of Europe have expressed their support for Turkey during the membership process, most notably Great Britain, others in Europe however have been much more cautious, if not openly negative, about Turkey's acceptance into the EU. Some of that 'caution' is readily evident in the views of several European politicians that have spoken on Turkey's candidacy:

- "Turkey is not a European country and has no place in the European Union."  
- *former French President Valery Giscard d'Estaing in 1999*<sup>200</sup>
- "Turkey is an important country close to Europe, but it is not a European Country. Its capital is not in Europe ... the majority of the EU members have in reality (already) spoken out against (Turkey joining them), but they have never said this to the Turks."  
- *former French President and current president of the "Convention on the Future of Europe" Valery Giscard d'Estaing in 2002*<sup>201</sup>
- "The Europe of the Treaty of Rome probably died at Helsinki. Europe no longer has any geographic unity and no longer has any cultural unity."  
- *Phillippe de Villiers of the right wing Rally for France*<sup>202</sup>
- "In our view Turkey cannot be a candidate for EU membership. We are in favour of extensive cooperation with Turkey, but the European project is a civilization project. Turkey's candidature for full membership is unacceptable."  
- *Meeting of European People's (Christian Democrat) Parties in Brussels in March 1997, Belgian Chairman Wilfried Martens*<sup>203</sup>

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<sup>200</sup> Nacheman, Allen. "Of 13 EU Membership Candidates, None as Controversial as Turkey." *Agence France Presse* 13 December 1999: Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001

<sup>201</sup> Sieff, Martin. "Why Giscard Jilted Turkey", *United Press International* 19 November 2002: Online. Expanded Academic ASAP 9 Mar 2003

<sup>202</sup> Nacheman, Online.

<sup>203</sup> Mango, Online.

- "It is going to take decades before Turkey meets democratic criteria, the respect of human rights and most of all the economic requirements for membership. Those who are under the impression that Turkey's entry into the EU is going to happen in the next ten years have no awareness of reality."
  - *Martin Schulz, German Social Democrat, chairman of the EU-Turkey Joint Parliamentary Committee.*<sup>204</sup>
- "Deplored" Turkey's acceptance as a candidate for EU membership as a "grave" error that would "accelerate even further the Islamization of France and Europe."
  - *Bruno Megret, head of France's extreme right National Republican Movement.*<sup>205</sup>
- Claimed that "the European Union is based on Christian principals and cannot accommodate countries that do not share this identity."
  - *Former German Chancellor Helmut Kohl*<sup>206</sup>

It should be noted that while some of these views may come from more right-leaning figures in Europe, the key point is that the opinions are out in the open and do influence people. There is a cultural bias that Turkey must overcome before it even steps to the negotiating table with Europe. Beyond the negative lens through which Europe continually seems to view all issues related to Turkey is the general idea of an East-West divide between Christianity and Islam, and the West's anti-Muslim, anti-Turkish stereotypes. Even if not spoken, it is there and most definitely influences Europe's relations with Turkey. When one considers the role that such stereotypes played in forging Europe's identity and in constantly reinforcing cultural differences, the already large barrier between Turkey and the EU grows seemingly larger. As pointed out by Alfred Tobias, such prejudices are hard to ignore: "Every Spanish child is taught in school that his country, representing Christianity, and the Ottoman Empire, in the name of Islam, were at war during the 16<sup>th</sup> century."<sup>207</sup> Others in Europe have spoken of a "European identity" forged

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<sup>204</sup> Nacheman, Online.

<sup>205</sup> Nacheman, Online.

<sup>206</sup> Muftuler-Bac, Online.

<sup>207</sup> Yesilada, Online.

when the Ottomans were stopped at the gates of Vienna in the 16<sup>th</sup> century.<sup>208</sup> While not all Europeans hold such views, many do and it is a huge impediment to Turkey.

In contrast, it is highly unlikely that one would ever see such harsh assessments of Poland or its people. While some in Europe have even criticized Poland for being part of the “poor” of Eastern Europe, such criticisms do not go to the core of the country’s identity and question whether it should be accepted into the EU, as is often the case with Turkey. It is also not surprising that in the face of such criticisms, Turkey would have very mixed feelings about reaching out to the West by having such a key part of their cultural identity “rejected” by the very group of nations they wish to join. In such an environment, Turks in many ways are “permanently put on the defensive, always having to explain themselves. It is unhealthy, and breeds inside Turkey an unhealthy resentment.”<sup>209</sup> For a country with as much pride as Turkey, it has often bristled in the face of criticism from Europe. Turks feel that at times they are singled out obsessively for their shortcomings and that not enough recognition is given to their progress or to the difficulty and time it will take to enact necessary reforms.<sup>210</sup> A vital question is how far either side will go to accommodate the other. Seyfi Tashan, head of the Turkish Foreign Policy Institute at Ankara's Hacettepe University has addressed this very issue. He feels that Turkey still has to overcome the stereotype "that Turks are not part of 'us', that they are outsiders". He further adds:

"Our value systems should converge ... [but] there are problems that will not pass simply, and Turkey's integration into Europe with its huge economy and population means that Turkey will have a big role. Europe is reluctant to give it that role. I believe it will take years and years for Europe to make up its mind that Turkey should be a member. By then Turkey may not be interested."<sup>211</sup>

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<sup>208</sup> Vasagar, Jeevan. “When British and German opinion formers met to discuss cultural identity, non-white faces were absent” *The Guardian* 31 July 2001: Online. LEXIS-NEXIS Academic Universe 15 Mar 2003

<sup>209</sup> “Hopes for EU membership”, *Emerging Turkey 2001-2*, December 2001-January 2002, 37.

<sup>210</sup> Peterson, Online.

<sup>211</sup> Peterson, Online.

Further echoed by a senior western diplomat is the idea that Europe needs to be more sensitive towards Turkey and balanced in its approach. The diplomat emphasizes that for the relationship to work, both sides will ultimately have to change:

"This [Turkey's candidacy] has brought those out of the woodwork who are terrified of what the EU might mean. High profile visits to jailed human rights campaigners are rarely balanced with wreath-laying at Ataturk's tomb. Many European officials seem to expect overnight change. There is a belief that the EU will reverse in Turkey what Ataturk gave to Turkey."<sup>212</sup>

It is ironic that while both the EU and Turkey's relations with each other have often been marked by unjustified fears, it is the nonetheless Turkey that has been able to slowly overcome those fears and make tremendous strides in dealing with issues that have hampered its own development. In the process it has come much closer to elevating itself to the level of universal principles that Europe expects members to adhere to. The real question now is whether Europe itself can evolve as well and expand the vision of the future to include Turkey. As one recent editorial referring to the fact that Turkey was once dubbed the "sick man of Europe" appropriately stated, "The challenge for the EU is not so much treating the sick man but in dealing with him if he should ever recover."<sup>213</sup>

However to date, the EU has done little to address views expressed in Europe that continually cast Turkey as "the other" and has repeatedly overlooked how Turkey has changed and is continuing to evolve. For example it was telling that after Mr. d'Estaing made his remarks in November about Turkey not being part of Europe, the best defense that Geunter Verheugen, EU enlargement commissioner, could muster in Turkey's defense was that d'Estaing's statements were "unnecessary" and "politically risky" and that "Turkey's candidacy was approved in 1999. The EU's policy on Turkey is based on strategic concerns. Its eventual

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<sup>212</sup> Peterson, Online.

<sup>213</sup> Boulton, Leyla and Peel, Quentin. "Turkey's Choice", Online

membership is the best option.’’<sup>214</sup> Verheugen’s statements not surprisingly did little to reassure Turkey. For d’Estaing to make his comments less than one week after a new pro-EU government in Turkey was elected with much promise, and less than a month before the critical Copenhagen Summit, can at best be dismissed as an off-handed remark. At worst his comments were premeditated, demonstrating a pervasive bias that key European leaders have against Turkey’s EU membership. Taken in a broader context, such statements have done little to inspire a country struggling as other countries have through the difficult EU integration process.

In addition, top EU officials also continually demonstrate a lack of faith in Turkey’s abilities to make progress towards EU membership despite all that Turkey has achieved in the last four years. Both EU Commission President Romano Prodi, and Mr. Verheugen made statements months before a decision was to be made at the Copenhagen summit regarding Turkey’s status that Turkey would not get a date at Copenhagen because of too much resistance from member states and that the time was not “ripe enough”.<sup>215</sup> This was also done before the new AKP government passed important EU related reforms prior to the summit demonstrating its renewed initiative with regard to the EU. Such an attitude demonstrates once again that it is not so much what Turkey does but rather what the EU wants to do that will determine whether Turkey will gain admission to the Union. For Mr. Prodi or Mr. Verheugen to also cite too much resistance within the EU and negative public opinion against Turkey’s candidacy as reasons for not granting a date to Turkey is just another way of showing that EU politicians have not done enough to communicate to the public what enlargement means. To make Turkey pay for that only shows a lack of courage and commitment on the part of EU leaders. When in 1999 the EU

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<sup>214</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "Selected News on Turkey (November 11-17 2002)." Email to Alan Perese. 20 Nov 2002

agreed to accept Turkey as a candidate, the public was no more willing or informed of Turkey's candidacy, so to use that as an excuse is simply not valid. It is not likely that perceptions of Turkey can be changed in two short years before the EU is to decide again whether to give Turkey a date. This only means that the EU will always be able to use 'public opinion' as an excuse.<sup>216</sup>

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<sup>215</sup> Turkish Industrialists' and Businessmen's Association (TUSIAD): Washington Office. "Selected News on Turkey (November 25-December 2 2002)." Email to Alan Perese. 3 Dec 2002

<sup>216</sup> Aktar, Online.

## **8. Conclusion: *The Devil Inside (or Out)?***

Several years ago, in March 2001, during one of the most difficult periods for Turkey in recent memory economically, politically and socially, as the country battled a devastating financial crisis, Turkey presented its official National Program detailing how it will make political, economic and social reforms aimed at moving the country closer to EU membership. At the time, the EU was characteristically muted in its praise, choosing to emphasize more that the program fell short in many areas in preparing Turkey for EU entry. Then, as is frequently the case now, the EU in its quickness to criticize Turkey had missed the significance of what was arguably a very important document for Turkey. While the program did fall short in specifics in several areas due largely to the political realities at the time and the difficulty in pulling together such a document from a variety of counter forces in the government, the enormous significance of the event was that after months of debate, the government *actually* came up with and publicly released a document proposing almost 200 new laws and 4000 administrative measures on such issues as penal code reform, an overhaul of the legal system and improvement of freedom of speech.<sup>217</sup> For Turkey, that in and of itself was an enormous achievement and a significant step forward.

In the years before and since the release of that document, perceptions of Turkey as a country that is decades away from being able to meet EU membership requirements have been very hard for Turkey to shake. During that time, there were also ominous predictions about the direction many felt Turkey was going in. Many have voiced fears of a radical form of Islam taking hold of the country, or of a military coup, radical nationalists coming to power, the execution of PKK leader Abdullah Ocalan, the annexation of northern Cyprus, and the general



implausibility of Turkey ever passing reforms such as abolishing the death penalty, granting cultural rights to minorities or allowing broadcasting, publishing and education in languages other than Turkish to name just a few. That none of these dire predictions have come true points to the lack of understanding of Turkey in the West and the superficial nature of analysis of the country. Recent evidence of this lack of understanding of Turkey has been the rise in power of a moderate, forward looking, EU focused Islamist party that represents the strongest government Turkey has had in over 15 years. To the discredit of Turkey's skeptics, the moderate AKP Party beat hardline nationalists and more radical religious parties in the most recent elections. Furthermore, the military has not interfered in political developments, Cyprus is closer to being united than it ever has been in the last forty years, emergency rule in southeastern Turkey has been lifted, the rights of all minorities have been significantly enhanced, and not only was Abdullah Ocalan not executed, but the death penalty was actually banned. Coupled with several remarkable packages of reforms covering all aspects of Turkish society, one can arguably say that Turkey has gone through nothing less than a revolution in the last four years, the impact of which will be felt for decades to come.

For Turkey, there is no turning back from the last four years as the changes it has implemented have been too profound. To be sure, Turkey has considerable work ahead, but most importantly it appears there is now a consensus emerging from the bottom of society that is now for the first time reaching the top decision makers: Turkey must change in order to meet the demands of a modern world. It can longer place blame on others for its problems and must tackle its own problems head on. As of today, the population and all political parties are squarely behind the goal of EU membership. As Prime Minister Recep Tayyip Erdogan recently

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<sup>217</sup> "Ankara Adopts National EU Accession Programme." *European Report* 24 Mar 2001. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

stated regarding Turkey's EU aspirations: "In a developing and globalizing world, we view membership as necessary in order not to remain on the fringes of civilization and development as peripheral nation."<sup>218</sup> For Europe, the time has come to realize that the Turkey of ten, five or even one year ago is not the Turkey of today. Today, Turkey is a country much closer to reaching the goals set out by its founder Mustafa Kemal Ataturk of being a country representing the highest ideals and principles of a modern, civilized nation. One cannot underestimate the changes that are now taking place within the country and the efforts that are being taken to bring Turkey to the level of a modern, stable, nation state with human rights, democracy and civil society on par with world standards.<sup>219</sup> When one considers the lack of success in a region stretching from Morocco to Pakistan of building modern nation states out of a history and legacy in many ways similar to Turkey, the achievements of Turkey over the last 80 years are all the more remarkable.

Nevertheless, one cannot deny that Turkey is still very much a work in progress and is continuing to evolve and mature. As such, the country still has a considerable way to go before full EU membership can become a reality. While reforms have been impressive, concrete implementation and further reform are still needed. Even if by optimistic estimates Turkey begins negotiations by January 1<sup>st</sup>, 2005 negotiations for full membership would take a minimum of five to six years based on the experience of Poland, the country most comparable to Turkey in size that has recently completed negotiations. With at least another two years of preparatory work before entry after negotiations are complete, Turkey's earliest entry date to the European Union would be approximately the year 2015.

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<sup>218</sup> Kosebalaban, Online.

<sup>219</sup> Parris, 36

As we have seen, there are many dimensions to the EU aspirations of both Turkey and Poland: political, economic, social, cultural, historical. Internally both countries have undergone tremendous change in all these dimensions. Remarkable progress has been made, but considerable work remains to be done. The adjustment process for both countries as they try to fully integrate not just into the EU, but into the global marketplace as well, will impact their respective populations greatly. There will be displacement, as those without the skills needed in today's technologically advanced information age will find it increasingly difficult to compete in the ever-evolving global marketplace. There is potential for a 'reaction' to the dramatic changes going on with those left out feeling increasingly alienated as old norms are broken down. There is likely to be resistance by segments of society that increasingly feel their culture and identity are being impacted by forces they are incapable of coping with due to their social or material standing.

The challenge for both governments will be how best to manage this change without bringing on tremendous social hardship. So far Poland has fared much better than Turkey. To succeed, strong leadership will be absolutely essential in the political arena. Sound economic policy and prudent financial decisions in the face of an often volatile world economy will be vital to raising the standard of living of each country's population and avoiding the type of serious economic crisis that can quickly throw a country into chaos. Societal changes will also be profound, especially for Turkey who will continue to struggle with questions about its identity and how best to modernize and revamp a legacy and vision that may have been appropriate in 1923, but is now in need of modern reinterpretation.

What this paper has tried to show is that although Turkey may need some time before it is ready for EU membership, it is clearly making huge strides, and in comparison to a country

deemed the 'leader' of the ten countries to be admitted in 2004, it is really not that far behind. We have seen that in many ways both countries share many similar problems, and yet both have the potential to eventually be dynamic forces within the EU. However where the two countries could not be more different is how they are ultimately viewed in the future of Europe. While Poland will without question be one of the leading countries within the EU, Turkey's future within the EU is questionable. Despite the EU's consistent double standards, lack of appreciation of Turkey's efforts and general lack of assistance with the integration process, it should be clear that as Turkey's resolve to meet EU entry requirements has grown, the country has shown an ability to evolve, mature and, above all else, demonstrate that it *is* undoubtedly capable of joining the European Union. The real question then is whether Turkey will ever be *allowed* to enter the EU. The answer to that, contrary to general opinion within the EU, does not lie with Turkey but rather with the European Union. As obstacles to Turkey's membership are continually washed away, it is becoming increasingly difficult for the EU to hide behind excuses for delaying negotiations with Turkey, and the day is fast approaching where the EU will need to make a profound decision with regard to the future vision of Europe.

It is ironic that Turkey's EU candidacy has always been looked at from the point of view that Turkey must make serious changes if it is to have any hope of entering the EU. For certain, as has been detailed at length here, Turkey still has many changes to make before it can realistically be considered for entry into the EU. However, beyond the changes Turkey must make, what has often been overlooked are the changes the EU must make before it can truly embrace an enlarged European Union that includes Turkey. EU Commission President Romano Prodi stated in a speech several years ago in Poland the EU's goal with regard to enlargement:

"We are working to create something great: We are building a joint Europe, a union that is not just economic and political but also a community of hearts and minds."<sup>220</sup>

It is clearly in Europe's interest to see Turkey aligned with the West and to ensure that it becomes a democratic, constitutional state for the sake of peace, stability and security in the Eastern Mediterranean.<sup>221</sup> However, beyond just a strategic or economic relationship, will Europe eventually view Turkey to be a part of this 'community' that Prodi speaks of? Are Europe and Turkey willing to come together in a true partnership of equals? The situation for Europe might best be outlined in a recent quote from a German Newspaper:

"Whoever wants to turn Turkey into a model country misjudges the historic forces at work here, or erects hurdles which will keep Turkey forever on the outside. Such double dealing, however, would have a price: frustration, bitterness, the alienation of a great people ... Europe, on its high horse, act as if only the Turks have to change."<sup>222</sup>

The EU's ambitious goal of creating a community of 'hearts and minds' would be a tremendous achievement, if successful, and would represent a true, new found maturity and understanding on the part of both Europe and Turkey.

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<sup>220</sup> "Poland Has Made Progress but Still Has a Lot to Do." *BBC Worldwide Monitoring* 8 Mar 2001. Online. LEXIS-NEXIS Academic Universe. 12 Apr 2001.

<sup>221</sup> "EU Commissioner Calls for 'Breakthrough' on Issue of Turkey's Accession." *BBC Worldwide Monitoring* 28 Jan 2000. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

<sup>222</sup> "EU Enlargement Requires Change on the Part of Turkey and Europe." *BBC Worldwide Monitoring* 20 Dec 1999. Online. LEXIS-NEXIS Academic Universe. 11 Apr 2001.

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