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Turkey today

After decades of instability in officially-secular Muslim Turkey, the conservative, pro-European AK Party won the 2002 election with a huge majority and introduced a range of popular and effective reforms. Despite returning to power in 2007 with an increased share of the vote, allegations of anti-secularism have dogged the party and in 2008 very nearly resulted in its being shut down. Political and constitutional reform and Kurdish issues remain high on the Government's domestic agenda.

Turkey has meanwhile been increasing its regional and international role, and while there are some signs of progress in long-running disputes with Cyprus and Armenia, resolution is still a long way off. As the largest military in Europe, a member of the North Atlantic Treaty Organisation (NATO) Alliance and with regional security concerns over Cyprus, Turkey has been afforded a certain degree of influence over the development of the European Union's security and defence policies.

Turkey's economic growth was strong from 2002 to 2007 but has suffered from the current financial crisis, with particular concerns over the size of its current account deficit and its reliance on foreign currency.

Perhaps the biggest issue for Turkey is its long-standing goal of joining the EU. It has made some progress, and plans more, but Cyprus remains a sticking-point, and opposition among certain Member States has contributed to a decline in Turkish popular support for accession.

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Summary

Turkey, at the crossroads of Europe and Asia, has both gained and suffered from its unique position. Since Kemal Atatürk established the republic in 1923 with a radically secular constitution and a largely Western orientation, it has struggled in particular to negotiate the relationship between secularism and Islam. It suffered many years of instability before a more recent period of calm and growth.

In 2002 the centre-right Justice and Development Party (AK Party) formed Turkey's first single-party government in 15 years, changing the political landscape at a stroke. It then went on to increase its share of the vote in the 2007 elections. The AK Party is widely perceived to be both moderate and pro-Western, though its Islamist roots have meant it is viewed with suspicion by the secular establishment. Under Recep Tayyip Erdoğan, who became Prime Minister in 2003, the AK Party has undertaken ambitious and popular reforms, with the long-term aim of bringing Turkey into the European Union. These moves have strengthened individual rights, weakened the Turkish armed forces' grip on politics and contributed to a period of impressive economic growth.

However, the Government is not without controversy. The schism between secularists and populists was exposed in March 2008 when Turkey's Chief Prosecutor petitioned the constitutional court for the closure of the AK Party, and bans from politics for its leaders, for alleged anti-secular activity. International reactions showed the vulnerability of Turkey's reputation abroad despite the immense economic and political strides it has taken since 2002. In July the court decided on a fine instead, thus averting a major political crisis and helping economic and diplomatic confidence. But without further political and constitutional reform, the benefits may be short-lived.

At the same time an investigation has led to the prosecution on terrorist charges of 86 former generals and other professionals, accused of plotting a secularist coup through an organisation called Ergenekon. The prosecution is controversial, but suggests that a period of perceived immunity for the secular élite may be over.

The Government has made many political and human rights reforms since 2003, but the pace of reform has slowed significantly. Despite commissioning a draft of a new secular constitution in 2007, the Government has failed to introduce even a mini-package of political reforms based on it, instead bringing forward piecemeal amendments to allow the headscarf to be worn in universities (since overturned by the Constitutional Court). It has narrowed the scope of the notorious Article 301 of the Turkish Criminal Code which set out an offence of 'insulting Turkishness', but critics say this has not gone far enough. Further reforms are widely seen as being in Turkey's interests and are undoubtedly necessary if Turkey is to join the European Union.

The Kurdish insurgency in south-eastern Turkey has troubled the country for decades, with frequent terrorist attacks. The Government is now responding with small-scale military incursions into northern Iraq, where there are many Turkish Kurds, but also by strengthening minority rights and reactivating plans for economic investment in the south-east.

Turkey, a member of the United Nations, Council of Europe, North Atlantic Treaty Organisation (NATO) and other important international and regional institutions, has recently increased and diversified its links with other countries and become more actively involved in regional issues and conflicts. Despite its undoubted ability to exercise 'hard power' it appears to be developing its use of 'soft power', redefining itself as a both a central power in the region and a pathway between east and west. For example, Turkey hosted meetings between Israel and Palestine in 2007 and proposed a regional initiative for the Caucasus in the wake of the conflict between Russia and Georgia in August 2008. It has emphasised how influential it can be as an example of a secular democracy in a Muslim state and is well aware of its importance in moving energy supplies.

Some progress is being made on the Cyprus issue, which has dogged Turkish international relations since its troops landed there in 1974. Cyprus has been divided ever since. Turkey has stated its readiness for a solution and encouraged a yes vote in the 2004 referendum on the Annan plan for reunification. Greek Cypriots rejected the plan, but a divided Cyprus nevertheless joined the EU

shortly afterwards. With the election of a new President of the Republic of Cyprus in 2008, settlement talks have begun again and prospects are now looking more positive than they have done for some years.

Relations with Armenia are also troubled, over the issues of the Ottoman killing of Armenians during and after the First World War and the Turkish support for Azerbaijan over the Armenian-majority enclave of Nagorno-Karabakh which declared its independence from Azerbaijan. Turkey closed its border with Armenia in 1993, but there are some recent signs that relations between Turkey and Armenia might now be improving.

Turkey has the largest military in Europe, and the second largest in NATO. Its size and configuration is a reflection of its geo-strategic position at the crossroads between the Middle East, the Caucasus and Europe, while the maintenance of regional security is also an overarching consideration in its overall approach to defence policy. As such Turkey has also been afforded a certain degree of influence in the development of the EU's security and defence policies. For many Turks the army is the most trusted institution in the country and is often seen as standing above politics and as guarding rather than following the constitutional order. However, this perceived weakness in civil-military relations has been heavily criticised by many observers, including the EU. Turkey has also been criticised for its rigid policies on conscription. Military service is compulsory in Turkey for all males aged 19 to 40, there is no alternative civilian service and the right to conscientious objection is not legally recognised. Draft evasion is high.

Turkey is also economically strong. After impressive economic growth from 2002 to 2007, averaging 6.8%, it now has the 17th largest economy in the world, and the 7th largest in Europe. However, growth has been slowing recently, with growth of 3.5% or less now expected this year. This is partly due to the global economic slowdown. Turkey's large current account deficit and its reliance on foreign currency have left it vulnerable to investors' flight from perceived risk during the current financial crisis. Turkey's stock market has fallen, by well over half since October 2007, as has the value of the Turkish lira against the dollar, down more than a third so far this year. The key economic issue at present is whether Turkey will reach a new agreement with the International Monetary Fund, as have crisis-hit countries like Hungary, Iceland and Ukraine in recent weeks. A deal would provide investors with confidence about Turkey's macroeconomic policies. However, the Turkish Government appears reluctant to subject itself to conditions that might limit spending ahead of local elections in March 2009.

Perhaps the biggest issue for Turkey today is its relationship with the EU. It first applied to join the EEC (as it then was) in 1959, and following a period of increasing economic links with Europe, Turkey finally became a candidate country for EU membership in 1999 and began accession negotiations in 2005. But progress towards full membership is still proving slow. Three main reasons for this are: the pace of internal reforms in Turkey; attitudes within the EU, particularly France; and the Cyprus issue. Eight negotiating 'chapters' have been frozen, in connection with Turkey's refusal to open its ports and airports to Greek-Cypriot vessels. European Commission reports present a mixed view of Turkey's progress, but Turkey has introduced its own plan for meeting all the EU requirements by 2013. Though the Government's sights are still firmly set on Europe, the continued delays threaten to lose Turkish public support.

The central question for Turkish domestic, regional and international politics over the next few years is likely to be whether the Government can reconcile the demands of religious conservatism with the secularist principles of the Turkish Republic and respect for individual freedoms including religious expression. These are the issues, along with its handling of the economic crisis and the Cyprus question, which will determine whether or not Turkey meets the EU's demands for accession.

This paper is not intended to be a comprehensive examination of Turkey today but an overview of the main issues currently facing the country.

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I Brief historical sketch

Turkey is in many ways Eurasian, part of both west and east, even though only 3% of its land area is on the European continent. It has long struggled with the relationship between secularism and modernisation on the one hand, and religion and tradition on the other. A further source of tension is between the more urban west and the largely rural south and east of Turkey. These inter-related dualities have formed its national identity, shaped its politics and coloured its international relations.

The Republic of Turkey (*Türkiye Cumhuriyeti*) was founded in 1923 following the defeat of the Ottoman Empire in the First World War and a war of independence against the victorious Allies who wanted to dismember the empire. The nationalists were led by Mustafa Kemal, who became President of the new Republic and was later honoured with the title Atatürk or “Father of the Turks”. He is still revered by most Turks today. Under his authoritarian leadership the country became an officially-secular state despite the fact that approximately 99% of the population is Muslim, and a constitution based on European civil law was introduced. Social, political, linguistic, and economic reforms and attitudes decreed by Atatürk from 1924 to 1934 continue to be referred to as the ideological base of modern Turkey and have come to be known as ‘Kemalism’. This comprises a particular form of secularism, strong nationalism, statism, and to a degree a western orientation. The continued validity and applicability of Kemalism have long been the subject of lively debate in Turkey’s political life.¹

After a period of one-party rule, an experiment with multi-party politics led to the 1950 election victory of the opposition Democratic Party and the peaceful transfer of power. Since then, Turkish political parties have multiplied, but democracy has been fractured by periods of instability and intermittent military coups (1960, 1971, 1980), which in each case eventually resulted in a return of political power to civilians. Despite the dominance of secularism, political Islam was never entirely extinguished, and since the 1980s it has gained ground, often in the face of official suspicion and hostility. In 1997, the military helped engineer the ousting - popularly dubbed a “post-modern coup” - of the then pro-Islamist government.² It has come close to doing so on other occasions since then. Runaway inflation and moments on the brink of civil war in the fractious Kurdish south-east provided further turbulence.

Since 2002 Turkey has enjoyed domestic stability, strong economic growth and foreign direct investment, and relative peace in an otherwise turbulent region. The 2002 elections gave power to the first coherent, single-party government in more than a decade: that of the conservative, pro-Islamist Justice and Development Party (AK Party), which retained power in the 2007 elections with an increased share of the vote. Its support comes largely from the new Anatolian business class and religiously observant rural population rather than from the secular élites.

Under Prime Minister Erdoğan, the AK Party Government has reformed and modernised the country faster and more effectively than most of its predecessors: the constitution, the police, the army and the judicial system have all undergone degrees of reform. The

¹ US State Department, *Background note: Turkey*, December 2008

² [CIA world factbook: Turkey](#) (undated; viewed 5 December 2008)

integration of the Turkish economy into the international economy, as evidenced by the growth in the volume of exports and imports and the more recent explosion in foreign direct investment, directed the Government for the most part towards policy choices favouring political stability and economic prosperity. Much of this has been driven by its desire to achieve membership of the EU, and as a result accession negotiations began in 2005. But in bringing about these changes the Government has challenged some of the central tenets of Kemalism.

Kemalist secularism is perhaps the biggest of these challenges. The current AK Party Government frequently states its support for the principle, but its attempts to introduce what it describes as freedom of religion have been challenged as anti-secularist at every turn and nearly led to its demise in 2008. Its political and human rights reforms, however unfinished, move the country away from a statist approach towards a greater recognition of individual freedom. In terms of its foreign policy, Turkey now conceives of itself less in nationalist terms and more in terms of co-existence with its neighbours. As the predominant country in its region it has started exercising 'soft' power as well as 'hard' power in the region. It is fully aware of its wider geo-political and geo-economic importance, including its influencing role and its centrality to energy networks. This is reflected in improved relations with the US and NATO, and increased connections with the EU and its Member States increased despite particular difficulties.

In the last couple of years the reforming momentum of the earlier part of the decade has slowed. EU enlargement fatigue and growing nationalism at home have hit Turkey's accession ambitions, and the AK Party's reforming energy has waned. Kurdish unrest continues to be a major problem, partly due to instability in neighbouring Iraq. The tensions between religious sentiment (at least tacitly supported by the AK Party) and secularism shows little sign of abating. The armed forces' intervention in the run-up to parliamentary and presidential elections in 2007, when they feared secularism was at risk, and attempts to ban the ruling AK Party and its leading members for anti-secularism in 2008, shook national and international confidence. The effects of the current global economic downturn are beginning to be felt. Turkey's test, amongst these difficulties, is to keep its negotiations for accession to the EU on track.

II Politics and constitution

A. Political structure

Turkey is a democratic constitutional republic. Its current constitution dates from 1982, and was shaped to a large extent by the military which continues to have an influential position in Turkish politics.³ Some recent political and constitutional reforms have shifted power more towards Turkey's citizens, but the reform programme is not yet complete.

The 550-seat unicameral Parliament, the *Türkiye Büyük Millet Meclisi* or Grand National Assembly of Turkey, is elected at least every four years by the D'Hondt party-list proportional representation system. Its term was recently reduced from five years, by a constitutional amendment approved by referendum in October 2007. Although there is a large number of political parties, only those surpassing a 10% threshold (55 seats) - by

³ discussed throughout this section and on p41 below

far the highest barrier in Europe⁴ - are entitled to parliamentary seats. Some politicians stand as independents to sidestep this barrier and then rejoin their parties after the elections.

The President was, until recently, elected by the Parliament on a two-thirds majority vote for a single seven-year term. However, an October 2007 popular referendum approved constitutional amendments which provide that the next President will be directly elected by the voters for a term of five years and will be able to serve for a maximum of two terms. The President is the head of state, and though his powers are not precisely defined, they include the executive, legislative and even judicial spheres.⁵ He shares executive power with the Council of Ministers headed by the Prime Minister, and has the power to veto legislation and issue emergency decrees. He makes appointments to sensitive positions such as the judges of the Constitutional Court and the Chief Public Prosecutor. He is also the commander-in-chief of the armed forces and chairs the National Security Council.

The President appoints the Prime Minister, who is chosen by the Parliament through a vote of confidence in his or her government and is usually the head of the party that has the largest number of seats in Parliament. The Prime Minister and the Council of Ministers (the cabinet, appointed by the President on the recommendation of the Prime Minister) are accountable to Parliament.

B. The 2002 elections and the rise of the AK Party

Following a period of increasingly unstable coalitions, in the 2002 parliamentary elections the conservative Justice and Development Party (*Adalet ve Kalkınma Partisi*, or AK Party) won a huge majority (361 of the 550 seats).⁶ This allowed it to form Turkey's first single-party government in 15 years, changing the political landscape in a stroke. The only other party left in Parliament, with 179 seats, was the secular centre-left Republican Peoples' Party (*Cumhuriyet Halk Partisi* or CHP), which had been the major political organisation during Turkey's one-party period and had formed or helped form several governments since then but had failed to pass the 10% threshold to enter Parliament in the 1999 elections.

The AK Party had been established in 2001 by Recep Tayyip Erdoğan, a former mayor of Istanbul from Rize in north-east Turkey whose Islamist sympathies led to a criminal conviction in 1998, and Abdullah Gül, who had been a member of parliament for two Islamist parties which were closed for violation of the principle of secularism. Mr Erdoğan became Prime Minister in 2003 and Mr Gül became deputy Prime Minister and Foreign Minister. The new party drew most of its leaders and many of its supporters from former Islamist political parties, the Welfare Party (*Refah Partisi*), the Virtue Party (*Fazilet Partisi*) and the Happiness Party (*Saadet Partisi*), but appeared significantly more moderate than its predecessors.

⁴ Council of Europe Parliamentary Assembly Monitoring Committee, [The functioning of democratic institutions in Turkey: recent developments](#), Doc. 11660, 24 June 2008

⁵ Article 104 of the 1982 Constitution. See the [Turkish Presidency website](#).

⁶ [Inter-Parliamentary Union](#)

The AK Party describes itself as religiously conservative rather than Islamist, and presents itself as a pro-Western mainstream party, with a conservative social agenda and a firm commitment to liberal market economy and initiating intensive reforms with the aim of European Union membership. This is a completely new mixture in a country accustomed to linking modernisation with secularism and statism, and is also hard to understand in countries that are used to linking conservatism with Euro-scepticism. The AK Party's 2002 election manifesto repeatedly reiterated its commitment to secularism and liberal democracy,⁷ but its attitude to religion has proved controversial.

Much of its support comes from the rural south and east of Turkey and from an emerging class of entrepreneurs and professionals who are both successful and pious: whilst they are attached to legal security and good governance, they see no reason to give up their religious and social conservatism. This new and significant group "defies the easy categorisation so dear to Turkey's old-timers and to many of their Western friends".⁸

Despite initial fears about the AK Party, the new Government was soon judged by the Council of Europe to be making good use of its absolute majority:

Major amendments were made in the framework of the three constitutional amendment packages introduced respectively in 2001, 2002 and 2004, including the abolition of death penalty in all circumstances, the abolition of State Security Courts from the Turkish judicial system, the enshrinement of the principle of gender equality in the Constitution, with an emphasis on the State's obligation to guarantee the respective principle and the elimination of the principle of secrecy with respect to the auditing of state property in possession of the Armed Forces. Also, the supremacy of international human rights treaties over domestic law in case of conflict between the two was established as a constitutional principle.⁹

The Government also fostered economic confidence and growth, which, together with the political reforms, contributed to the opening of accession negotiations with the European Union in 2005. But controversy over the issue of secularism was never far away.

C. The 2007 presidential and parliamentary elections¹⁰

The secularism debate dominated the presidential elections in 2007. A constitutional crisis was provoked by secularists' fears that the sole candidate – Abdullah Gül, a founder of the AK Party and then Foreign Minister and Deputy Prime Minister in Erdoğan's Government – would not uphold Turkey's secular constitution. A recurrent argument raised against Mr Gül's candidature by his political opponents was the fact that his wife wears a headscarf, which as a religious symbol is not permitted inside public buildings.

⁷ 'The EU Factor in Turkey's Politics', *IJSS Strategic Comments*, Volume 11 Issue 8, October 2005

⁸ Toby Vogel, 'Modernisers v traditionalists', *European Voice* 17 July 2008

⁹ Council of Europe Parliamentary Assembly Monitoring Committee, [The functioning of democratic institutions in Turkey: recent developments](#), Doc. 11660, 24 June 2008

¹⁰ More information on the 2007 election is given in Library Standard Note SN/IA/4404, *Turkey: general election 2007*, 25 July 2007

The opposition parties boycotted the first round of voting in the presidential elections in Parliament, which meant that Gül failed to obtain the required two-thirds majority. A new vote was held but the result was invalidated because a quorum had not been achieved. Gül withdrew his candidacy and the whole procedure was cancelled. The Government responded by proposing constitutional reforms including direct election of the President, but these were vetoed by the outgoing President.¹¹

The constitutional court ruled, controversially, that this situation should trigger early parliamentary elections under the constitution. Further controversy was caused when the General Staff of the armed forces directly intervened in the issue by publishing an 'e-memorandum' on its [website](#) addressing directly and indirectly many practices and policy implementations of the AK Party government and reminding them of the resolve of the Turkish Armed Forces to act, if need be, as the guardian of the efficacy of Atatürk's secular principles in the administration of the state.

A general election was duly held in July 2007 and won convincingly by the AK Party, with a smaller majority in parliament (341 seats, down by 20 from its 2002 result) but a larger share of the popular vote than in 2002 (47% as compared with 34%), on a turnout of over 80%. Many believe that the army's influence actually helped the AK Party to win a bigger share of the vote in the July 2007 election. For the first time in 50 years a Turkish government had retained power with an increased share of the vote. This provided the AK Party Government with a strong mandate.

The opposition CHP won 112 seats¹² (down 67) and the right-wing Nationalist Action Party (MHP) returned to Parliament with 71 seats.¹³ Twenty of the 26 independents who won seats rejoined the pro-Kurdish Democratic Society Party (DTP) after the election. One analyst has suggested that the nationalists performed well because Kurdish terrorism in the south-east¹⁴ has tended to fan nationalist feelings, as has the debate in the EU about whether Turkey should be allowed to join the Union which is sometimes accompanied by uncomplimentary remarks about Turks.¹⁵

The new parliament elected Gül president at the third round.

The peaceful resolution of the constitutional crisis, in an electoral process recognised by observers as largely transparent, professional, efficient and fair,¹⁶ was greeted with relief and praise by the international community, particularly the US. Relations between the two countries had become severely strained, largely over Iraq and Kurdish terrorism;¹⁷ but in 2007 the US lauded Turkey as "the most successful example in the world today of a secular democracy within a Muslim society that can inspire reformers in the greater

¹¹ See pp27-28 below

¹² 13 of those seats were taken by members of the centre-left Democratic Left Party (DSP) which had formed an electoral coalition with the CHP whereby DSP candidates ran under the CHP banner; after the election they decided to split with the CHP.

¹³ [Inter-Parliamentary Union](#)

¹⁴ See pp29-30 below

¹⁵ Ilter Turan, 'Unstable stability: Turkish politics at the crossroads?', *International Affairs* vol 83 no 2, March 2007, 319 at 337

¹⁶ OSCE/ODIHR Election Assessment Mission Report, [Republic of Turkey: Early Parliamentary Elections 22 July 2007](#), 27 November 2007

¹⁷ See pp30-31 and 45 below

Middle East and beyond".¹⁸ Nevertheless, the atmosphere behind the 2007 elections of growing nationalism and of increasing polarisation between secularists and religious conservatives showed the continuing possibility of instability.

Following the election, Prime Minister Erdoğan emphasised that the people had voted for a government of the centre. He attempted to reassure his secular critics by claiming that: "We are the strongest advocates of a democratic, secular, social state governed by the rule of law".¹⁹ However, allegations of creeping Islamisation continued after the election, leading to a potential constitutional crisis when the chief prosecutor petitioned the Constitutional Court to ban the AK Party and its leadership from politics.

D. Attempt to ban Turkey's ruling party

In March 2008 secularist allegations against the AK Party came to a head. Turkey's Chief Public Prosecutor, Abdurrahman Yalçinkaya, petitioned the Constitutional Court for the closure of the governing AK Party and a five-year ban from politics for 71 senior former and present AK Party figures, including Prime Minister Erdoğan (who had been banned before following a criminal conviction for anti-secular activities) and President Gül. This began a case which illustrated the deep divide in Turkish public life and threatened to derail Turkey's economic progress, its relations with the EU and perhaps even its democracy.

Many political parties in Turkey – including the AK Party's less moderate predecessors – have been shut down. Since the country's first democratic elections in 1950 some two dozen parties have been banned by the constitutional court. Almost all of these bans have resulted in findings of violations of Article 11 of the European Convention of Human Rights. Constitutional changes in October 2001 and further changes in the legislation on political parties did limit the use of such an extreme measure as dissolution. But the practice continues: the Constitutional Court is still deciding on a motion from Mr Yalçinkaya in November 2007 to close the pro-Kurdish Democratic Society Party (DTP), which has 21 parliamentary deputies and is accused of promoting ethnic separatism.

However, this was the first time a party with a parliamentary majority, strong international backing and a professed commitment to secularism and moderation had faced a possible ban.²⁰ Mr Yalçinkaya submitted a 162-page indictment accusing the party of being a focal-point of anti-secular activities, a serious charge in Turkey. He claimed that senior AK Party and Government officials were systematically undermining the Turkish constitution, which guarantees the strict separation of religion and politics. The indictment also accused the Government of damaging Turkey's global standing by recasting the country as a moderate Islamic republic whilst dividing the population between believers and non-believers.²¹ However, as the constitution does not define "secular", the charges were seen by some as a political rather than a legal issue.

¹⁸ R. Nicholas Burns, Under Secretary for Political Affairs: remarks at the Atlantic Council of the United States, 13 September 2007

¹⁹ 'Gamble pays off as Turkey's PM wins historic landslide', *The Guardian*, 23 July 2007

²⁰ 'Judges to rule on case for closure of Turkey's AKP', Nicholas Birch, *Irish Times*, 22 March 2008

²¹ Robert Tait, 'Turkish court to consider call to ban ruling party', *The Guardian*, 18 March 2008

A range of explanations was put forward as to why the indictment was brought at that particular point. Some press reports suggest that the indictment was prompted by the AK Party's efforts in February 2008 to ease the strict secular ban on the Islamic headscarf in universities²² which many secularists regarded as an example of Islamisation of Turkey by stealth. Further concerns were raised following reports of alcohol bans, segregation of women and men, and controversial speeches by leading AK Party figures. According to the *Economist*, other evidence is said to range from the AK-Party-run Istanbul council's censoring of bikini advertisements to an AK Party official's observation that "asking a pious girl to remove her headscarf is akin to telling an uncovered one to remove her underpants".²³

The *Economist* reflected the vast majority of international media opinion when it argued that the case was a last-ditch attempt by Turkey's old guard to cling to power, attempting a 'judicial coup' to get Mr Erdoğan to quit.²⁴ Seeing it as a political attempt by the secularist state elites to remove a democratically-elected government from power threw the legitimacy of the case into question in the eyes of many commentators. Sinan Ülgen, director of the independent Istanbul think-tank EDAM (Centre for Economics and Foreign Policy Studies), said that "a very significant part of the negative reaction to this case reflects this issue of legitimacy, and the question is whether this will have an impact on the court's decision." The *Financial Times* suggested that because neither the army nor the opposition is able effectively to counter the Government (because of its commanding majority in parliament), the judiciary was left "in the eyes of a fair number of Turks, as the last and perhaps most effective opposition".²⁵

Others including Ertuğrul Günay, Turkey's culture minister, believed the case was connected to the Ergenekon investigations into generals, academics and journalists linked to a string of murders, including that of the ethnic-Armenian editor Hrant Dink.²⁶ Proponents of this theory noted that Turkey's first Islamist-led government was ejected in 1997 after it began investigating links between the army and organised crime.²⁷

Even those who were largely sympathetic to the AK Party, while rejecting the prosecutor's claims, conceded that the party may have placed itself at the mercy of its opponents by failing to pursue much-needed reforms. The *Financial Times* suggested that, "the real case against the government is its lassitude in pursuing reform and EU accession - especially after Mr Gül's elevation."²⁸

The AK Party initially reacted combatively to the case. After an emergency meeting of senior party leaders on 14 March 2008, chaired by Mr Erdoğan, the AK Party issued a statement describing the prosecutor's move as "a great embarrassment":

A part of the judiciary should not turn the law into the vehicle of a power struggle. If it does, it is the judiciary itself and the supremacy of the law that will suffer the

²² See p26 below

²³ 'Turkey's secular constitution, See you in court', *The Economist* 19 March 2008

²⁴ *Ibid*

²⁵ 'Turkish government and old guard in showdown', *Financial Times*, 24 March 2008

²⁶ See pp23-24 below

²⁷ 'Turkey's secular constitution, See you in court', *The Economist* 19 March 2008

²⁸ 'Upturning Turkey', *Financial Times*, 21 March 2008

greatest damage...The target of the Court of Appeals state prosecutor in opening this case is not the AK Party, it is Turkish democracy and the will of the people.²⁹

It proposed constitutional amendments to give the courts narrower guidelines about when they could close a party. In this it could look to the Council of Europe's *Venice Commission guidelines on prohibition and dissolution of political parts*, which say for example that a party should not be closed unless it uses violence or advocates the use of violence: "the fact alone that a party advocates a peaceful change of the Constitution should not be sufficient for its prohibition or dissolution".³⁰ The amendments did not progress because they would have needed the support of a right-wing nationalist party, but they may reappear if the draft revised constitution drawn up by lawyers in the summer of 2007 ever materialises.³¹ Other reforms also halted, indicating how rattled the AK Party was by the indictment.

The financial markets appeared to react badly to the prospect of a ban of the ruling party. On 17 March 2008 the Istanbul Stock Exchange plunged by 7.5% and the Turkish lira fell by 3.5% against the dollar (though it was not the only stock exchange to fall that day). In view of the potential impact on business confidence, the Turkish Industrialists' and Businessmen's Association (TÜSİAD), which is the main business lobby, denounced the case. Its president, Arzuhan Yalçındağ, said, "Shutting down parties is not compatible with democracy."³²

Reactions from abroad were overwhelmingly negative. Speaking on 16 March, the British Foreign Secretary, David Miliband, said:

The decision by Turkish prosecutors to bring a case to ban the ruling AK Party is of great concern. This lawsuit is a distraction from the challenges of Turkey's reform agenda and does not fit well with European democratic standards or the separation of politics and the judiciary.

I hope that this issue will now be resolved swiftly and in line with the highest democratic norms.'

EU officials criticised the indictment, calling it anti-democratic. EU Enlargement Commissioner Olli Rehn told reporters in Brussels that the executive should not meddle in the court's work and the legal system should not meddle in democratic politics:

In a normal European democracy, political issues are debated in parliament and decided in the ballot box, not in the courtroom... It is difficult to see that this lawsuit respects the democratic principles of a normal European society.³³

During the following months, most political analysts agreed that a ban was looking increasingly likely, particularly following the constitutional court's unanimous decision on 31 March 2008 to adjudicate on the case, and its 6 June 2008 ruling against the AK

²⁹ 'Prosecutor asks Turkish court to close AKP', *France24*, 15 March 2008

³⁰ European Commission for Democracy Through Law (Venice Commission), [*Guidelines on prohibition and dissolution of political parties and analogous measures*](#) adopted by the Venice Commission at its 41st plenary session (Venice, 10 – 11 December, 1999), para. 3

³¹ See pp26-29 below

³² 'Turkey's secular constitution, See you in court', *The Economist* 19 March 2008

³³ 'EU official condemns Turkish bid to ban ruling party', *Reuters* 15 March 2008

Party on the headscarf issue.³⁴ But the tide of opinion began to turn during July, and on 30 July 2008 the court reached its verdict. It fell short of the majority needed to shut down the party – only six of the 11 judges (one short of the required number) had voted in favour of closing the party and banning its members from politics. However, ten of the judges agreed that the party was indeed guilty of anti-secular activity, and the court therefore ordered that 50% of the AK party’s state funding due in 2008 be cut off. The court added that the party may face a new case in the future if it did not pay attention to the warnings in the ruling. This outcome averted Turkey’s “worst political crisis in years, perhaps in decades”,³⁵ but gave a severe admonition to the AK Party nonetheless.³⁶

When the judgment was announced, the treasury’s borrowing rates promptly fell and the main stock-market index rose by about 2%. Standard & Poor’s, the international credit-rating agency, revised its outlook for Turkey from “negative” to “stable”. Mehmet Simsek, the economy minister, said in July that the crisis had cost the treasury \$16 billion in higher interest payments since March.³⁷

The full reasons for the decision were published in a lengthy verdict on 24 October 2008. The court’s reasoning has been described as “sophisticated... based to a large degree on European and international law”, suggesting that the case was about principle as well as power. At the same time, its finding that the party and the Prime Minister sought to undermine the constitutional order can be seen as providing a new set of limits for the AK Party’s continued exercise of power.³⁸

It remains to be seen whether the AK Party will be chastened by the ruling, and whether it will take the opportunity to pick up speed on the political and social reforms it abandoned during the case and progress with them perhaps in a more inclusive manner. There are no clear indications yet that reforms are back on track.

E. The Ergenekon case

At the same time as the court case against the AK Party, allegations of a coup plot which led deep into Turkish society was being investigated. Opponents of the Government have claimed that this was a political counter-strike against those promoting the constitutional challenge to the AK Party.

The investigations resulted in numerous arrests, and on 14 July 2008 the Istanbul Public Prosecutor filed an indictment on terrorist charges against 86 people – including retired army officers, politicians, academics and journalists – who are alleged to have plotted a campaign of destabilising violence. The charges are related to their alleged membership of a clandestine group known as Ergenekon, named after a mythical valley from which the Turkish people, according to the founding myth, were once led to liberty by a wolf. Allegedly the group consists of hard-line secularists and ultra-nationalists and is controlled by extreme elements of the Turkish armed forces. There are also allegations

³⁴ See p26 below

³⁵ ‘Turkey: A narrow scrape for democracy’, *Economist* 2 August 2008

³⁶ *Turkey Analyst* vol.1 no. 12, 29 August 2008, p14

³⁷ ‘Turkey: After the storm’, *Economist* 9 August 2008

³⁸ Svante E. Cornell, ‘Turkish Constitutional Court sets framework for politics’, *Turkey Analyst* 24 October 2008

that Ergenekon is a manifestation of the 'deep state', a network of organisations allegedly set up by members of the security forces in the 1950s and thought by some analysts to be responsible for serious abuses of human rights particularly in the Kurdish south-east.

The prosecutor's claim is that the suspects planned a campaign of murder and violence which would be blamed on Islamists, thus creating a situation in which the military would be forced to stage a coup to defend secular interests. This included the bombing of the secularist newspaper *Cumhuriyet* in 2006 and an attack on a court the same year in which a senior judge was killed. The group is also accused of plotting to assassinate several major figures including Prime Minister Erdoğan and a former military chief of staff.

The Ergenekon hearing began on 20 October 2008. The indictment is 2,455 pages long and there are 450 folders of annexes. Of the 86 suspects, 46 are in custody and 40 on bail. The huge number of defendants, lawyers, reporters and onlookers overwhelmed the first day of the trial: defence lawyers complained that they could not work in such conditions. The presiding judge first asked spectators and reporters to leave the courtroom, but then decided to halt the trial and impose restrictions on who would attend the first hearing. When the trial resumed on 23 October, a limit was put on the number of lawyers, journalists and spectators who could be present in the courtroom, prompting some lawyers to complain that their clients' human rights had been impaired.³⁹ There had also been reports that defendants' rights had been insufficiently safeguarded during the investigation and of excessive detention without charge.⁴⁰

The case sends significant signals about changing power relations. Some of the arrests were made on military premises, which suggests that the army may be accepting some civilian authority over the military – a notable development.⁴¹ The fact that senior members of the military are on trial at all is described by some as "an achievement for the Turkish justice system".⁴² Whatever the outcome, there is a sense that the trial "represents the end of an extended period of immunity for members of the elite, including some who have previously been linked to organised crime and assassinations".⁴³

The Foreign Affairs Committee of the European Parliament has encouraged the Turkish authorities "to resolutely pursue investigations into the Ergenekon criminal organisation while closely adhering to the principles of the rule of law, to fully uncover its networks reaching into the state structures and to bring those involved to justice".⁴⁴

F. Political and human rights reforms

Turkey has changed considerably in the last five years, politically as well as socially and economically. This is perceived as a shift in power to citizens, giving them greater autonomy to determine the future, to express themselves and to do business.

³⁹ ['Turkey 'plotters' trial resumes'](#), *BBC news online*, 23 October 2008

⁴⁰ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p6

⁴¹ Toby Vogel, 'Modernisers v traditionalists', *European Voice* 17 July 2008

⁴² 'Turkey investigates alleged conspiracy', *Jane's Intelligence Digest* 23 October 2008

⁴³ *Ibid*

⁴⁴ European Parliament Committee on Foreign Affairs, [Report on Turkey's 2007 progress report](#), 25 April 2008, para. 22

The Turkish Government recently listed the political and human rights reforms it had introduced. The death penalty has been abolished in all circumstances, and legislative and administrative measures against torture and ill-treatment have been put into place. Freedom of thought and expression and the freedom of press have been expanded, provisions concerning associations, foundations (acquisition and management of property by religious communities) and the right to assembly and demonstration have been advanced and legislation has been amended to reinforce gender equality and to fight violence against women and children more effectively. Cultural diversity and cultural rights of all Turkish citizens have been guaranteed and the right to instruction and broadcast in different languages and dialects used traditionally by Turkish citizens in their daily lives has been introduced.⁴⁵

Turkey has recently signed more human rights instruments: it cites the *United Nations Convention Against Corruption*, the Optional Protocol to the *Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment* (OPCAT), Additional Protocol No.13 to the *European Convention on Human Rights* (ECHR) concerning the Abolition of the Death Penalty in all Circumstances, the Optional Protocol and Second Optional Protocol to the *International Covenant on Civil and Political Rights*, and the *Convention for the Safeguarding of the Intangible Cultural Heritage*.⁴⁶

However, Turkey has not ratified OPCAT or the three additional Protocols to the ECHR. It is a member of the Council of Europe but claims certain derogations from the ECHR and is a frequent defendant at European Court of Human Rights (ECtHR). From November 2007 to October 2008, the Court delivered a total of 266 judgments finding that Turkey had violated the ECHR. As in the previous year, the total number of new applications to the ECtHR increased, most of them concerning the right to a fair trial and the protection of property rights.⁴⁷

There is a long-term goal of complete redrafting of all basic legislation. A Law Amending the Law on Establishment and Legal Procedures of Military Courts has already come into force. Many basic laws including the Turkish Penal Code and Criminal Procedural Code, the Press Law, the Law on Foundations and the Law of Associations have been revised. The Government has stated its aim of carrying with the redrafting programme in the next term, for instance with the enactment of the Draft Law on Union of Judges and Prosecutors, the Civil Procedure Draft Law and the Draft Law on Court of Audits.⁴⁸

The constitutional influence of the army has been reduced by redefining the role of the National Security Council (NSC) as an advisory body through amendments to the Constitution and related laws.⁴⁹

Turkey also recognises the need to implement these legislative reforms effectively. A Reform Monitoring Group has been established and has met regularly since September 2003. It takes decisions about the implementation of the reforms by evaluating the steps taken so far. Circulars have been issued to raise the awareness of civil servants on the

⁴⁵ [Draft National Programme for the Adoption of the *Acquis* \(NPAA\)](#), August 2008, p3

⁴⁶ *Ibid* p3

⁴⁷ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p11

⁴⁸ [Draft National Programme for the Adoption of the *Acquis* \(NPAA\)](#), August 2008, p4

⁴⁹ *Ibid* p5

prevention of torture and ill-treatment. Human rights training programmes for civil servants, particularly for law enforcement officers, have been broadened. Training programmes for judges and prosecutors, especially on ECHR provisions and ECtHR case law, continue in collaboration with the Council of Europe and the European Union.⁵⁰

In March 2008 an amendment to the Law on elections and electoral rolls was adopted, extending the right of Turkish citizens living abroad to participate in parliamentary elections, in line with the recommendations of the OSCE Election Monitoring Report. However, in response to an appeal filed by the opposition Republican People's Party (CHP), the Constitutional Court rules in May 2008 that postal voting is unconstitutional. This is not the only time that the CHP has referred political reform legislation to the Constitutional Court: in 2008 it did so 16 times.⁵¹

There remain serious concerns about civil, political, economic, social and cultural rights in Turkey. Further political reform has increasingly been seen as in Turkey's own interests, and is also undoubtedly necessary if Turkey is to join the EU. In an article for the Turkish daily newspaper *Milliyet* in August 2008, the EU's enlargement Commissioner Dr Olli Rehn set out what, in his view, needed to be done:

[...] the Commission has recommended for the past three years that Turkey needs to change its laws on political parties. But the government has taken no action so far, despite the launch of a number of cases to close political parties prior to the most recent cases.

Other reforms would also help ease tensions and prevent them building up into full-scale confrontations.

The creation of an ombudsman institution could defuse some of the tensions surrounding the debate about the relationship between religion and the state and reassure Turkish citizens that their rights will be respected, whatever their personal beliefs or political affiliations. It could also help to ease current controversies about high-level appointments by scrutinising the process and ensuring that meritocracy and impartiality prevail. Yet the law on the Ombudsman has been stuck in the Constitutional Court for over two years.

Another example is the law on trade unions, presently before the Turkish Grand National Assembly. This law will align Turkey's legislation with EU standards and ILO conventions on important issues, such as the right to organise, the right to strike and the right to bargain collectively.⁵²

He noted that successive political crises (in 2007 over the presidential elections, in 2008 over attempts to ban the AK Party) have undermined the country's political stability and thus its EU prospects, and have absorbed "valuable political energy that would have been better used for much-needed reforms".⁵³ During the 2007 crisis, the outgoing President vetoed both a constitutional reform package proposed by the Government and

⁵⁰ *Ibid* pp3-4

⁵¹ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p7

⁵² Olli Rehn, 'Time to revitalise Turkey's EU progress', *Milliyet* 25 August 2008

⁵³ *Ibid*

legislative reforms on the Ombudsman, the law on foundations and the law on private education institutions, which inevitably slowed down the pace of political reforms.⁵⁴

The Commission's latest progress report on Turkey considered that, "despite its strong political mandate, the government did not put forward a consistent and comprehensive programme of political reforms" in 2008. The report highlighted the Commission's concerns that political and other rights were still not fully protected:

- judiciary not fully independent or impartial
- continuing widespread corruption and lack of progress in tackling it
- failure to ratify key human rights instruments, in particular OPCAT
- many European Court of Human Rights judgments await enforcement by Turkey
- failure to introduce an Ombudsman or strengthen other human rights bodies
- increased applications to NGOs in relation to torture and ill-treatment
- lack of effective investigation into allegations of human rights violations by members of security forces
- further measures needed to ensure full respect for freedom of expression, freedom of assembly, freedom of association and freedom of religion
- very low participation of women in the labour force, politics and education
- domestic violence, honour killings and early and forced marriages
- large numbers of children do not attend school
- people with disabilities are not receiving adequate public services
- the Law on Foundations does not address all the problems faced by religious communities over the acquisition and management of property
- Turkey still has reservations to human rights treaties concerning the rights of minorities and has not signed all the relevant agreements
- restrictions continue on the use of languages other than Turkish in broadcasting, in political life and when accessing public services, and it is not possible to learn these languages in either public or private schools
- Roma frequently face discrimination
- Turkey has made no progress on normalising bilateral relations with the Republic of Cyprus or on implementing the Ankara Protocol⁵⁵

Amnesty International's 2008 report on Turkey came to similar conclusions:

In the wake of increased political uncertainty and army interventions, nationalist sentiment and violence increased. Freedom of expression continued to be restricted. Allegations of torture and other ill-treatment and the use of excessive force by law enforcement officials persisted. Prosecutions for violations of human rights were ineffective and insufficient, and fair trial concerns persisted. The rights of refugees and asylum-seekers were violated. There was little progress in providing shelters for victims of domestic violence.⁵⁶

The issue of torture in detention was recently highlighted by the death in custody of Engin Ceber on 8 October 2008. He was a political activist who was arrested whilst

⁵⁴ Council of Europe Parliamentary Assembly Monitoring Committee, [The functioning of democratic institutions in Turkey: recent developments](#), Doc. 11660, 24 June 2008

⁵⁵ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p7

⁵⁶ Amnesty International Report, [Human Rights in Republic of Turkey](#), 2008

taking part in an unsanctioned demonstration. He died of a haemorrhage 12 days later; the autopsy report said the series of injuries he sustained over a week or more were consistent with "crude beating, which is a form of torture". Sixty police and prison officials will stand trial in connection with his death; four prison guards have been charged with torture, which carries a life sentence.⁵⁷

A recent report by the charity Human Rights Watch (HRW) documents a continuing culture of police violence. It describes 28 cases of police abuse against members of the public since the start of 2007 and examines the official investigations of police conduct in those instances. The cases include fatal and non-fatal shootings by the police; ill-treatment and excessive use of force by police against demonstrators; and ill-treatment during or following identity checks. The report says that those who file complaints against the police often find themselves put on trial for having "forcibly resisted" the police. It also suggests that tighter control of formal detention facilities is pushing police abuse onto the streets. HRW claims that changes to the law on police powers in 2007 have helped to create a "trigger-happy" force with the authority to conduct arbitrary stop-and-searches, and that a culture of impunity persists.⁵⁸

A new report by the Turkish Prime Minister's human rights office said the Government had conducted "every possible legal reform" to prevent torture. The BBC quotes Justice Ministry figures showing that legal proceedings for torture and ill-treatment were completed against 1,357 security officers in 2007, most of them police; but of those, 193 were convicted and only 48 were given prison sentences of any kind.⁵⁹

G. Article 301

Limits to freedom of expression in Turkey are another area of particular concern to observers. The main focus of these concerns is Article 301 of the Turkish Penal Code and the way it has been applied by the courts. The original text of the provision stated:

1. Public denigration of Turkishness, the Republic or the Grand National Assembly of Turkey shall be punishable by imprisonment of between six months and three years.
2. Public denigration of the Government of the Republic of Turkey, the judicial institutions of the State, the military or security structures shall be punishable by imprisonment of between six months and two years.
3. In cases where denigration of Turkishness is committed by a Turkish citizen in another country the punishment shall be increased by one third.
4. Expressions of thought intended to criticize shall not constitute a crime.⁶⁰

⁵⁷ ['Turkey in dock over police abuse'](#), *BBC news online*, 5 December 2008

⁵⁸ Human Rights Watch, [Closing Ranks against Accountability: Barriers to Tackling Police Violence in Turkey](#), 5 December 2008

⁵⁹ ['Turkey in dock over police abuse'](#), *BBC news online*, 5 December 2008

⁶⁰ Amnesty International Press Release, [Turkey: Article 301 is a threat to freedom of expression and must be repealed now!](#) 1 December 2005

Amnesty International outlined its views of the problems with Article 301:

The final qualification of the article in paragraph 4 suggests that expressions amounting to “criticism” rather than “public denigration” are not punishable. Amnesty International considers that the attempt to draw a distinction between criticism and denigration is highly problematic. The lack of legal certainty of the crime will lead to arbitrary interpretation by prosecutors and judges. Even the Turkish Minister of Justice himself, Cemil Cicek, has reportedly stated that “the whole issue comes down to how the laws are interpreted”.

Amnesty International believes that Article 301 poses a direct threat to freedom of expression, as enshrined in Article 19 of the International Covenant on Civil and Political Rights (ICCPR) and in Article 10 of the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR). Turkey is a State Party to both conventions and therefore the Turkish government has a legal obligation to uphold this freedom.⁶¹

The European Commission stated:

In practice, Article 301 of the new Penal Code (formerly Article 159, “insulting the State and State institutions”), has been used by some in the judiciary to prosecute and, in some cases, convict, individuals. This is despite the fact that the article has been amended in such a way as to permit criticism.⁶²

Article 301 has become a symbolic issue. From the EU’s point of view, every case taken under it undermines Turkey’s case for membership. According to the *International Freedom of Expression Exchange*, an organisation that campaigns for media freedom, there were 42 people on trial in the period January-March 2008 for violations of article 301, 12 of which were new cases, and in 2007, 55 people were on trial for article 301 violations.⁶³ Perhaps the most well-known case based on Article 301 is that of the Turkish novelist Orhan Pamuk, who spoke in a Swiss newspaper interview about the massacre of Armenians and Turkey’s treatment of its Kurdish minority. The European Commission summarised this and other prominent cases, including that of Hrant Dink, a Turkish journalist of Armenian origin who faced several criminal charges for expressing non-violent opinions related to historical issues:

In August 2005 a public prosecutor in Istanbul brought a case against the novelist Orhan Pamuk under Article 301 in relation to remarks he had made to a Swiss newspaper regarding the killings of Armenians and Kurds in Turkey. The prosecution was initiated despite the fact that an earlier investigation by another prosecutor had been dropped following a different interpretation of the same article. In April 2005 a sub-governor of Sutçuler (province of Isparta) had ordered the destruction of all Pamuk’s books, but the order was not carried out and the official in question was reprimanded. In October 2005, Hrant Dink, the editor of the bilingual Armenian/Turkish weekly newspaper, *Agos*, was convicted under Article 301 and given a suspended six month prison sentence in relation to an article he had written on the Armenian diaspora. Dink, who faces a further trial in relation to a speech he gave at a conference in 2002, intends to appeal the court’s decision.

⁶¹ *Ibid*

⁶² European Commission *Turkey 2005 Progress Report*, 9 November 2005

⁶³ [‘Islamic newspaper’s columnist charged with “denigrating the armed forces”](#), International Freedom of Expression Exchange, 14 July 2008

In September 2005, Emin Karaca was convicted under Article 301 in relation to an article he wrote which criticised the past actions of the Turkish military. His five month prison sentence was commuted to a fine. Ragip Zarakolu, a prominent writer and publisher, still has a number of outstanding cases against him in connection with his publications on the Kurdish and Armenian issues; two cases relating to publications on the Armenian issue have been brought on the basis of Article 301.

In assessing whether to bring cases which impinge on the right to freedom of expression, the judiciary should consider whether the expression incites violence, armed rebellion or enmity, what the capacity of the individual or group is to influence the public and what kind of opportunity the target of the expression has to respond. There are examples of the judiciary exercising such reasoning: for example, the Court of Cassation overturned the prison sentence of columnist Selahattin Aydarin in October 2004, stating in its decision that it is not an offence to describe people who defend secularism as 'atheists'. [...]

The abovementioned Article 301 cases raise serious concerns about the capacity of certain judges and prosecutors to make decisions in accordance with Article 10 ECHR and the relevant case law of the ECtHR. If the code continues to be interpreted in a restrictive manner, then it may need to be amended in order to safeguard freedom of expression in Turkey. In this context court proceedings based on Article 301 will be closely monitored.⁶⁴

The case against Orhan Pamuk was dropped in January 2006 amid a wave of protest. Hrant Dink was assassinated in January 2007, and while his death led to a movement of solidarity in Turkish society, there were also expressions of support for the perpetrators. A Turkish parliamentary report published in July 2008 concluded that there had been negligence, error and lack of coordination in the activities of the security organisations and the gendarmerie in failing to prevent the murder.⁶⁵

According to critics, one of the problems with Article 301 was that it was so broad that it could be arbitrarily interpreted. The Turkish Government therefore hoped that by narrowing its scope it could comply with the European Convention on Human Rights and there would be fewer weak indictments. On 7 April 2008 the Turkish government therefore submitted to Parliament its proposed revisions to Article 301:

- Replace the phrase "insulting Turkishness" with "insulting the Turkish nation";
- Require the permission of the justice minister to file a case, and retain the prosecutor's discretionary power to decide not to prosecute; and
- Reduce the maximum penalty from three years to two.

The amendments were adopted by the Parliament on 30 April 2008. The amended Article 301 now reads as follows (from a different translation):

1. A person who publicly degrades the Turkish nation, the State of the Republic of Turkey, the Turkish Grand National Assembly, the Government of the Republic of Turkey and the judicial bodies of the State, shall be sentenced to a penalty of imprisonment for a term of six months to two years.

⁶⁴ European Commission *Turkey 2005 Progress Report*, 9 November 2005,

⁶⁵ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p12

2. A person who publicly degrades the military or security organisations of the State shall be sentenced to a penalty in accordance with the first section.
3. The expression of an opinion for the purpose of criticism does not constitute an offence.
4. The conduct of investigation for such offence shall be subject to the permission of the Minister of Justice.⁶⁶

A circular on implementation of the amended article was issued on 9 May 2008. It referred to the relevant case law of the European Court of Human Rights on freedom of expression and pointed out that international conventions on human rights automatically become part of the Turkish legal order – without any additional legislative steps for transposition – once they have been adopted by the Parliament. Furthermore, the circular establishes that for offences against Article 301, statements cannot be taken from the suspect without permission from the Minister of Justice, in order not to discredit the suspect in the eyes of the public.⁶⁷

Between April and September 2008 the courts forwarded 257 cases to the Minister of Justice for prior authorisation under the new procedure. By September, the Minister had reviewed 163 cases and refused to grant permission to proceed in 126 of them. One of the 37 cases that was authorised to continue concerned a statement made by a Turkish writer on the Armenian issue, shortly after the assassination of Hrant Dink.⁶⁸

For many observers the changes to Article 301 did not go far enough. The European Commission feared that the prior authorisation requirement would open up the possibility of the article becoming subject to political consideration.⁶⁹ A May 2008 resolution of the European Parliament emphasised that further reforms were needed both in practice as well as in theory:

[...] Considers the changes to Article 301 of the Penal Code, adopted by the Turkish parliament on 30 April 2008, to be a first step towards a fundamental reform of that article as well as other articles of the Penal Code, and looks forward to further moves in this respect; stresses that progress has to be achieved regarding freedom of expression, both in theory and in practice; deplores the fact that the number of persons prosecuted under legal provisions allowing for arbitrary restrictions on the expression of non-violent opinion has further increased in 2007⁷⁰; is of the view that the repeal of Article 301 and other legal provisions representing an illegitimate restriction on freedom of expression as guaranteed by international law would be the best solution in order to ensure that Turkey fully guarantees freedom of expression and press freedom in line with the standards enshrined in the European Convention for the protection of Human Rights and Fundamental Freedoms (ECHR); [...]⁷¹

⁶⁶ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p12

⁶⁷ *Ibid* p12

⁶⁸ *Ibid* pp15-16

⁶⁹ *Ibid* p16

⁷⁰ European Commission, *Enlargement Strategy and Main Challenges 2007-2008* (COM(2007)0663), p57

⁷¹ European Parliament [Resolution of 21 May 2008 on Turkey's 2007 progress report \(2007/2269\(INI\)\)](#), P6_TA-PROV(2008)0224

It has been suggested that even if Article 301 were repealed, other similar laws could still be invoked.⁷² For example, a Turkish academic, Professor Atilla Yayla, who suggested in academic discussion that the early Turkish republic was not as progressive as portrayed in official books was found guilty of insulting Atatürk under a different law.⁷³ It can be argued that the critical matter is not the existence of such laws but the attitude behind the prosecutions and judicial decisions: France, for instance, has a law similar to Article 301 but does not use it. There are some changes to judicial approaches in Turkey: professional training on the European Convention on Human Rights has now been provided to several thousand Turkish judges and is beginning to bear fruit.

H. The headscarf issue

In February 2008 the Turkish parliament passed two AK Party amendments to the Constitution, on Article 10 (“Equality before the law”) and Article 42 (“Right and duty of training and education”), to ensure that people should not be restricted from being educated at university because of the way they dress. The aim of the amendments was to allow the Muslim headscarf to be worn at universities. This reform had been a long-standing commitment of the AK Party, but it had been hoped that it would form part of a revision of the whole constitution rather than being a piecemeal reform.⁷⁴

The headscarf issue is explained by the Government as upholding the principle of freedom of religion rather than interfering with the secular principle. Some women politicians in Turkey support the lifting of the ban because of its effect in increasing women’s access to university, but at the same time it was not necessarily seen as the biggest priority for women’s rights.

Many people saw the move as a clear sign of anti-secularism in the AK Party. The opposition CHP and Democratic Left Party (DSP) appealed to the Constitutional Court against the lawfulness of the amendments, on the grounds that they were against the secular nature of the state. On 5 June 2008 the majority of the Court ruled the amendment unconstitutional and overturned it (two judges argued that the Court could examine only the form and not the content of constitutional amendments). The Court’s decision was greeted with anger by the AK Party:

A senior party member denounced Thursday’s ruling, saying that the court had overstepped its jurisdiction, limited to examining only whether constitutional amendments are procedurally flawed. “This is interfering with both democracy and parliament’s legislative authority,” Bekir Bozdog said. “The parliament’s power to amend the constitution has now become subject to the approval of the Constitutional Court.”⁷⁵

⁷² The European Commission notes in this context Articles 215, 216 and 217 (offences against public order), 288 (attempt to influence a fair trial) and 318 (discouraging people from military service) of the Turkish Criminal Code and the Anti-Terror Law: European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p16

⁷³ [‘Academic sentenced over Atatürk’](#), *BBC news online*, 28 January 2008

⁷⁴ European Parliament Committee on Foreign Affairs, [Report on Turkey’s 2007 progress report](#), 25 April 2008, para. 17

⁷⁵ [‘Turkish court annuls headscarf law in blow to government’](#), *TurkishPress.com*, 5 June 2008

I. A new constitution?

There have been many calls for an entirely new civilian constitution for Turkey. None of the Turkish constitutions of 1924, 1961 or 1982 was made by a fully representative assembly. The 1982 constitution has been amended a number of times but it was shaped by the crises of the 1970s and still bears the marks of the 1980 coup. The military played a very large role in developing that constitution, narrowing the civilian sphere and giving the president wide executive, legislative and even judicial power (for instance in the appointment of judges including those of the constitutional court which is supposed to limit the powers of the elected) despite having little political or legal accountability. The National Security Council, which had existed since 1961, was strengthened by the 1982 constitution to give it wider political influence. The military and its allies in the judiciary appeared to consider themselves more capable of representing the supreme interests of the state than were elected representatives.

One of the first actions of the new Government after the 2007 election was to appoint a committee of constitutional experts to draft a new constitution with a view, amongst other things, to aligning Turkey with international standards on fundamental rights. A draft was duly presented to the Government at the end of August 2007, which, if implemented, would be Turkey's first truly civilian constitution:

"We've changed its whole philosophy," says Zuhtu Arslan, one of the professors of constitutional law who helped draft the new document. "We suggested changes to the preamble to make the constitution much more liberal, and to emphasise the importance of individual rights and liberties and the rule of law."

The government has since made its own modifications to the draft, and civil society groups are now tabling their suggestions, though the full text has not yet been revealed. Among other changes, the new constitution limits the powers of the presidency. It also addresses the thorny issue of ethnic identity. Its authors insist what it does not do is weaken the fundamental principle of secularism.

"We did not touch those provisions," says Prof Arslan.

[...]

Taken as a whole, he believes the new constitution will "shake the fundamental values of the republic". The constitutional debate will pit the government against the secular establishment and opposition once again. But a 47% vote of support for the AKP at the last election gives it a strong new mandate.⁷⁶

The main features of the new draft constitution were:

- Raising human rights standards, guided by the European Convention on Human Rights (ECHR) as interpreted by the European Court of Human Rights (ECtHR), and allowing the constitutional court to annul domestic law which conflicts with international human rights treaties
- Confirming the right to change religion, and to opt out of religious education (which at present is compulsory and state-controlled)

⁷⁶ Sarah Rainsford, ['Turkey faces testing year ahead'](#), *BBC news online* 2 January 2008

- Recognising that ethnic and other differences are a source of richness rather than division, and moving provisions on native-language education from the constitution to ordinary law
- Removing the exemptions from judicial review for certain decisions of the supreme military council
- Changing the membership of the constitutional court, to increase the role of parliament in selecting its judges
- Removing the power to issue decree laws during periods of martial law or states of emergency
- Revising the law on banning political parties to restrict it to extreme circumstances where parties are involved in or support violence and to remove the five-year ban on political activities by individuals of banned parties (which has been found to be disproportionate by the ECtHR)
- Narrowing the powers of the president to conform to a standard parliamentary model, with largely representative rather than substantive powers.⁷⁷

It did not touch the first three articles of the 1982 constitution, including the principle of secularism, because Article 4 of that constitution says that those articles are unamendable. Women's rights activists have called for the new constitution to take more careful account of the need for equality between men and women.

Constitutional reform is seen as a key test of the Government:

"We will see if they can push this new civilian constitution - if they are really committed to more democracy and liberty. I have serious doubts," says Istanbul journalist and academic Cengiz Aktar. The government will again be cast as the defender of democracy. But what's really important is implementing reforms, and the AKP has done nothing on that front for three years," he says.⁷⁸

Since the draft constitution was presented to the Government there has been no official news of it and no opportunity for civil society to debate it. There has been no announcement on shelving it, but it is looking increasingly likely that the full constitutional revision package will not happen.

At one point it was thought that a 'mini-package' of political reforms might be proposed as a possible alternative to wholesale replacement of the constitution, but even this has not yet materialised. The Government's proposed amendments on party closures in 2008 did not progress. However, one set of constitutional reforms which has been implemented is the package proposed by the Government in the midst of the crisis over the 2007 presidential elections. This included:

- the election of the President by popular vote for a renewable term of five years (rather than election by the Parliament for a single seven-year term);
- the shortening of the Parliament's term of office from five to four years; and
- the establishment of a quorum of one third for all sessions and decisions of Parliament.

⁷⁷ Wilton Park Conference, *Turkey's Accession Process to the European Union*, Istanbul, 31 March-3 April 2008

⁷⁸ Sarah Rainsford, ['Turkey faces testing year ahead'](#), *BBC news online* 2 January 2008

The outgoing President had used his constitutional powers to reject these amendments, as the opposition complained that there had not been enough discussion of the proposed reform package. The reform package was then again approved by the Parliament on 31 May 2007. The President may not veto a reform package a second time, but he can refer the matter to the Constitutional Court. On 5 July 2007, the Constitutional Court declared valid the proposed constitutional amendments regarding the election of the Turkish President by direct popular vote. The constitutional amendments approved by the TGNA in May 2007, including the election of the President by popular vote, were endorsed by a referendum held on 21 October 2007.⁷⁹

III Kurdish issues

A. Background

The Kurds are a non-Arab, predominantly Sunni-Muslim people, who inhabit the mountainous region straddling Turkey, Syria, Iraq and Iran. With the break-up of the Ottoman Empire in the aftermath of World War I, the Great Powers sought to address the status of the Kurdish population in the region, but in the 1920s Turkey, Iran and Iraq each agreed not to recognize an independent Kurdish state. Kurds now constitute 15 per cent of Turkey's 73 million people, with about half living in the big cities of western Turkey, and half constituting a majority in the poor south-east of the country.

B. The PKK

A Kurdish insurgency in the south-east, begun in 1984 by the Marxist-Leninist Kurdistan Workers' Party (Kurdish: *Partiya Karkerên Kurdistan* or PKK, also called KADEK, Kongra-Gel, and KGK), has continued fitfully since then, boosted recently by weapons, explosives and instability in neighbouring Iraq. The PKK's aim was originally an independent Kurdish state. It is listed as a terrorist organisation by Turkey, the EU, the UK and the US.

Successive Turkish governments have refused to negotiate with the PKK and sought to suppress any manifestation of Kurdish nationalism, fearing that it could lead to the break up of the Turkish state. At least 4,500 members of the Turkish security forces have been killed in the rebellion, and many thousands of rebels. Turkish army clearances of hundreds of thousands of Kurdish villagers in the 1990s turned the regional economy upside down and forced many rural Kurds into urban peripheries.

After the capture and imprisonment of the PKK's leader Abdullah Öcalan in 1999, the insurgents largely withdrew from Turkey, mainly to northern Iraq. Shortly afterwards the PKK introduced a five-year unilateral ceasefire and took a number of steps to try to change its image and widen its appeal, calling on the Government to involve it in the country's political process, allow more cultural rights for Kurds and release imprisoned PKK members including Öcalan. But these demands were not met to the PKK's satisfaction and the ceasefire ended in 2004, resulting in the resumed attacks. Öcalan, who remains in solitary confinement today, is still responsible for overall strategy,

⁷⁹ Council of Europe Parliamentary Assembly Monitoring Committee, [The functioning of democratic institutions in Turkey: recent developments](#), Doc. 11660, 24 June 2008

communicating with the organisation through his lawyers. However, according to a September 2008 PKK Group Profile produced by Jane's Terrorism and Insurgency Centre, the restrictions imposed by his incarceration mean that in practice the PKK is run by Murat Karayilan, a veteran field commander and the current president of the Kurdish Democratic Federation (*Koma Komalen Kurdistan*: KKK) Executive Committee.⁸⁰

The profile says that though the PKK continues to be active, it is not as dangerous as it was in the early 1990s and its ability to carry out large-scale attacks in Turkey has greatly diminished. However, the report considers that the PKK retains the ability to conduct hit-and-run attacks on targets in south-east Turkey, where the conflict has claimed approximately 1,800 lives since June 2004. Jane's also describes the other half of what appears to be a two-front strategy: an urban bombing campaign in western Turkey, primarily targeting the tourism industry. The bombing campaign has claimed approximately 55 lives since June 2004, including those of seven foreigners.⁸¹

Recently, a bomb attack in Istanbul on 27 July 2008 that killed at least 17 people and injured 150 more has led to the arrests of several Kurdish separatists, and the PKK has claimed responsibility for an explosion in eastern Turkey on 5 August 2008 that halted the flow of oil through the Baku-Tbilisi-Ceyhan pipeline, helping to push up oil prices.⁸² In early October there was a resurgence of more familiar PKK attacks: 17 soldiers were killed in the south-eastern province of Hakkari, and soon afterwards a bombing and gun attack on a police vehicle in Diyarbakır (also in the south-east) left four police officers and a civilian dead.⁸³

C. Beyond Turkey's borders

The expansion of Kurdish autonomy in northern Iraq (where a semi-autonomous area is run by the Kurdish Regional Government) and the question of how Turkey should deal with that reality has forced a reconsideration of how Turkey should approach its own Kurdish problem. The nationalist response this can provoke is exacerbated by the perception that the Kurdish insurgents have some support in EU countries. Sometimes EU sensitivity to the observation of human rights is seen as part of a design to undermine Turkish national unity.⁸⁴

The PKK took advantage of the instability in Iraq to establish new bases in northern Iraq on the border with Turkey. The Turkish Government had repeatedly asked for US help against the PKK, but the US appeared unwilling to intervene. The Turkish Parliament had earlier voted against allowing US forces to pass through Turkey at the start of the Iraq war. Relations reached a near crisis in the autumn of 2007 when a spate of PKK attacks killed dozens of Turks. However, on 5 November 2007, President Bush met the Turkish prime minister at the White House and agreed that the US would share tactical

⁸⁰ Jane's Terrorism and Insurgency Centre Group Profile, *Workers' Party of Kurdistan (PKK) (Turkey)*, 23 September 2008

⁸¹ Jane's Terrorism and Insurgency Centre Group Profile, *Workers' Party of Kurdistan (PKK) (Turkey)*, 23 September 2008

⁸² Alex Barker, 'Kurds lay claim to oil pipeline blast', *Financial Times* 8 August 2008

⁸³ 'Deputies may face jail if DTP closed', [Today's Zaman](#), 10 October 2008

⁸⁴ Ilter Turan, 'Unstable stability: Turkish politics at the crossroads?', *International Affairs* vol 83 no 2, March 2007, 319 at 337

intelligence on the PKK with Turkey and tolerate attacks on Iraqi territory. Several raids have followed, which were from the Turkish point of view successful: air strikes started in December 2007 and in February 2008 Turkey undertook a nine-day ground operation in Northern Iraq. The *Turkish Daily News* highlighted the US's tacit approval:

On Jan. 15, when the General Staff announced that the Turkish Armed Forces had launched a military operation against PKK targets in Iraq, eyes turned to Baghdad, where the U.S. Secretary of State Condoleezza Rice was paying a visit to the Iraqi capital. Just before the announcement by the Turkish General Staff Turkish televisions were broadcasting live a joint press briefing Rice and the Iraqi foreign minister, Hoshyar Zabari, were holding together.

The simultaneity of Turkish jets hitting PKK targets while the U.S. Secretary of State visited Baghdad is of political importance beyond the physical damage strikes inflicted on the targets. The translation is that the U.S. presence in Iraq became a factor wiping out the protection of the PKK provided by the Iraqi Kurds.⁸⁵

However, from 1 January 2009, Turkey will not be able to rely on US agreement for air strikes. Under Article 9(3) of the new [Status of Forces Agreement](#), control of Iraqi airspace will revert to the Iraqi authority on that date, and it is therefore their permission which Turkey will need.⁸⁶

Turkey's incursions into northern Iraq have not drawn overt criticism from the EU. The European Parliament's Foreign Affairs Committee simply appealed for them not to be "disproportionate".⁸⁷ The armed forces aim to ensure that the civilians in the region do not suffer; and the operations are carried out for internal reasons and appear to achieve their aims.

The British Government's position on this issue appears to support to Turkey:

Lord Hylton asked Her Majesty's Government:

What action they will take following recent air attacks by Turkey in northern Iraq; whether they have discussed those attacks in NATO; and what assessment they have made of their effect on the reputation of NATO. [HL5559]

The Minister of State, Foreign and Commonwealth Office (Lord Malloch-Brown): We are carefully monitoring developments following the recent air strikes by Turkey in northern Iraq, which followed the deadly Kurdistan Workers Party (PKK) attacks. The UK utterly condemns PKK terrorist attacks in Turkey. We strongly support efforts to resolve the situation peacefully, and continue to encourage Turkey to work with the Iraqi authorities to prevent northern Iraq being used as a base for terrorist activities.

The Turkish delegation to the North Atlantic Treaty Organisation (NATO) briefed the alliance's North Atlantic Council about the airstrikes on 8 October. However,

⁸⁵ Murat Yetkin, *Turkish Daily News* 19 January 2008

⁸⁶ *Hurriyet* 18 November 2008

⁸⁷ European Parliament Committee on Foreign Affairs, [Report on Turkey's 2007 progress report](#), 25 April 2008, para. 36

these airstrikes were carried out by the Turkish military and not in a NATO context.⁸⁸

Turkey has so far held back from a large-scale invasion of northern Iraq. In a visit to Baghdad on 10 July 2008, Prime Minister Erdoğan publicly thanked Iraqi president Jalal Talabani for his cooperation in the fight against terrorism, in a gesture of rapprochement that indicates growing cooperation between the two countries.⁸⁹ Turkey has also, for the first time, had official contact with the Kurdish regional administration in Iraq: in October 2008 a Turkish delegation met the President and the Prime Minister of the Kurdish Regional Government.⁹⁰

On 9 October 2008 the Turkish Parliament voted 511 to 18 to extend a mandate allowing the military to conduct cross-border operations in northern Iraq against PKK targets.⁹¹

There is also a large Kurdish population in Iran. Press reports in June 2008 suggested that Turkey and Iran had agreed an accord on co-operating against Kurdish terrorism.⁹² The Turkish Embassy in London supplied the following response:

There is no agreement in effect between the Republic of Turkey and the Islamic Republic of Iran for cooperation against terrorism.

However, there are a set of consultation mechanisms in place, including the High Level Security Commission (formed in 1989), Joint Security Committee (formed in 1992), Sub-Committees for Security (formed in 1992) and the Meetings of Designated Military Commanders (formed in 1998).

In August 2008, Iran and Turkey signed a co-operation agreement to fight against terrorism as well as drug trafficking and organised crime.⁹³

D. Government policy towards south-eastern Turkey

Many of the Turkish Kurds' complaints relate to the lack of minority rights and economic investment in south-eastern Turkey.

The position of minorities in Turkey was summarised in the House of Commons Foreign Affairs Committee's report of its visit to Turkey and Cyprus in January 2007:

Minority rights

23. Minority rights have improved slightly, but the general view is that they still have a very long way to go. There is now a free Kurdish press, but very limited broadcasting in the Kurdish language, and very little teaching. The state does not fund any Kurdish language activities. Curious anomalies exist: for example, it is permitted to use Kurdish in a court of law, but not to use it in political discourse.

⁸⁸ HL Deb 23 Oct 2008 cc125-6WA

⁸⁹ İhsan Dağı, 'Editor's Note', *Insight Turkey* vol 10 no 3 2008

⁹⁰ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p82

⁹¹ 'Deputies may face jail if DTP closed', [Today's Zaman](#), 10 October 2008

⁹² *Cumhuriyet*, 6 June 2008

⁹³ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p82

24. [...] Materials in Kurdish are now freely available. However, the medium for all education remains the Turkish language. It is suggested that some Kurds prefer this as it improves their employment prospects.

The European Commission's 2007 Progress Report on Turkey noted some positive changes in the poor, mainly Kurdish, south-east. The legislative elections in July 2007 resulted in increased representation of voters from the south-east of Turkey compared to the previous Parliament; and there were four local radio and TV stations broadcasting in Kurdish.⁹⁴ Some further progress has been made since then, but has not always been sustained. On 29 May 2008 the Turkish Parliament passed a law allowing the state broadcaster TRT to broadcast nationally all day long in languages other than Turkish⁹⁵ (from 2004 this had been possible only for half the day). A new local radio channel has received permission to broadcast in Kurdish; but two of the previous four Kurdish TV and radio channels have closed down. All broadcasts, except songs, must be subtitled or translated into Turkish, and educational programmes teaching the Kurdish language are not allowed. The use of languages other than Turkish remains illegal in political life and the public school system, and the few private courses teaching Kurdish have closed down.⁹⁶

Calls for the Turkish Government to invest more heavily in the south-east of Turkey are widespread. An April 2008 report from the European Parliament's Foreign Affairs Committee on Turkey recommended that the Turkish Government:

come up with a comprehensive master plan to boost the socio-economic and cultural development of the south-east of Turkey, where over half the population still lives below the poverty line; is of the view that this master plan should also address the social, ecological, cultural and geopolitical problems stemming from the Southeastern Anatolia Project; asks the Commission to link the regional component of assistance given under the Instrument for Pre-Accession Assistance (IPA) to the speedy drawing-up of such a strategy...⁹⁷

The Government has recently given a boost to the Southeastern Anatolia Project (*Güneydoğu Anadolu Projesi* or GAP), a major social and economic development project which developed in the 1980s out of long-standing plans for irrigation and hydraulic energy production on the Euphrates and Tigris rivers. It now covers not only irrigation and hydropower production, but also urban and rural infrastructure, forestry, education, and health. It is intended to tackle the agricultural and economic challenges facing the region and reduce the poverty which feeds violent separatism, but it has suffered from neglect, controversy and financial difficulties.

On 28 May 2008, the Turkish Government published a new action plan which aims to complete the GAP by 2012. The Government is now set to invest 14.5bn YTL (New Turkish Lira) (about £6bn) from its budget over the next four years to improve infrastructure and boost employment. Another 12.2bn YTL will be spent from off-budget

⁹⁴ European Commission, *Turkey 2007 Progress Report*, COM(2007) 663 final, November 2007

⁹⁵ 'Turkey passes law allowing 24-hr Kurdish broadcasts', *Reuters* 30 May 2008

⁹⁶ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p82

⁹⁷ European Parliament Committee on Foreign Affairs, [Report on Turkey's 2007 progress report](#), 25 April 2008

sources.⁹⁸ The GAP plan includes a list of actions to be undertaken in south-eastern Anatolia until the end of 2012. The main purpose of the plan is to complete irrigation projects in the region; most investments will concentrate on the energy and agriculture sectors.⁹⁹

The action plan has been given a cool welcome by Kurdish politicians:

The government hopes to fight the popularity of the banned Kurdistan Workers Party (PKK) in the region. However, the Prime Minister's proposals have been met with scepticism by Kurdish representatives such as Nejdet Ataly from the Pro-Kurdish Democratic Society Party, who called for more autonomy and recognition of the Kurdish identity. Other concerns of local representatives include the impact of the planned projects on available plots and farm land.¹⁰⁰

Some dismissed the plan as being aimed only at increasing support for the governing party before next year's local elections.¹⁰¹ Others expressed fears that the plan may turn out to be an empty promise.¹⁰²

Commentators have suggested that while the plan is good news for investors in the areas the government is keen to develop, local opposition to many of the proposals should not be discounted and may well delay implementation. At this stage, the success of the project is therefore far from a foregone conclusion.¹⁰³

E. Politics in south-eastern Turkey

The Democratic Society Party (DTP) is accused by the Turkish authorities of maintaining links with the PKK. The DTP was formed in 2005 after its predecessor, the Democratic People's Party (DEHAP), was threatened with closure by the Turkish authorities. It is currently believed to enjoy the support of around 4.5 percent of the total electorate.¹⁰⁴ In the general election of 22 July 2007, 20 members of the DTP were elected to parliament, becoming the first Kurdish deputies elected to the National Assembly for over a decade. They had successfully circumvented the 10% threshold required for a party to enter the National Assembly by standing as independents. Following the election they then re-joined the DTP. The DTP also controls 54 municipalities in south-eastern Turkey. The European Parliament's Foreign Affairs Committee recently called on the DTP, its members of parliament and its mayors to distance themselves clearly from the PKK.¹⁰⁵

Interestingly, however, the ruling AK Party performed better than any other party in south-eastern Turkey in the election. The assumption is that many Kurds supported the AK Party because they regarded it as having an Islamic identity. The current

⁹⁸ 'Turkey invests in Kurdish region', *Independent*, 28 May 2008

⁹⁹ '[Government determined to complete Southeastern Anatolia Project](#)', *Turkish Daily News*, 27 May 2008

¹⁰⁰ Grace Annan, 'Turkish PM Unveils New Plan to Boost Economic Development of South-Eastern Region', *Global Insight Daily Analysis* 28 May 2008

¹⁰¹ 'Kurdish politicians boycott Turkish prime minister's speech to protest government policies', *Associated Press* 27 May 2008

¹⁰² Mehmet Ali Birand, 'Promises no longer work for the Kurds', *Turkish Daily News* 28 May 2008

¹⁰³ Grace Annan, 'Turkish PM Unveils New Plan to Boost Economic Development of South-Eastern Region', *Global Insight Daily Analysis* 28 May 2008

¹⁰⁴ *Milliyet*, 10 May 2008

¹⁰⁵ European Parliament Committee on Foreign Affairs, [Report on Turkey's 2007 progress report](#), 25 April 2008, para. 12

Government has been active in its use of Islam to win over Kurdish support and is keen to build on its recent successes in a bid to take control of more municipalities in southeast Turkey from the DTP.¹⁰⁶

On 16 November 2007 Turkey's Chief Prosecutor Abdurrahman Yalçinkaya applied to the Constitutional Court for the DTP's closure on the grounds that it had become a "center of activities aimed at damaging the independence of the state and the indivisible integrity of its territory and nation".¹⁰⁷ In his indictment, Yalçinkaya called for 221 members of the DTP, including eight current members of parliament and most of its 54 mayors, to be banned for five years from being members of a political party. If the Constitutional Court upholds the indictment, the DTP would be forced to run in the March 2009 local elections not only as a new party but probably with a new list of candidates unfamiliar to the voters. *Eurasia Daily Monitor* notes:

The alternative would be for the incumbent DTP mayors to run as independents, but this would make it difficult for them to use the local party network and would almost certainly result in losing votes. A significant proportion of the electorate in southeastern Turkey is illiterate or semiliterate and relies on identifying a party's logo on the ballot in order to know which candidate to vote for. Independents do not have a logo, a fact that favored the AKP in southeastern Turkey in the July 2007 general election and would do so again if the BDP ran independent candidates in March 2009.¹⁰⁸

On 9 May 2008, 42 Kurdish politicians with links to the DTP formally applied to the Turkish Interior Ministry to form the Peace and Democracy Party (BDP) in what is widely seen as a pre-emptive move to circumvent a negative decision from the Court and allow them sufficient time to undergo the lengthy process of political party registration in time for them to field candidates for the March 2009 local elections.¹⁰⁹ The Court's decision is expected soon.

F. Support for the PKK

A PKK Group Profile produced by Jane's Terrorism and Insurgency Centre on 23 September 2008 explains that the withdrawal of virtually all of the PKK's foreign governmental sponsors in the late 1990s (most critically Syria) and a crackdown by law-enforcement agencies on the organisation's fundraising activities in Europe severely restricted the PKK's financial resources. However, the PKK is still able to raise funds in Europe, albeit at a reduced level compared with the 1990s. It also continues to derive income from its own criminal activities and from tithes levied on the activities of the Kurdish underworld.¹¹⁰

The report notes that since June 2004 there has been a marked increase in public sympathy for the PKK among Turkey's Kurds. It attributes this partly to popular

¹⁰⁶ *Eurasia Daily Monitor*, 13 May 2008. See also 'Turkey, the Kurds and Islam', *The Economist*, 31 January 2008

¹⁰⁷ *Eurasia Daily Monitor*, 19 November 2007

¹⁰⁸ *Eurasia Daily Monitor*, 13 May 2008

¹⁰⁹ CNNTurk, 9 May 2008

¹¹⁰ Jane's Terrorism and Insurgency Centre Group Profile, *Workers' Party of Kurdistan (PKK) (Turkey)*, 23 September 2008

frustration at the Turkish Government's failure either to grant further cultural and political rights or to take measures to develop what remains the most impoverished region of the country, and partly to reactions to the repressive measures taken by the Turkish security forces since June 2004. Another important factor is family loyalty. The report identifies that support for the PKK has been growing most rapidly amongst young Kurds living in cities both in the southeast and in western Turkey.

Part of the reason for allowing Kurdish-language broadcasting was to provide a rival to the PKK-supporting Kurdish satellite stations based outside Turkey. The Turkish Government has made repeated efforts to ban pro-PKK media in Europe, some of which have been successful.¹¹¹

IV Foreign policy

A. International and regional institutions

Guided by Atatürk's policy of "Peace at Home and Peace Abroad", Turkey became a founding member of the United Nations (1945), the Council of Europe (1949), the OECD (1961), the OSCE (1973) and the G-20 group of industrialised and developing economies (1999). It joined NATO in 1952 and the WTO in 1995. As well as seeking to join the EU, Turkey participates in the Euro-Mediterranean/Barcelona Process, a regional relationship aimed at peace, stability and growth which covers political, economic and social cooperation.¹¹²

In October 2008 Turkey won a two-year seat on the UN Security Council, obtaining the votes of 151 out of 192 countries.¹¹³

Turkey is also a member of the Organization of the Islamic Conference (OIC) which elected a Turkish Secretary-General for 2005-2008, the Black Sea Economic Cooperation Organization (BSEC), the regional Economic Cooperation Organization (ECO) and the D-8 group of major Muslim developing countries.

However, Turkey has not joined other important international organisations such as the International Criminal Court.

B. Turkey as an emerging soft power

During the Cold War years, Turkey's identification of itself as part of the West led it to distance itself from other associations. However, over the last few years Turkey has hugely increased its role in world affairs, stimulated by security issues, a desire for increased trade and humanitarian considerations. This has two features: increasing and diversifying its inter-regional and global links, and greater participation and engagement in regional issues and conflicts.

¹¹¹ James Brandon, '[PKK Survives EU Arrests](#)', *Jamestown Foundation Terrorism Monitor*, Volume 5, Issue 6 (29 March 2007) and Jane's Terrorism and Insurgency Centre Group Profile, *Workers' Party of Kurdistan (PKK) (Turkey)*, 23 September 2008

¹¹² See Library Standard Note SN/IA/4797, '[The Union for the Mediterranean](#)', 14 July 2008

¹¹³ UN news centre, '[Five non-permanent members of Security Council elected today](#)', 17 October 2008

The journal *Insight Turkey* has explored the development in recent years of Turkey's 'soft power' (Joseph Nye's term for using attraction and the ability to persuade others to further one's goals, in contrast to 'hard power' which involves coercion via threats or inducement via payments). İhsan Dağı suggests that this transformation has been possible because Turkey seems to have come to terms with its own culture, history and identity, and to have brought a "post-realist" dimension into its foreign-policy-making, grounded in a liberal conception of cooperation and co-existence rather than a view of its neighbours as sources of threats.¹¹⁴ Dağı argues that Turkey now conceives of itself as the central country in its region, and its understandings of the regional characteristics of its theatre of operation are fundamental to its exercise of soft power. The coming to power of the AK Party in 2002 represented an important development for Turkey's soft power, but it has been argued that this approach also requires Turkey to undertake the reforms at home that are necessary to tackle recent instabilities and make its development attractive and persuasive to others.¹¹⁵

Turkey is now seeking to influence many countries in the Middle East and the Caucasus rather than just exercising the 'hard power' that it derives from its military and economic strength. According to Foreign Minister Ali Babaçan, those countries ask detailed questions about Turkey's reform process to find out how democracy, Islam and security can function together.¹¹⁶ Turkish goods and companies may be found all over the Middle East, and an increasing amount of Gulf capital is flowing into the Turkish economy. Turkey's International Development Agency has been used as a strategic means of carrying out demand-driven projects in the Middle East, and cultural centres, scholarship programmes and television broadcasts were established in the newly-independent states of Central Asia following the collapse of the Soviet Union. Following the conflict between Russia and Georgia in August 2008, Turkey has maintained relations with both countries and played a conciliatory role. It proposed a regional initiative, the "Caucasus Cooperation and Stability Platform", to build confidence among countries of the region and restore peace and stability. The group is intended to include Turkey, Russia, Georgia, Azerbaijan and Armenia, and has also attracted interest from Iran.¹¹⁷

Turkey is taking a central role in helping countries in the Middle East establish dialogue and work towards solutions between themselves. It hosted meetings between Israel and Palestine in 2007, invited the Presidents of both Israel and the Palestinian Authority to make speeches before the Turkish Parliament in November 2007 and facilitated indirect talks between Syria and Israel in May 2008. There are difficulties in its relations with Iraq (including energy issues and Kurdish terrorism) but Turkey still considers that it is taking a constructive approach: a 'neighbours policy' has been established, and Turkey has persuaded Sunni groups to participate in elections and the political process. The European Commission has welcomed Turkey's continued support for efforts to achieve stability, security and national reconciliation in Iraq.¹¹⁸ Recent meetings between Prime

¹¹⁴ İhsan Dağı, 'Editor's Note', *Insight Turkey* vol 10 no 2 2008

¹¹⁵ Phar Kim Beng, 'Turkey's potential as a soft power: a call for conceptual clarity', *Insight Turkey* vol 10 no 2 2008

¹¹⁶ Comments to Wilton Park conference, *Turkey's accession process to the European Union*, 31 March – 3 April 2008

¹¹⁷ [Erdogan: Caucasus Stability & Cooperation Platform Process To Start Next Week](#), *TurkishPress.com*, 15 August 2008

¹¹⁸ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p81

Minister Erdoğan and Iraqi President Jelial Talabani show a distinct warming of relations between the two countries, and resulted in the establishment of a High-Level Strategic Council institutionalising cooperation between them not only on security matters but also on trade and energy.¹¹⁹

Turkey has also taken steps to bring together Pakistan and Afghanistan. The Presidents of the three countries met in Ankara in April 2007 for a summit which produced the 'Ankara Declaration'.¹²⁰ This set out methods of cooperation between Afghanistan and Pakistan including respect for territorial integrity, support for sustainable development and the fight against terrorism, and established a trilateral platform for Turkey to help the two countries to discuss their problems and to monitor implementation of the Declaration.

Further afield, Turkey is developing new links with countries including India and China and others in Africa and South America. It is a permanent observer to the Organization of American States, the Association of Caribbean States and the African Union and seeks to establish similar institutional links with the Arab League and the Association of South East Asian Nations (ASEAN). This has prompted some observations that under the AK Party's Government Turkey is changing direction towards the South and the East, away from the EU and the US; but its action plan for Africa dates from 1998, before the present government. It would be more accurate to say that it sees itself as having a bridging role between Europe, Asia and Africa, and considers that it has the trust and confidence of most countries.

C. Cyprus

Cyprus was under Turkish sovereignty until Britain took over its administration in 1878 and then annexed it in 1914. British sovereignty was recognised by Turkey under the terms of the 1923 Treaty of Lausanne and Cyprus became a Crown Colony in 1925. When the Republic of Cyprus became independent in 1960, Greece, Turkey and the UK became joint Guarantor Powers. However, tension between the Greek and Turkish Cypriots increased and culminated in serious fighting in December 1963. From then until 1974 there were occasional outbreaks of further violence and the Turkish Cypriot minority retreated into small enclaves. In 1974 Turkish troops landed in northern Cyprus to prevent a Greek-backed coup on the island against the elected President. The island has been partitioned ever since.¹²¹ Approximately 36% of the island is not under the control of the Government of the Republic of Cyprus, and is known as the 'Turkish Republic of Northern Cyprus' (TRNC). Turkey acts as patron to the TRNC and is the only country which officially recognises it. A significant Turkish troop presence remains in the north, and UN forces patrol the 'Green Line' buffer zone that divides the island.

For decades the conflict remained 'frozen' and unresolved. However, the prospect of EU membership for Cyprus concentrated minds towards a settlement. From 1999 to 2003 the then UN Secretary-General, Kofi Annan, [worked on a plan](#) for the reunification of Cyprus, and he wrote into the plan that it would have to be adopted by referendum in

¹¹⁹ İhsan Dağı, 'Editor's Note', *Insight Turkey* vol 10 no 3 2008

¹²⁰ Afghan Embassy, Washington, '[Ankara Declaration a Step Forward in Regional Relations](#)', 3 May 2007

¹²¹ More historical detail is given in the Foreign and Commonwealth Office's [Country Profile: Cyprus](#), 4 August 2008

both parts of Cyprus. Following negotiations between the governments of Greece and Turkey on the plan, a [revised version](#) was put to twin referendums in Cyprus on 24 April 2004. The Turkish Cypriot community voted in favour but the Greek Cypriot community voted against the plan, meaning that it could not be implemented.

For the Greek Cypriots the most contentious parts of the plan were those relating to Turkish troop levels on the island, the territorial adjustment between the two parts of Cyprus, and the return of refugees to their homes. An overarching concern appeared to be that the plan legitimised, in the eyes of many Greek Cypriots, the consequences of the Turkish intervention in 1974. And when it became clear that Cyprus was going to join the EU, divided or not, a strong incentive for the Greek Cypriots to accept a settlement had been removed.

Cyprus joined the EU a week after the referendum, on 1 May 2004, still divided. The whole of the island is in the EU, but European legislation and the rest of the *acquis communautaire* is suspended in the north, in line with Protocol 10 of the *Accession Treaty 2003*. In other words, the legislation applies to the whole of Cyprus but will not be applied in the north until a solution to the Cyprus problem has been reached. However, the suspension does not affect the personal rights of Turkish Cypriots as EU citizens: they are citizens of a Member State, the Republic of Cyprus, even though they live in the northern part of Cyprus.¹²² The “Green Line Regulation”, adopted in 2004,¹²³ deals with the movement of goods and persons across the line; trade across the Green Line is still severely restricted despite recent relaxations.¹²⁴

Turkey considers that it is not to blame for the failure to reach a settlement in Cyprus. For example, it believes it did the right thing by encouraging Turks to vote for the Annan plan. It does not feel it should have to make the first move by withdrawing troops from Cyprus.¹²⁵ But it is frustrated by the way the Cyprus problem is holding up its own progress towards joining the EU,¹²⁶ suspecting that Cyprus is being used as an excuse by some Member States who want to frustrate Turkey’s accession process. Turkey, for its part, continues to veto Cyprus’s membership of several international organisations and of the *Wassenaar Agreement on the Code of Conduct on Arms Exports and on Dual-Use Goods*.¹²⁷

The Turkish Government has frequently stated its readiness for a settlement, and although Ankara clearly holds less sway over Turkish Cypriots than over Turkish citizens, and temporary residents such as students and guest workers do not have voting rights in northern Cyprus, a large proportion of the population of northern Cyprus is now made up of recent Turkish settlers.¹²⁸

¹²² European Commission website, [Turkish Cypriot community](#) (undated – viewed 14 November 2008)

¹²³ Council Regulation (EC) 866/2004 of 29 April 2004

¹²⁴ See for example Commission Decision 2007/330/EC of 4 May 2007 determining conditions for trade in honey and fresh fish across the Green Line.

¹²⁵ Foreign Affairs Committee, 5th report of 2006-07, [Visit to Turkey and Cyprus](#), HC 473, 9 May 2007, paras 46-55

¹²⁶ See pp75-76 below

¹²⁷ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p28

¹²⁸ Simon Bahceli, [‘Indigenous Turkish Cypriots just over half north’s population’](#), *Cyprus Mail* 15 February 2007

Prospects for a settlement are now looking better than they have done for many years, largely as a result of the election of the Communist party leader Demetris Christofias as President of the Republic of Cyprus in February 2008. His main campaign theme was ending the division of the island, and as soon as he took office he began initial talks with the pro-reunification leader of the Turkish Cypriots, Mehmet Ali Talat. The two men have known each other for many years, and have a good personal and political relationship. In a hugely symbolic gesture, the barriers came down in Ledra Street, a key thoroughfare in the Cypriot capital Nicosia on 3 April 2008. On 25 July Christofias and Talat agreed to begin formal talks on reunification, mediated by Alexander Downer who is the UN's new envoy to Cyprus. The meetings began on 3 September 2008 and are continuing; Downer said, "It's going to take a long time and it's going to be a difficult negotiation. But what you have here is a political will, and the political will is very good."¹²⁹ The outline of a settlement has already been agreed: Cyprus is to become a single federal republic consisting of two zones and two communities with far-reaching autonomy. The talks are addressing difficult questions including the status of Turkish troops, the fate of settlers from mainland Turkey and the number of refugees who will be allowed to return to their pre-war homes.¹³⁰

D. Armenia

Relations between Turkey and Armenia have been seriously strained since Armenia broke away from the Soviet Union in 1991. There are two main issues, summarised very briefly below, and there are strongly-held views on both sides.

Firstly, Armenia considers that the killing of an estimated 1.5 million Armenians by Ottoman troops in independence struggles during and after the First World War should be recognised as genocide. Turkey disputes this, saying that there was no centrally-organised plan to destroy the Armenians as a people, that the true number of deaths was much lower, and that as many Turks were killed. Armenia has strong international support for its position: many states have officially recognised the massacres as genocide, and there are strong demands in Congress that the US should join them. The Senate is currently considering an Armenian Genocide bill and the House of Representatives' Foreign Affairs Committee recently adopted a [Non-Binding Resolution on the Armenian Genocide](#) which, although it carries no legal effect in the US and placed no obligations on the President, has deeply angered Turkey. The UK does not officially recognise the killings as genocide, though again there have been many calls for it to do so.

Secondly, Turkey's support for Azerbaijan on the issue of Nagorno-Karabakh, an Armenian-majority region in Azerbaijan which has unilaterally proclaimed independence, led Turkey to close its border with Armenia in 1993. It remains closed, and is the only closed border in Europe.

There are some signs that relations between Turkey and Armenia might now be improving. Notably, the Turkish president Abdullah Gül accepted an invitation from his Armenian counterpart Serzh Sargsyan (Serge Sarkisian) to attend a qualifying match for

¹²⁹ [Downer – negotiations](#), *Cyprus News Agency* 13 October 2008

¹³⁰ Toby Vogel, 'Greek and Turkish communities to start talks in September', *European Voice* 31 July 2008

the 2010 football World Cup on 6 September 2008 in Yerevan, the first time a Turkish leader had visited Armenia since its independence. The French Presidency of the EU described this as a “historic and highly symbolic visit” which it hoped would “foster a climate favourable to the normalisation of relations between the two countries”.¹³¹ The Presidency also gave its support to Turkish plans for a “Caucasus Cooperation and Stability Platform” announced in August 2008, which would include both Turkey and Armenia.¹³² A return visit by Mr Sargsyan is expected for the next match, in October 2009. Discussions between the Turkish and Armenian Foreign Ministers took place in New York in September, and in Istanbul in November 2008.¹³³ Furthermore, Turkey has started efforts to find a solution to the Nagorno-Karabakh conflict, as part of which the first ever trilateral meeting took place between the Foreign Ministers of Turkey, Azerbaijan and Armenia in September 2008.¹³⁴

V Armed forces

By Claire Taylor

A. Civil-military relations

For many Turks the army is the most trusted institution in the country. Despite (or perhaps because of) its history of coups, it is seen by its supporters as standing above politics and as guarding rather than following the constitutional order. The very particular status of the military in Turkey has been described by Gareth Jenkins as follows:

Civil military relations in Turkey have always been characterized by a combination of continuity and change. Since the 1930s, the military has regarded itself as the guarantor of domestic stability and territorial integrity, the guardian of Atatürk’s ideological legacy and the mystical embodiment of the Turkish nation. Despite recent legislative amendments which have curbed some of the instruments used by the military to exert political leverage, the legal foundation for its role and obligations has remained unchanged for over 70 years. However, the manner in which it has attempted to fulfil its interpretation of these responsibilities and ensure that government policy remains within what it deems are acceptable parameters has always been subject to change.

Similarly, although the military has traditionally always enjoyed considerable respect among the mass of the population in Turkey, the degree of respect has varied both between different sections of society and according to prevailing circumstances. Some of its admirers have even become irritated by the military’s authoritarian self-confidence during times of stability and economic growth; while

¹³¹ French Presidency press release, [Statement by the Presidency of the Council of the European Union on the visit of the Turkish President Abdullah Gul to Armenia on 6 September](#), 4 September 2008

¹³² [Erdoğan: Caucasus Stability & Cooperation Platform Process To Start Next Week](#), TurkishPress.com, 15 August 2008

¹³³ Delphine Strauss, ‘Turkey and Armenia in tentative talks’, *Financial Times* 25 November 2008

¹³⁴ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p82

many of its harshest critics have not hesitated to turn to it when the country appeared headed for chaos or Kemalist values seemed under threat.¹³⁵

The nature of civil-military relations in Turkey and the perceived lack of sufficient civilian oversight of the armed forces have continued to be raised as a concern, however, in particular by the EU. In its 2008 progress report on Turkey, published on 5 November 2008, the EU concluded:

Political control over the military was applied in practice in the context of military operations aimed at terrorist targets in northern Iraq [...]

However, the armed forces have continued to exercise significant political influence via formal and informal mechanisms. Senior members of the armed forces have expressed their opinion on domestic and foreign policy issues going beyond their remit, including on Cyprus, the South East, secularism, political parties and non-military developments [...]

The 1997 EMASYA secret protocol on security, public order and assistance units remains in force unchanged. The protocol allows military operations to be carried out for internal security matters under certain conditions without a request from the civilian authorities [...]

Overall no progress has been made in ensuring full civilian supervisory functions over the military and parliamentary oversight of defence expenditure.¹³⁶

The European Parliament's Foreign Affairs Committee has also called for full parliamentary oversight of military and defence policy and all related expenditure.¹³⁷

B. Military Capabilities

1. Size and configuration

Turkey has the largest military in Europe, and the second largest in NATO. It has over half a million personnel in active service, 80% of which are land forces; it also has a further 102,200 paramilitary forces and nearly 380,000 reserves. As a NATO ally, its forces are well-equipped, capable of rapid deployment and technologically advanced. Of the 26 NATO nations, Turkey is, for example, only one of a handful of countries capable of independently deploying an operational headquarters.¹³⁸

The size and configuration of Turkey's military, with its emphasis on ground forces, is a reflection of its geo-strategic position at the crossroads between the Middle East, the Caucasus and Europe. The maintenance of regional security is also an overarching consideration in its overall approach to defence policy. The [website of the Turkish General Staff](#) notes:

¹³⁵ Gareth Jenkins, 'Prospects for civil-military relations in Turkey', *International Affairs* Volume 83 no. 2, March 2007, 339 at 354

¹³⁶ EU Commission, *Turkey 2008 Progress report*, COM (2008) 674

¹³⁷ European Parliament Committee on Foreign Affairs, [Report on Turkey's 2007 progress report](#), 25 April 2008, para. 5

¹³⁸ Turkey has, for example, been one of the few countries that independently assumed command of ISAF in Afghanistan prior to NATO taking command responsibility for the operation in August 2003.

Defense policy of Turkey, which is located in the center of the Caucasus, Middle East and the Balkans, which are the most unstable regions in the world, is designed to preserve and protect the national independence, sovereignty, territorial integrity and vital interests of the country.

Accordingly, the first three aims of Turkish defence policy are listed as:

- To be an element of power and stabilization in her [Turkey's] region
- To form a "peace and security zone" in her surroundings
- To contribute to peace and security in her region and to spread it to a broader range.¹³⁹

2. Deployment

In order to promote Turkey's regional interests and maintain stability, the military has consistently been deployed in northern Cyprus (in 2008 36,000 personnel are deployed) and as part of NATO, EU and UN-led peacekeeping, humanitarian and policing operations. Turkey was a significant contributor to NATO operations in the Balkans with approximately 1,500 personnel deployed as part of IFOR in Bosnia in 1995-96 and over 1,200 personnel as part of SFOR between 1996 and 2004, while also deploying to NATO operations in the Former Yugoslav Republic of Macedonia and Albania. Since 2000 Turkey has deployed over 900 personnel to the NATO-led Kosovo Force (KFOR), reducing the size of that contingent only in 2008 to a current level of 544 military personnel.¹⁴⁰ Turkey is also responsible for the NATO provincial reconstruction team at Wardak in eastern Afghanistan and has 800 personnel deployed as part of the International Security Assistance Force. In June 2002 Turkey assumed command of ISAF for a period of nine months. It has also contributed, under the 'Berlin Plus' Agreement, to operations in Bosnia since the EU assumed command responsibility under Operation *Althea* in December 2004. Of the 20 UN military and police missions ongoing in November 2008, Turkey contributes personnel to ten, its largest being the UN peacekeeping operation in Lebanon (499 troops).

3. Budget

The emphasis and importance afforded to the Turkish armed forces is also reflected in the level of defence spending in the national budget. In 2007 the Turkish defence budget was \$10.88bn, approximately 2.7% of GDP. As such, Turkey is one of only six NATO Member States which meets the Alliance's unofficial 2% of GDP benchmark for defence spending. Only Greece and the US spend more on defence among NATO countries, as a percentage of GDP. Between 1999 and 2001 Turkey had the largest NATO defence budget in GDP terms at 5.4%, 5% and 5% respectively.¹⁴¹

Over last few months, however, a number of analysts have questioned whether the strength of Turkey's defence budget will be enough to offset the impact of the global financial crisis and the fact that the Turkish Lira has lost more than 20% of its value against the US dollar since the beginning of September 2008. The effect on Turkey's future procurement plans has been considered to be of particular importance. An article

¹³⁹ *Ibid*

¹⁴⁰ http://www.nato.int/kfor/structur/nations/placemat/kfor_placemat.pdf

in *Jane's Defence Weekly* reported one industrialist as commenting that "we can expect some delays in the execution of some projects, while the number of arms to be procured in some projects may face reductions".¹⁴²

The European Commission is critical of the fact that most of Turkey's defence procurement projects are funded from 'extra-budgetary' funds and therefore not subject to parliamentary scrutiny.¹⁴³

4. Conscription

Under the Turkish Constitution military service is compulsory in Turkey for all males aged 19 to 40 and every year an estimated 640,000 young men reach conscription age. There is no conscription for women, though women may serve voluntarily as officers in the armed forces. The rate of conscription into the Turkish armed forces is therefore high, with conscripts forming 81% of the army's regular forces and 71% of the navy's. Unlike many countries with high rates of conscription, however, the combat effectiveness of Turkey's military has not been undermined.

Since 2003 the number of conscripts in the armed forces has been reduced by approximately 17%, largely as a result of the length of military service being reduced from 18 to 15 months. The government has indicated its intention to decrease levels of conscription even further in the future, although it has no plans to abolish conscription entirely as "fatherland service is the right and duty of every Turk".¹⁴⁴

The length of military service is 15 months; there is no alternative civilian service; and the right to conscientious objection is not legally recognised.¹⁴⁵ The UN and the Council of Europe have consistently called upon Turkey to recognise the right to conscientious objection. Indeed in January 2006 the European Court of Human Rights ruled that Turkey had violated the European Convention on Human Rights (ECHR) by repeatedly imposing custodial sentences on Osman Murat Ülke for conscientious objection. The court found the persecution to be degrading, and a violation of article 3 ECHR, and ordered Turkey to pay 11,000 euros in compensation.¹⁴⁶

Because of the Turkish government's rigid approach to military service, draft evasion is subsequently high. Although exact figures for draft evaders are not known, it is estimated to be in the region of 350,000. Draft evasion is thought to be particularly high among conscripts of Kurdish origin who do not want to serve in south-eastern Turkey.¹⁴⁷

¹⁴¹ NATO, *Financial & Economic Data Relating to Defence*, 2007

¹⁴² "Turkey faces arms procurement cuts", *Jane's Defence Weekly*, 19 November 2008

¹⁴³ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p9

¹⁴⁴ Article 72, 1982 constitution

¹⁴⁵ In 1991 the Turkish Constitutional Court ruled that the right to freedom of conscience under Article 24 of the constitution does not include the right to conscientious objection to military service (Turkish Constitutional Court 467/1991 and 422, 343/1993)

¹⁴⁶ *Ülke v. Turkey*, Application no. 39437/98, 24 January 2006. See [ECtHR press notice](#).

¹⁴⁷ Quaker Council for European Affairs, [The right to Conscientious Objection in Europe: a review of the current situation in Turkey](#), April 2005

C. NATO

Turkey has been a member of NATO since 1952, when Greece also joined the Alliance, and its membership has been regarded as a fundamental tenet of its 'peace at home, peace in the world' approach to foreign policy.

Not only is Turkey the second-largest military power in NATO, its geo-strategic location at the crossroads between Europe and Central Asia/the Middle East has meant that it has played an important role in the basing of NATO assets and contributing to stability in NATO's regional sphere of influence. Turkey's contribution to NATO-led military operations is briefly outlined above.¹⁴⁸ The basing of forces at the Turkish air force base at İncirlik in particular has also been considered of special importance for NATO operations in the Balkans in the late 1990s and currently in Afghanistan and Iraq, and has been noted by one analyst as potentially Turkey's most important contribution to the campaign against terrorism.¹⁴⁹ In August 2004, following a restructuring of NATO military command structures, the Alliance established an Air Component Command HQ as part of Joint Forces Command (Italy) at İzmir in Turkey.¹⁵⁰ ACC İzmir achieved full operational capability in June 2006, comprises personnel from 17 NATO nations including the UK, and currently supports NATO air operations over Kosovo. A NATO Combined Air Operations Centre (CAOC) is also located at Eskişehir. Prior to 2004 NATO's Allied Joint Forces Command Southeastern Europe had been located at İzmir.

Through NATO partnership initiatives such as the Mediterranean Dialogue, the Istanbul Co-operation Initiative and the Partnership for Peace (PfP) programme, Turkey has also been able to promote peace and stability in its regional sphere of influence.

Turkey's relationship with the Alliance and the US in particular has not, however, been without its problems. Tension between Turkey and its NATO allies came to the fore in late 2002 and early 2003, during the run-up to the conflict in Iraq, when the Turkish Parliament voted against allowing US forces to use Turkish military bases in the south of the country to open up a 'northern front' in any Iraqi ground campaign. The refusal of Turkey's leaders to allow the US to use Turkish airspace without the approval of Parliament also complicated discussions.¹⁵¹

For NATO as an alliance, however, the greater crisis came in early February 2003 after France, Germany and Belgium refused to provide defensive support to Turkey in the run-up to the conflict, arguing that the deployment of defensive assets to Turkey would pre-empt ongoing diplomatic negotiations aimed at averting any conflict.¹⁵² The impasse

¹⁴⁸ See p43

¹⁴⁹ See for example 'The emergence of the triangular security link: US-EU-Turkey', *Journal of Foreign Policy*, February 2004. The ability of the US to stage forces out of İncirlik in support of operations during the first Gulf War in 1990-1991 (Operation *Desert Storm*), in the policing of the Iraqi no-fly zones between 1991 and 2002 (Operation *Northern Watch*) and as a logistics hub in support of current US operations in Iraq (Operation *Iraqi Freedom*) and Afghanistan (Operation *Enduring Freedom*) has also been important for the bilateral Turkish/US relationship.

¹⁵⁰ Further information is available on the [ACC İzmir website](#)

¹⁵¹ This issue is examined in further detail in Library Research Paper 03/22, *Iraq: Developments since UN Security Council resolution 1441*, 13 March 2003. Further discussion on the impact of Turkey's indecision on US military strategy is examined in Library Research Paper 03/50, *The Conflict in Iraq*, 23 May 2003

¹⁵² The crisis was also exacerbated by the actions of France, Germany, Belgium and Luxembourg a few months later when the four countries came together in a mini summit in Teuveren to propose that the EU

within NATO prompted Turkey to invoke, for the first time in the Alliance's history, Article IV of the North Atlantic Treaty¹⁵³ over its concern for the potential political and economic impact of military operations in Iraq, and in particular in relation to the Kurdish issue.¹⁵⁴ After nearly a week of negotiations in the North Atlantic Council (NAC) the Alliance members finally agreed to begin planning for defensive assistance to Turkey, but only after the matter was referred to NATO's Defence Planning Committee of which France, the most vocal in its opposition to the plans, was not a member and was therefore not required to be consulted.¹⁵⁵ Operation *Display Deterrence* was subsequently authorised on 16 February 2003 and involved the deployment of four AWACS aircraft, Patriot ground-based air defence missiles and chemical and biological weapons detection teams to Turkey for a period of three months between February and April 2003. The US Ambassador to NATO at the time called the impasse a "crisis of credibility" for the Alliance;¹⁵⁶ while then NATO Secretary General, George Robertson, in a [speech to the European Institute](#) in Washington DC on 20 February 2003 characterised the week of NAC negotiations as "undeniably a bad one for NATO" and said that the events had been damaging to the Alliance.

D. Military Relationship with the EU

As the largest military in Europe, a member of the NATO Alliance and with regional security concerns over Cyprus, a member of the EU, Turkey has been afforded a certain degree of influence in the development of the EU's security and defence policies.

The main focus of the European Security and Defence Policy (ESDP) since the Franco-British St Malo summit in 1998 has been on the development of military capabilities and initiatives that would improve interoperability between the Member States and the capacity to rapidly deploy forces. The EU's relationship with NATO has been particularly important in this regard and as a result has closely involved Turkey. However, Turkey's inability to participate in the European Defence Agency which has assumed responsibility for the main thrust of work intended to develop EU military capabilities, following a veto on its participation by Cyprus in 2005, has been raised as a source of consternation.

1. 'Berlin Plus' Agreement

The concept of 'Berlin Plus' was agreed at the NATO Summit in Washington in 1999. Under those arrangements it was envisaged that the European Union would have ready access to NATO's collective assets, including operational planning, and capabilities for crisis management operations, where the Alliance as a whole chose not to be engaged.

establish its own operational military planning capability, independent of the NATO Alliance. That issue is examined in greater detail in Library Research Paper 06/32, *European Security and Defence Policy: Developments Since 2003*, 8 June 2006

¹⁵³ Article IV states that: Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

¹⁵⁴ In the aftermath of the 1991 Gulf War and the imposition of sanctions on Iraq, the economic fallout for Turkey, particularly in relation to trade with its neighbour, was substantial. Turkish officials also believed that instability in northern Iraq since 1991 and the emergence there of a de facto Kurdish-controlled territory outside Baghdad's control had impacted on Turkey's south-eastern border regions, inflaming separatist tendencies among its ethnic Kurdish population and fuelling a violent insurgency by Kurdish PKK rebels. Around 500,000 Kurdish refugees also entered Turkey from Northern Iraq during the conflict.

¹⁵⁵ A similar approach was adopted during NATO operations in Kosovo.

¹⁵⁶ See "NATO approves Turkey defense without France", *Western Courier*, 17 February 2003

However, all NATO members would retain a veto over the use of NATO assets if they objected to a particular EU operation. Reservations over the proposals were initially held by Turkey over the lack of participation of non-EU members of NATO in EU crisis management decision-making. Turkish leaders also demanded that the EU should not be permitted to undertake any operation with military implications in geographical proximity to its territory and that Cyprus specifically should be excluded from all EU security and defence structures.

After two years of stalled negotiations, the UK, US and Turkey presented a paper in December 2001, commonly referred to as the Ankara Text, which outlined a number of compromise measures that would allow Turkey a role in EU crisis management operations when NATO infrastructure and assets were to be used and place limitations on the participation by any EU member states in such operations who were not members of NATO or its Partnership for Peace programme. The inclusion of this provision was specifically intended to focus on Cyprus and Malta upon their entry into the EU in May 2004. The Ankara Text was however subsequently met with objections from Greece, placing negotiations on the Berlin Plus agreement in deadlock for a further year.

Efforts to overcome the impasse formed a large part of discussions both within the EU and NATO in the latter half of 2002 and in December a NATO-EU Accord was finally agreed by both the North Atlantic Council and EU Heads of State. Under the agreement, and in a concession to Turkey, leaders agreed that EU-led operations using NATO assets would only be open to states that are NATO allies or partners under the PfP and that non-EU European Allies such as Turkey would be able to raise concerns if an autonomous EU operation was conducted in its geographic proximity or risked affecting its national security interests. Thus, Cyprus and Malta would be excluded from EU-led operations conducted under Berlin Plus, although their ability to participate in general ESDP decision making would not be affected.¹⁵⁷

The EU's military operation in Bosnia-Herzegovina, Operation *Althea*, has been conducted under the Berlin Plus agreement since 2004. Turkey has been a longstanding contributor to that operation and, as of 3 October 2008, had 242 personnel deployed in Bosnia (though this is being steadily reduced).¹⁵⁸

2. European Defence Agency

The European Defence Agency (EDA) was established in 2004 with the main aim of improving the EU's military capabilities. Given the extensive work already undertaken within NATO on the development of capabilities, through the Defence Capabilities Initiative and the Prague Capabilities Commitment, the involvement of third countries in the work of the EDA has been an important part of that agenda. At the outset the EDA made clear its intention to establish administrative arrangements that would allow Norway and Turkey to participate in the organisation's projects. However, in 2005 Turkey's involvement in the EDA was vetoed by Cyprus.

¹⁵⁷ At the NATO Summit in Bucharest in April 2008 Malta re-joined NATO's Partnership for Peace programme and subsequently will now be able to participate in ESDP decision making relating to Berlin Plus operations.

¹⁵⁸ See the [Operation Althea website](#)

Turkey's inability to participate in the EDA was the subject of an exchange in the Defence Select Committee enquiry into the future of NATO in November 2007. Lieutenant General Sir Rob Fry, Vice-President of EDS Defence Services, and Daniel Keohane, Research Fellow at the European Union Institute for Security Studies, were giving evidence:

Q173 John Smith: Turkey is a key NATO power; do you think it makes any sense to develop the EDA without Turkey playing a bigger role or any role in its process? We were out there recently and they were very exercised at the fact that they felt they were getting nowhere.

Mr Keohane: Obviously since Turkey has actually the largest army in Europe, if I remember correctly, Turkey is a major defence player in Europe. Of course, as you well know Turkey's relationship with the EU has been difficult at times, particularly on defence policy, given the impasse between the EU and NATO and the Cypriot-Turkish issue, so that unfortunately has hampered the co-operation. On the other hand, Turkey has made it clear that it is happy to participate in the ESDP missions if and when it is asked to do so and required to do so, but in general yes, the EDA should be and as far as I know is open to co-operation with non-EU members.

Q174 Chairman: John Smith asked an extremely important question, as he always does, because Turkey was a member of the predecessor body to the EDA and it has been blocked from becoming a member of the EDA, even though every other country that was a member of the predecessor body has now, through one method or another, become a member of the EDA. Do you find that strange?

Mr Keohane: Given the politics at the moment in the EU, no, and specifically given the politics between Cyprus and Turkey as you know are very difficult, and this of course as I said earlier is woven into the EU/NATO debate as well, so I do not find it so strange that the EDA is made up of EU members.

Lieutenant General Fry: I do not find it remotely strange but it is profoundly reprehensible. It seems to me that both your question and, Chairman, your observation really beg probably the most profound grand strategic issue facing Europe at the present time, which is which way does Turkey face? If this is just one of those small incremental steps that is preventing it from looking westward then it is a thoroughly bad thing.¹⁵⁹

VI Economics

By Ian Townsend

A. Introduction

Turkey's economy has grown rapidly since the economic crisis in 2001. However, macroeconomic concerns have been raised more recently, for example over the size of Turkey's current account deficit and its reliance on foreign currency, which many analysts believe exposes the country to the current global financial crisis.

¹⁵⁹ Uncorrected evidence to Defence Select Committee, 20 November 2007

This chapter gives a brief summary of some key economic indicators for Turkey (a table of these back to 1990 is given in the Appendix). It also looks at the effect of the financial crisis on the country so far. A summary of some recent views on the economic effect of Turkey's potential accession to the EU, along with an overview of EU aid to Turkey, can be found in part VII below.

B. Economic profile

Turkey has the 17th largest economy in the world, according to the International Monetary Fund (IMF), with Gross Domestic Product (GDP) valued at \$659 billion in 2007. It is therefore the 7th largest economy in Europe, larger for instance than Sweden, Belgium, Switzerland and Norway. Turkey's economy is also 60% larger than Poland's, which was the largest economy among the twelve that acceded to the EU in 2004 and 2007. Turkey's economy is also well over half (56%) of the combined size of the economies of these recently acceded countries.¹⁶⁰

The World Bank classifies countries based on their per capita Gross National Income (GNI). With a GNI of \$8,020 per head in 2007, 77th in the world on this measure, Turkey is classed as an 'upper middle income' country.¹⁶¹ The threshold for the 'high income' category is just under \$11,500. However, Turkey has a relatively high level of income inequality compared with other countries in the Organisation for Economic Co-operation and Development (OECD) grouping, of which Turkey has been a member since 1961.¹⁶²

Over the last ten years, Turkey's economy has seen a shift away from agriculture, and to a lesser extent industry, towards services. Agriculture accounted for almost 14% of Gross Value Added (GVA) (a measure similar to GDP) in 1998, falling to below 9% in 2007, although the share of land used for farming in Turkey increased slightly over the same period. By contrast, services' share of GVA increased from 51% in 1998 to 63% in 2007.

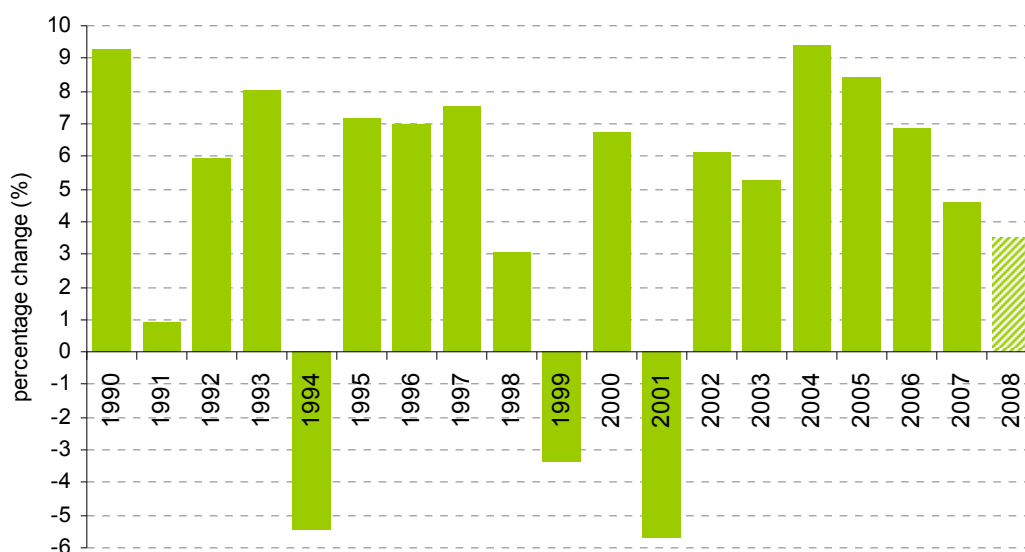
1. Growth

GDP growth in Turkey has fluctuated over the past two decades, as the chart overleaf shows. Although negative growth was seen in 1994, 1999 and 2001, growth has been strong since 2002, averaging 6.8% between then and 2007:

¹⁶⁰ All based on data from IMF, *World Economic Outlook*, October 2008 database. Turkey also ranks 17th using the [World Bank's GDP measure](#), although on a [purchasing power parity \(PPP\) basis](#) it ranks 15th.

¹⁶¹ Using the Atlas method, not PPPs as in the statistical annex table. The categories are: low income (<\$395); lower middle income (\$936 - \$3,705); upper middle income (\$3,706 - \$11,455); and high income (> \$11,455) [see World Bank GDP [Rankings](#) and [Country Classification](#) pages].

¹⁶² See pp54-55 below

Chart 1: Turkey, real GDP, annual % change, 1990-2008Source: IMF, *World Economic Outlook* database

However, the annual rate of growth has been falling since it peaked at 9.4% in 2004. Official growth data suggests that the Turkish economy grew just 1.9% in the second quarter of 2008, the slowest rate since the 2001 crisis, and a substantial slowing from the 6.7% growth rate seen in the first quarter of the year.¹⁶³ The OECD has said that Turkey's slowing growth in 2008 was due to "weakness in domestic demand [...] compounded by the international slowdown in the wake of financial market turbulence".¹⁶⁴

Forecasts also suggest that the falling growth trend is set to continue. The table below shows the most recent forecasts for future GDP growth from the EU, the OECD and the IMF, compared with their previous forecasts:

Table 1

Real GDP growth forecasts: Turkey, %						
	EU		OECD		IMF	
	Apr-08	Nov-08	Jun-08	Nov-08	Apr-08	Oct-08
2008	4.3	3.4	3.7	3.2	4.0	3.5
2009	4.7	2.7	4.5	1.1	4.3	3.0
2010	-	3.9	6.0	3.9	5.0	5.0
2011	-	-	-	-	5.0	5.5
2012	-	-	-	-	5.0	5.3
2013	-	-	-	-	5.0	5.0

Sources: IMF, *World Economic Outlook*, Apr/Oct 2008OECD, *Economic Outlook* 83 & 84 (Jun & Nov 2008) &OECD, *Economic survey of Turkey* (July 2008), p42, p56European Commission, *European Economy* (Nov 2008, Apr 2008)

¹⁶³ 'Which country will slither down the slippery slope next?', *Independent On Sunday*, 19 October 2008 and '[Year-end inflation forecast raised](#)', *Hurriyet*, 1 November 2008

¹⁶⁴ OECD, *Economic Outlook* 84 (Preliminary version), November 2008, p210

All three organisations have revised their forecasts for 2008 and 2009 downwards, primarily due to the effects of the global financial crisis which are discussed in more detail below.¹⁶⁵

In November 2008 the OECD revised its growth forecasts for 2008 made in June downwards by half a percentage point (from 3.7% to 3.2%), and also reduced its 2009 forecast by over three-quarters (from 4.5% to 1.1%). It then saw growth rates increasing in 2010 in line with an expected global recovery, although at 3.9% the expected rate was a third lower than the OECD had previously expected.

The European Commission also updated its economic forecasts in November 2008. While more optimistic than the OECD, the forecast for 2008 was reduced from 4.3% to 3.4%. The Commission's 2009 forecast was reduced by two percentage points (from 4.7% to 2.7%).¹⁶⁶

The IMF's revised October 2008 forecasts see growth of 3.5% this year, half a percentage point below the April 2008 forecasts. The IMF also took a more pessimistic view for 2009, revising its forecast down by 1.3 percentage points (from 4.3% to 3.0%). While the IMF left its forecast of 5.0% growth in 2010 unchanged (in contrast, the European Commission expects 3.9% growth in 2010),¹⁶⁷ the IMF revised its longer-term forecasts for 2011 and 2012 upwards.

Nevertheless, while these growth rates would certainly be slower than those seen in 2002-2007, they still compare favourably with the growth rates expected in developed economies. Updated November 2008 IMF projections forecast falls in GDP in advanced economies as a whole, with growth of -0.3% in 2009 (including -1.3% in the UK next year and -0.7% in the US).¹⁶⁸ The 3% growth rate expected for Turkey in 2009 is the same as that expected for Brazil, although slightly below that for Russia (3.5%), and some way behind that for India (6.3%) and China (8.5%).

A longer-term projection to 2050 by PricewaterhouseCoopers, made earlier this year (and so pre-dating the current crisis), suggested that Turkey could see long-term average annual per capita GDP growth of 3.4%.¹⁶⁹ While lower than it projected for India and China, this would be faster growth than in Brazil and Russia, and substantially above the 1.9% growth rate for the G7 group of most developed countries. If this long-term growth rate was seen, Turkey's total GDP would stand at around 70% of the UK's by the middle of the century.¹⁷⁰

A similar exercise carried out more recently by Goldman Sachs saw long-term average annual growth of 4%, spurred on by demographic factors. This would see Turkey

¹⁶⁵ See pp56-61

¹⁶⁶ European Commission, [European Economy n° 7,2008](#), 3 November 2008 (see [Turkey chapter](#))

¹⁶⁷ *ibid.*

¹⁶⁸ "Rapidly Weakening Prospects Call for New Policy Stimulus", [IMF World Economic Outlook update](#), 6 November 2008. Note that no revised forecasts for Turkey were published, and so the October 2008 rates have been used.

¹⁶⁹ Pricewaterhouse Coopers, [UK Economic Outlook](#), March 2008

¹⁷⁰ *ibid.*, table 4.5, p29 (Note: long-term forecasts for GDP per capita at PPPs).

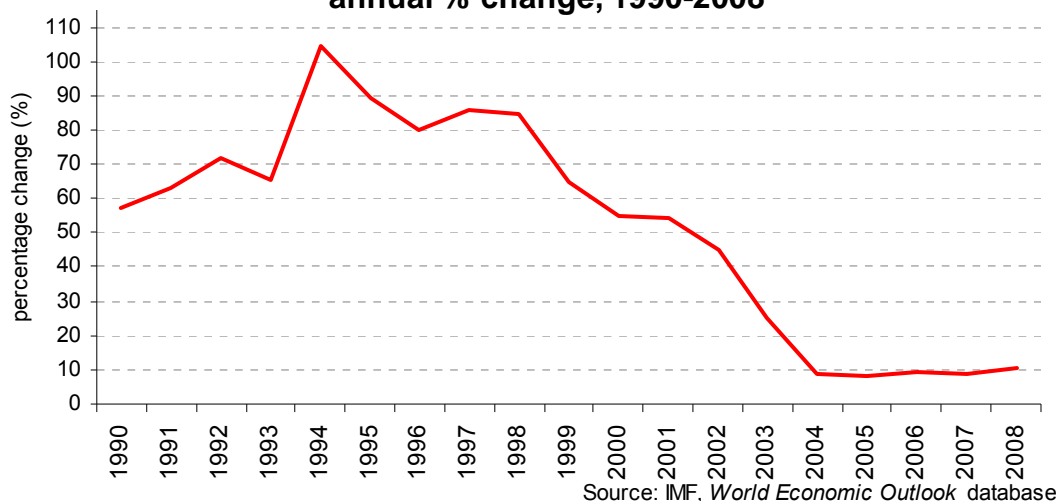
become Europe's third biggest economy by 2050, with per capita income reaching 75% of the EU average.¹⁷¹

2. Inflation

Average annual inflation in Turkey exceeded 100% in 1994, and was over 80% as recently as 1998. However, since then inflation has gradually been brought under control, reaching a low of 8.2% in 2004 (see chart overleaf).

Like many other countries, Turkey has struggled to contain inflationary pressures arising from rising global food and energy prices this year. These pressures led Turkey's central bank in June 2008 to almost double its inflation target for 2009 to 7.5%, and also increase its targets for 2010 and 2011.¹⁷²

Chart 2: Turkey, Consumer price inflation, annual % change, 1990-2008



The most recent data show annual inflation running at 10.8% in November 2008, down from 11.9% in October; Turkey's central bank also changed its end-of-year inflation estimate to 11.1% from 10.6%.¹⁷³ This reflects the IMF's revised forecasts for annual inflation in 2008 upwards from 7.5% to 10.5%, although the IMF expects inflation to fall back to 8.4% in 2009, then 6.9% in 2010, before reaching 4% in 2013.

3. Trade, investment & external balances

The value of Turkey's trade in goods as a proportion of the country's GDP increased from 17% in 1990 to over 42% in 2007. Exports of both goods and services as a share of GDP rose slightly between 1998 and 2007, while imports of goods and services rose from 20% to 27% of GDP.

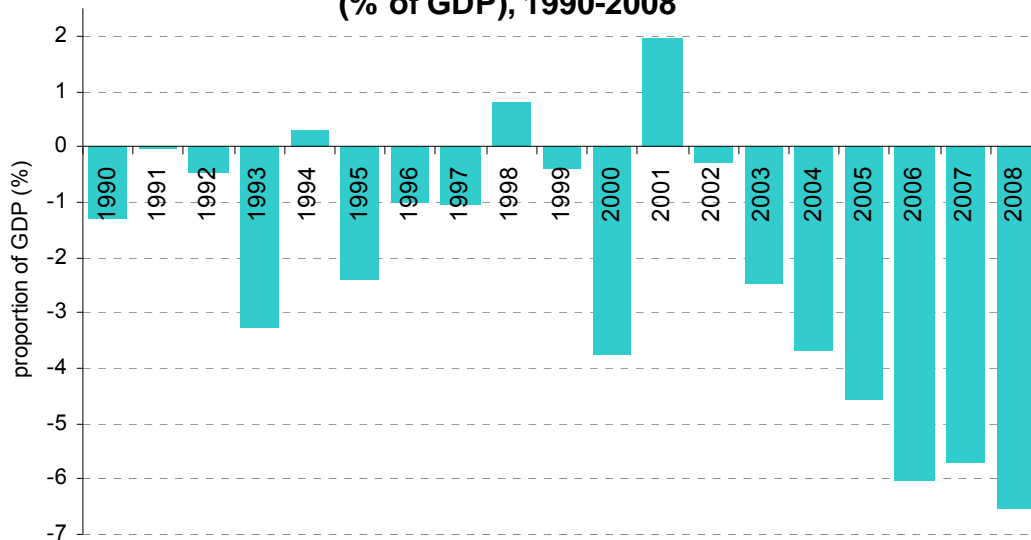
¹⁷¹ "Fears of joblessness as growth falters", *Financial Times*, 1 December 2008, p2 citing Goldman Sachs research, published in November 2008

¹⁷² "Turkish targets for inflation almost double", *Financial Times*, 5 June 2008, p6. The target range is 4.1%-6.9%, see "Turkey bank says inflation will be double its target", *Financial Times*, 1 May 2008; and "Inflation goal unreachable", *Turkish Daily News*, 1 May 2008.

¹⁷³ "CPI inflation decelerates to 10.8% y/y in November", *Turkey Today*, 4 December 2008 (via Factiva)

Concerns have been raised over Turkey's current account deficit. Turkey's current account was marginally in surplus in 2001, but since then it has gone into deficit, which has increased to a forecast \$52 billion in 2008. This would equate to 6.5% of projected GDP, and up 37% on the 2007 deficit of \$38 billion (which was equivalent to 5.7% of GDP in that year). In the longer term, projections suggest that Turkey's current account deficit will remain above 6% until 2012.¹⁷⁴ The current account deficit is explored in more detail in the following section on the financial crisis.

**Chart 3: Turkey, Current account deficit
(% of GDP), 1990-2008**



Source: IMF, *World Economic Outlook* database

This growing deficit has been accompanied by a total external debt which has increased from under \$50 billion in 1990 and more than doubled since 1999 to almost \$208 billion in 2006. At the end of the second quarter of 2008, Turkey's gross external debt position was \$262 billion, up from \$223 billion on the same quarter in 2007.¹⁷⁵

However, Turkey's privatisation programme and reforms to investment rules have boosted Foreign Direct Investment (FDI) in recent years. Throughout the 1990s, net FDI inflows were less than \$1 billion a year. However, since 2000 these inflows have increased substantially, reaching almost \$10 billion in 2005 and then over \$20 billion in 2006. Net FDI inflows in 2007 have been estimated at \$22 billion.¹⁷⁶ Turkey's Central Bank is expecting FDI to decline in 2008 to \$15 billion.¹⁷⁷ The European Commission recently noted that FDI inflows in the first half of 2008 were down by a third, covering only 30% of the current account deficit in that period.¹⁷⁸

¹⁷⁴ IMF, *World Economic Outlook*, October 2008 database

¹⁷⁵ World Bank, *Joint External Debt Hub* website; http://www.jedh.org/jedh_home.html (Turkey detail from http://www.jedh.org/jedh_instrument.html).

¹⁷⁶ 'Turkey's FDI reaches \$22 billion', *Hurriyet*, 25 February 2008

¹⁷⁷ 'A chill wind blows in but long term looks good', *Financial Times* ([Investing in Turkey survey](#)), 1 December 2008, p1 (also available as a [PDF file](#))

¹⁷⁸ European Commission, *European Economy n° 7, 2008*, 3 November 2008 ([Turkey chapter](#))

As the financial crisis has developed, more recently spreading to emerging markets, analysts' fears for the Turkish economy have increased, and it is frequently mentioned among countries believed to be most at risk.¹⁷⁹ Developments related to the global financial crisis are detailed below.¹⁸⁰

4. Other issues

The OECD's *Economic Survey of Turkey* from July 2008 gave a comprehensive review of the country's economic outlook.¹⁸¹ It identified two top priorities for growth, building on recent reforms: "reforming labour market regulations to overcome the divide between law-abiding but rigid and very flexible but law-breaching employment practices" and "upgrading corporate finance markets to permit firms joining the formal sector to rapidly improve their capital base, productive capacity and productivity."¹⁸² In its recent progress report on Turkey's EU accession process, the European Commission highlighted the need for further progress on addressing "labour market imbalances" and "the skills mismatch" in Turkey.¹⁸³

As noted above, although Turkey is relatively well off in terms of GNI per capita, it also has a relatively high level of income inequality compared with other developed OECD countries. The chart opposite compares inequality levels in the mid-2000s based on Gini coefficients – a summary measure of inequality ranging from zero (totally equal) to 100% (totally unequal) – from a recent OECD report.¹⁸⁴ After taxes and social transfers have been taken into account, Turkey had the second highest level of inequality in the OECD, with a Gini coefficient of 43%, while the Gini for the OECD as a whole was 31.1%. Mexico had the highest level of inequality (47.4%), while the UK was slightly above the OECD level, being the seventh most unequal among the OECD with a Gini coefficient of 33.5%.

¹⁷⁹ For example, 'Emerging nations hit by growing debt fears', *Financial Times*, 14 October 2008, p15 and 'IMF ready to help out emerging market states', *Financial Times*, 11 October 2008, p6

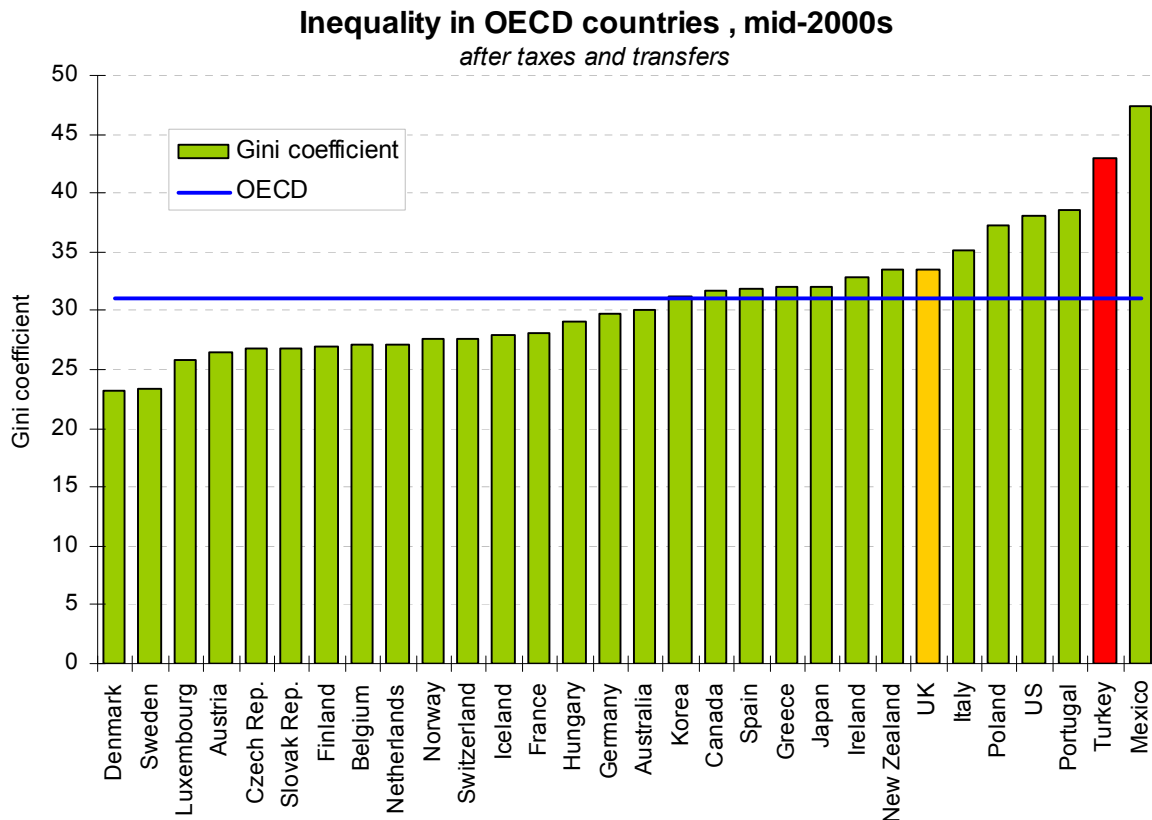
¹⁸⁰ See pp56-61

¹⁸¹ A [summary is available online](#), and the full report is available from www.SourceOECD.org (Parliamentary Network users only).

¹⁸² *Ibid.*, p8

¹⁸³ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, pp62-63

¹⁸⁴ OECD, *Growing Unequal? Income distribution and poverty in OECD countries*, October 2008; [report homepage](#), [summary](#) and [full text from SourceOECD](#) (Parliamentary network users only). Statistics available from OECD.Stat: [country reports](#) and [international indicator comparisons](#).



The proportion of those below the national poverty line in Turkey was estimated at 27% in 2002 (the most recent year for which World Bank data are available), down from 28.3% in 1994. In 2002, poverty was higher in rural areas (34%) than in urban areas (22%).¹⁸⁵ Turkey's official poverty statistics suggest that the national poverty rate had fallen to 18% by 2006, equating to 13 million people.¹⁸⁶

The World Bank reports annually on the ease of doing business in 181 countries in its *Doing Business* series. The latest edition ranks Turkey 59th in the world, improving on its 2008 ranking by one place. Improvements have been seen in the "protecting investors" category (up 13 places), as well as in employing workers (up 4) and enforcing contracts (up 3). Turkey's ranking fell on paying taxes (down 10 places), getting credit (down 7) and registering a property, closing a business (both down 3) and obtaining construction permits (down 2).¹⁸⁷

Data on the length of time required to establish a business is included in the statistical annex table. In 2003 it took 38 days to establish a business, which was reduced to 9 days in 2004 and now stands at 6 days. This is less than half of the OECD average (13.4 days), and also compares favourably with the average for Eastern Europe & Central Asia (22.6 days).

¹⁸⁵ All data from World Bank, *World Development Indicators* database (extracted 11 November 2008)

¹⁸⁶ 'Results of the 2006 Poverty Study', *Turkish Statistical Institute (Turkstat) press release* 206, 26 December 2007 (via [Poverty Analysis](#) page).

¹⁸⁷ See World Bank, [Doing Business 2009](#), [Turkey ranking summary](#) and [full report](#)

C. The effect of the global financial crisis on Turkey

Turkey's last economic crisis in 2001 had its origins in financial contagion, worsened by "a spree of irresponsible, sometimes corrupt, lending" from Turkish banks, which saw some two-fifths of the country's banks fail.¹⁸⁸

As international investors have taken flight from risk in the developing global financial crisis, emerging economies – including Turkey – have increasingly felt the effects. Hopes of a 'decoupling' of developing markets from the developed US and European markets of the have proved unfounded. Indeed, as the *Financial Times* recently noted:¹⁸⁹

It has all been rather unfair. Emerging markets did not cause the current financial crisis and yet few asset classes have been hit harder by it.

1. Turkey seen as vulnerable

As the *Financial Times* also observed in early October 2008, "Turkey, like other emerging markets, appears far from immune to the global financial turmoil."¹⁹⁰ More recently, the OECD highlighted Turkey alongside Hungary, Iceland, Ireland, Luxembourg, Spain, Turkey and the United Kingdom as the countries in the OECD most likely to be severely affected by the financial crisis.¹⁹¹

Attention has been drawn to Turkey largely because of its relatively large current-account deficit. In its evidence to a recent Business & Enterprise Committee inquiry on Turkey, the Government noted that the "large current-account deficit and heavy reliance on short-term capital inflows could leave the economy vulnerable to sharp changes in investor sentiment."¹⁹² The large current-account deficit makes Turkey heavily dependent on foreign currency, and therefore vulnerable to the withdrawal of investor support which has until now financed Turkey's deficit. The *Financial Times* has argued that:

The biggest immediate danger lies in Turkey's heavy external financing requirement, a long-standing weakness that makes it vulnerable to tight global credit conditions. Most analysts think it can avoid a full-blown balance of payments crisis. But it will inevitably become harder to manage a current account deficit running above 6% of GDP and increasingly financed by corporate borrowing.¹⁹³

¹⁸⁸ 'Istanbul's optimism wearing thin', *Financial Times*, 17 November 2008, p24

¹⁸⁹ 'Dragged into stormy waters by West's crisis', *Financial Times*, 1 December 2008, p16

¹⁹⁰ 'Istanbul falls in response to turmoil', *Financial Times*, 4 October 2008, p17

¹⁹¹ OECD, *Economic Outlook* 84 (Preliminary version), November 2008, [Editorial](#) by Klaus Schmidt-Hebbel (OECD Chief Economist and Head of Economics Department)

¹⁹² Business & Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#), 7th report of 2007-08 (June 2008), Ev 51 (BERR) para 13 (see [evidence volume](#)) and 'Turkey: On a knife edge', *Economist Intelligence Unit - Business Middle East*, 16 November 2008, p2 (via Factiva)

¹⁹³ 'Turkish politicians argue over need for IMF help as crunch bites', *Financial Times*, 28 October 2008, p12

The current crisis has prompted just such a shift in investor sentiment. The European Commission recently said that the crisis had so far had “only a limited direct impact”,¹⁹⁴ going on to summarise the situation as follows:¹⁹⁵

So far (by mid-October 2008), the global financial crisis has caused a correction in Turkish asset prices and in the currency, which could also lead to further output losses and inflationary pressures. The impact on the Turkish banking system has remained limited so far, largely due to previous restructuring measures and comfortable prudential indicators. However, considerable external financing needs stemming from large external deficits in combination with the private sector's significant reliance on external financing and a sizeable – albeit falling - debt stock make Turkey potentially vulnerable to changes in investor sentiment. The quality of financing of the current account deficit has deteriorated, gradually moving away from equity investment towards debt accumulation. The close cooperation amongst Turkish financial authorities as well as with the international and European financial institutions, the existence of strong prudent regulations, the implementation of restrictive monetary and fiscal policies as well as the continuation of structural reforms are providing a stabilising effect to financial markets and the economy.

According to one estimate, Turkey may need \$90 billion of foreign funds because of its current account deficit as a result of the current financial crisis.¹⁹⁶

Following the economic problems experienced in Iceland and Hungary, Turkey has frequently featured in lists of countries thought to be the next victims of the crisis. *The Economist* noted on 23 October 2008 that “it would be wrong to be too sanguine”, as Turkey has structural, inflation, current account and export problems (particularly its main market, the EU, heading for recession); but it considered that Turkey was not yet suffering like some other countries:¹⁹⁷

The banks seem sound [with] a high average capital-adequacy ratio of 17.5% and relatively few non-performing loans. Population growth keeps up demand. Exports are more diversified (Turkey's five biggest markets now take 37% of exports, down from 50% five years ago). The public debt has fallen from 74% of GDP in 2001 to just 39%. Foreign-exchange reserves have climbed to almost \$80 billion. The economy seems unlikely to tip into recession.

A Stability Index prepared by Standard Bank, “based on a calculation of short-term risk from foreign asset holdings and longer-term risk from reliance on external financing”, scored the risk to Turkey at 4.8, about halfway along a scale from 1 (vulnerable) to 10 (stable). Turkey was seen as only slightly less stable than the US (with a score of 5.2), and more stable than the UK and Hungary (3.6), and Iceland (2).¹⁹⁸

Nevertheless, the spread of the financial crisis to emerging countries has seen Turkey suffer substantial falls in the value of its stock market and its exchange rate.

¹⁹⁴ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, p3

¹⁹⁵ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p31

¹⁹⁶ ‘Back in Business; The IMF can play a crucial role in the global financial crisis’, *Washington Post*, 30 October 2008, pA22

¹⁹⁷ ‘Turkey's economy: In need of an anchor’, *The Economist*, 23 October 2008

¹⁹⁸ ‘Rescue reforms do not mean cash without strings’, *Financial Times*, 29 October 2008, p4

Turkey's benchmark stock index, the Istanbul Stock Exchange (ISE) National 100 index, has suffered sustained falls. The index stood at almost 58,000 in October 2007, but had fallen by well over half in value to stand at 25,715 by the end of November 2008.¹⁹⁹ The ISE100 now stands at levels last seen in 2005.²⁰⁰

The Turkish lira has seen sustained falls against the US dollar and the euro in recent weeks. There were 1.60 liras to the dollar at the close of trading on 5 December 2008,²⁰¹ down from 1.18 liras to the dollar at the start of September 2008.²⁰² The lira lost 22% of its value against the dollar in October alone,²⁰³ and is down more than a third this year so far.²⁰⁴

Currency problems have led Turkey's central bank to maintain high interest rates which are expected to continue "until the risk of a run on the lira has dissipated."²⁰⁵ One newspaper has noted that companies in Turkey have around \$70 billion in foreign currency debts, and further depreciation of the Turkish lira could lead to bankruptcies.²⁰⁶

Industrial production in Turkey fell 5.5% in September 2008, the largest fall since December 2001,²⁰⁷ while the *Financial Times* also noted that the planned privatisation of HalkBank, in which the Turkish Government has a 75% stake, has been put on hold amid the economic instability.²⁰⁸

2. A new IMF programme for Turkey?

The *Financial Times* has regularly listed Turkey as an 'at risk' country, alongside Estonia, Latvia, Lithuania, Bulgaria, Romania and Brazil, that could need IMF assistance.²⁰⁹

As countries turned to the IMF, *The Guardian* warned of a "domino effect", the "spectre of a cascade of failing economies from the Baltic to Turkey".²¹⁰ After Hungary, one commentator saw the risk of a "goulash meltdown", involving Turkey and EU members Bulgaria, Estonia, Latvia, Poland and Romania "similar to the spread of the Asian crisis in 1997."²¹¹

¹⁹⁹ Based on Istanbul Stock Exchange Stock Market Price (closing values) data from <http://www.ise.org/data.htm>

²⁰⁰ Based on Bloomberg Investment tools, ISE100 chart: <http://www.bloomberg.com/apps/cbuilder?ticker1=XU100%3AIND>

²⁰¹ *Financial Times* currencies table, from <http://markets.ft.com/ft/markets/researchArchive.asp?report=3SPT>

²⁰² 'Turkey: On a knife edge', *Economist Intelligence Unit - Business Middle East*, 16 November 2008, p2 (via Factiva)

²⁰³ '[Inflation accelerates to 12 percent](#)', *Hurriyet*, 4 November 2008

²⁰⁴ 'The worrying Tayyip Erdogan', *The Economist*, 27 November 2008

²⁰⁵ 'Turkish politicians argue over need for IMF help as crunch bites', *Financial Times*, 28 October 2008, p12. The Central Bank's borrowing interest rate was been at 16.75% from July 2008 until 20 November when it was reduced to 16.25% (see <http://www.tcmb.gov.tr/yeni/evds/pgm/faiz/on.htm>).

²⁰⁶ 'Disaster scenarios for Turkey', *Turkish Daily News (Hurriyet)*, 31 October 2008 (via Factiva)

²⁰⁷ '[Turkey's industrial production falls 5.5% in September](#)', *Hurriyet Daily News*, 10 November 2008

²⁰⁸ 'Istanbul falls in response to turmoil', *Financial Times*, 4 October 2008, p17

²⁰⁹ 'Hungary holds out the begging bowl for \$25bn rescue package', *The Independent*, 30 October 2008

²¹⁰ 'From the Baltic to Turkey, fears grow of domino effect of struggling nations', *The Guardian*, 28 October 2008, p6

²¹¹ Ruth Sunderland, 'Comment: Decoupling: it's totally divorced from reality', *The Observer*, 26 October 2008, p3

Turkey's previous \$10 billion IMF stand-by arrangement dated from May 2005 and was completed in May 2008. Suggestions that a new programme might be agreed because the previous one had been completed ultimately proved unfounded.²¹² This led some analysts to express concern about the future for economic reforms in Turkey, as the IMF programme was widely credited as providing an 'anchor' for reform.²¹³ The slow process seen in Turkey's EU accession process,²¹⁴ which some have seen as a natural 'alternative anchor' to the IMF for economic reforms, has made these fears more acute. As *The Economist* recently observed:

Experience suggests that Turkey works best with a strong external anchor. In economics, that has since 2001 been the IMF; in broader politics, it has been the prospect of joining the EU. Sadly, neither is solid just now.²¹⁵

A contributor to a recent *Financial Times* survey called for the re-establishment of the IMF anchor for reform, seeing an economic dilemma for a country "stuck between macro stability-producing first generation reforms and productivity-enhancing second generation reforms."²¹⁶

As the financial crisis has developed, there has been mounting speculation about whether a new IMF deal would be reached. More recently, following the recourse of Hungary, Ukraine, Iceland, Serbia and Pakistan to the IMF for help in dealing with their economic difficulties,²¹⁷ the speculation has grown more acute, and shifted to the form an agreement is likely to take.

An IMF staff team was in Turkey from 16 to 29 October 2008 carrying out 'enhanced surveillance' under the Post-Program Monitoring process of the previous deal. A further mission is expected in the spring of 2009. An IMF statement after this visit noted that, despite its improved resilience to economic shocks, Turkey's "dependence on external financing exposes the economy to the effects of the global credit crunch."²¹⁸

There are differing perspectives on the benefits of a new IMF deal in Turkey. The Governor of Turkey's Central Bank has said:

At this stage we do not need IMF cash ... but there is uncertainty about what we will face in the coming term", such help would be "useful" in boosting confidence in the Turkish market.²¹⁹

²¹² Since then, medium-term public debt and budget deficit targets have been set by Turkish Government's Medium-Term Fiscal Framework for 2008–2012 (European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, pp31 & 59).

²¹³ ['Economy: A country at the crossroads'](#), *Financial Times (Turkey 2008 special report)*, 10 June 2008

²¹⁴ See part VII below

²¹⁵ 'Turkey's economy: In need of an anchor', *The Economist*, 23 October 2008

²¹⁶ Sinan Ülgen (Managing Partner of Istanbul Economics; Chairman of Istanbul think-tank EDAM), 'A country caught in a Hotel California-style dilemma', *Financial Times* ([Investing in Turkey survey](#)), 1 December 2008, p4 (also available as a [PDF file](#))

²¹⁷ Hungary has concluded a 17-month IMF loan valued at \$15.7 billion, under the Fund's stand-by arrangement, while Ukraine has agreed a similar two-year loan worth \$16.4 billion. Further arrangements have also reached with Iceland, Pakistan and Serbia.

²¹⁸ 'Statement by the IMF Mission to Turkey', [IMF press release 08/265](#), 30 October 2008

²¹⁹ 'Turkish politicians argue over need for IMF help as crunch bites', *Financial Times*, 28 October 2008, p12

Turkish businesses have been broadly supportive of a new IMF programme.²²⁰ However, the country's Prime Minister has said that Turkey would not "darken its future by bowing to the wishes of the IMF".²²¹ There have also been protests in Turkey against a possible IMF deal.²²² Moody's, the ratings agency, recently said that it believed Turkey's economy would go into recession in 2009 without a new IMF arrangement, although Turkey's Industry Minister reiterated his Government's own forecasts for 4% growth next year.²²³

Whether an agreement will be reached is likely to depend on the acceptability of any IMF-imposed conditions to the Turkish government. The *Financial Times* has noted that any IMF deal "would require cuts in budget plans" that had been presented only in October 2008.²²⁴ It has also noted that the reluctance to reach a new agreement may be because this could constrain spending ahead of local elections, which are due to be held in March 2009.²²⁵ *The Economist* has also observed that a new IMF arrangement "would preclude a pre-electoral spending spree".²²⁶

A precautionary deal giving the IMF "oversight of economic policy and make money available that Turkey could draw on at times of severe economic stress",²²⁷ may receive greater political support. This would likely come with fewer conditions attached, but would also likely provide access to more limited funds. However, the *Financial Times* has cited analysts' suggestions that the size of the current account deficit and the fall in the value of the Turkish lira would require a sizeable deal offering immediate access to IMF cash.²²⁸

Talks between Turkey and the IMF continued alongside the November summit of the G20 major developed and developing countries. Regular media reports since then suggest that a deal is near. For example, on 21 November, the *Financial Times* said a deal was close, although its structure, terms and the amount of funding it would involve had yet to be decided.²²⁹ Recent estimates suggest that a package might be worth \$20 billion, or somewhere between \$20 billion and \$40 billion according to Turkey's Prime Minister.²³⁰ As regards timing, the Prime Minister has said an agreement could be reached by the end of the year, although there is some speculation that the Turkish Government could wait until early 2009 "so that the first three-month assessment of adherence to the programme's conditions would fall after the elections."²³¹

²²⁰ 'Business urges Istanbul to strike IMF deal', *Financial Times*, 18 October 2008, p9

²²¹ ["IMF may need to "print money" as crisis spreads"](#), *Telegraph.co.uk*, 28 October 2008

²²² 'Protests over global recession', *The Observer*, 30 November 2008, p40

²²³ "Turkish lira, bonds firmer ahead of inflation", *Reuters News* (via Factiva), 3 December 2008

²²⁴ 'Turkish politicians argue over need for IMF help as crunch bites', *Financial Times*, 28 October 2008, p12

²²⁵ 'Sabanci prepares for weak Turkish growth', *Financial Times*, 31 October 2008, p17

²²⁶ 'The worrying Tayyip Erdogan', *The Economist*, 27 November 2008

²²⁷ 'IMF talks may progress at G-20 summit', *Turkish Daily News (Hurriyet)*, 10 November 2008 (via Factiva)

²²⁸ 'Ankara hopeful on IMF deal', *Financial Times*, 21 November 2008, p3

²²⁹ *ibid.*

²³⁰ *ibid.*, 'Turkey closes on \$40bn IMF safety valve to aid its battle against crisis', *The Times*, 21 November 2008, p63, and ["IMF stand-by not needed, says PM"](#), *Hurriyet*, 1 November 2008, citing a Merrill Lynch report.

²³¹ ["Turkey 'set to sign IMF accord'"](#), *Financial Times (FT.com)*, 4 December 2008

It has been reported that the IMF wants any package to be based on estimates of growth of 2% in 2009 (which compares with the IMF's own October 2008 GDP growth forecast of 3%), rather than the Turkish Government's target rate of 4%, which of course has "implications for revenue projections, and for infrastructure and local spending."²³² Reportedly, the level of spending for local administrations has emerged as a major difference preventing an IMF deal.²³³ There are also reports that the IMF is looking for Turkey to increase VAT rates, although the Prime Minister has said that they will remain the same.²³⁴

It has also been noted that the IMF, with a total of \$250 billion available to lend, could find itself short of funds if a large economy such as Turkey were to run into problems stemming from the financial crisis.²³⁵ This has prompted the British Prime Minister, Gordon Brown, to attempt to secure additional funds for the IMF from China and the Middle East states.²³⁶

VII Relations with the EU

A. The EU debates over Turkish accession

1. Introduction

The EU's interests in Turkey are multi-faceted. Geographically, Turkey's proximity to the Balkans, Caucasus, Central Asia, the Middle East and eastern Mediterranean make it of strategic interest to the EU. Accession would extend the EU's borders to the edge of a number of unstable regions. Iran, Iraq and Syria would become the EU's new neighbours, which could have a range of implications for EU foreign policy and strategy, including migration issues. As a member of the EU Turkey would be the second-biggest Member State in terms of population, smaller only than Germany. In 2004 the European Commission highlighted Turkey's importance in the areas of energy, economics, demographics, religion and politics, noting for example that Turkey's neighbours provide key energy supplies for Europe, and it has substantial water resources. The Commission stated that as a Muslim secular country with a functioning democracy, Turkey is a factor for stability in the region, and through its integration in the western alliance, and membership of many economic and regional organisations, it contributes to the security of Europe and its neighbourhood.²³⁷

Turkey's strategic importance to the EU in the areas of conflict prevention and resolution and regional security in the Southern Caucasus and Middle East, energy security,

²³² 'Ankara hopeful on IMF deal', *Financial Times*, 21 November 2008, p3

²³³ "[Turkey disagrees with IMF, further talks to be held during G20](#)", *Hurriyet*, 8 November 2008

²³⁴ "PM Erdogan says Turkey working on IMF demands", *Reuters News* (via Factiva), 4 December 2008

²³⁵ Will Hutton, "This week, our leaders have a chance to make the world anew", *The Observer*, 9 November 2008, p36

²³⁶ "Brown flies to Gulf in quest for petrodollars", *Financial Times*, 1 November 2008, p2

²³⁷ European Commission, *Issues Arising From Turkey's Membership Perspective*, COM(2004) 656 final, 2004

economics and immigration has increased further since then and is discussed in this section.²³⁸

It must be remembered, though, that there is no such thing as a ‘European’ debate on Turkey – only a series of national ones. And whilst the EU institutions and many Member States are officially supportive of EU accession, there are also two types of opposition to Turkish accession: one based on how Turkey might affect the future identity of Europe, institutionally and culturally, and the other on instrumental arguments against Turkey, for example in the economic sphere. Islam and migration are two of the biggest popular fears in Europe and both are relevant to debates on Turkey. Furthermore, even pro-Europeans are not feeling comfortable about the EU’s future identity in the wake of the Constitution/Lisbon Treaty row: there is a sense of lack of direction, of need for internal reform and need for a unified front on global issues, which together make it harder to contemplate any further enlargement.

2. Turkey’s regional and international role

Turkey’s growing regional and international role²³⁹ is of great interest to the EU, which sees this as a potentially valuable addition to its range of power and influence. According to Foreign Minister Ali Babacan, Turkey can provide a more stable neighbourhood for the EU through inter-cultural dialogue,²⁴⁰ and İhsan Dağı suggests that Turkey’s EU accession process “brings Europe ever closer to the Middle East and carries the Middle East into Europe”.²⁴¹ In a similar vein, Michael Emerson and Nathalie Tocci of the Centre for European Policy Studies conclude that

[a] democratising Turkey would be the bridgehead of a modern, multi-cultural Europe right up to an alongside the ideological chaos and violence of the neighbourhood beyond. Its civilian, military and human resources could be integrated with those of the EU and serve as a spearhead of the EU’s soft and no-so-soft power projection into the region.²⁴²

The importance of Turkey’s military to NATO and the EU is discussed above.²⁴³

3. Energy security

Turkey is using energy security as a trump card in its relations with the EU. Although it has to import 70% of its energy needs, it is close to over 70% of the world’s verified gas and oil reserves and it sits on major routes between supplier countries and markets.²⁴⁴

²³⁸ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, p2

²³⁹ See pp36-38 above

²⁴⁰ Comments to a Wilton Park conference, *Turkey’s accession process to the European Union*, 31 March-3 April 2008

²⁴¹ İhsan Dağı, ‘Editor’s Note’, *Insight Turkey* vol 10 no 2 2008

²⁴² Michael Emerson and Nathalie Tocci, *The European transformation of Turkey*, Centre for European Policy Studies, p64

²⁴³ See pp45-46

²⁴⁴ John Roberts, ‘The Turkish Gate: Energy Transit and Security Issues’, *Centre for European Policy Studies EU-Turkey Working Papers* no. 11, October 2004

A major oil pipeline has been built between Baku in Azerbaijan and Ceyhan, a Turkish Mediterranean port, and 10% of cross-border trade in oil goes through Turkey, so Turkey's responsibility for keeping the pipeline secure is large and would grow further if and when Iraq becomes safe again. However, as there are many routes for getting oil to the market, oil is perhaps not a critical issue for the EU's energy security.

Turkey is urgently needed as a new route for getting gas from the Caspian to Europe. Europe's own gas supplies are falling, and even if demand is cut an increased supply is likely to be required. The Middle East, Russia and North Africa are unlikely to increase gas production for export in the short to medium term, leaving the Caspian as the main source. The Russian monopoly, Gazprom, imposes a large increase in price for oil transported from the Caspian through Russia, and Turkey is an obvious contender for an alternative route.²⁴⁵

Turkey is therefore hoping to use the planned Nabucco pipeline project – one of the EU's highest energy security priorities²⁴⁶ – to maximise its regional importance. Unlike the rival project, the South Stream pipeline, which would simply redirect the existing flow from Russia to Europe, Nabucco would bring new production from the Caspian region (and possibly further afield)²⁴⁷ on line. It would run through Turkey, Bulgaria, Romania, Hungary and Austria. The Turkish authorities have repeatedly confirmed their commitment to the project, and are working on an inter-governmental agreement with partner countries with a view to bringing the pipeline into operation as early as possible; planning and design are expected to be finalised in early 2010.²⁴⁸

It is in both Turkey's and Europe's interests to bring Nabucco through Turkey, but this requires both parties to move together to overcome some obstacles. On the one hand, Turkey does not want to sign up to the [Energy Community Treaty](#) between the EU and countries of south-eastern Europe (it is currently only an observer), largely because of disputes over the 'energy hub' concept. Most of the partners in the Nabucco consortium want to establish it as an open-access transit pipeline, predicated on the idea that multiple suppliers and consumers will be involved, with standard tariffs relating to carrying costs rather than levies of the transit countries. But Turkey does not want to be just a 'transit state', receiving a fee for its section of the pipeline: instead it wants to be an 'energy hub', a central market place receiving gas from the regional suppliers at one price and selling it on to end-consumers at a higher price. Some consider this demand to be jeopardising the financial feasibility of the Nabucco project.²⁴⁹

On the other hand, although France wanted to open the energy chapter with Turkey during its presidency of the EU, Cyprus has apparently blocked this proposal because it sees this as giving Turkey excessive leverage in the accession process.²⁵⁰

²⁴⁵ Wilton Park conference, *Turkey's accession process to the European Union*, 31 March-3 April 2008

²⁴⁶ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, p5

²⁴⁷ See Dr Gareth M Winrow, 'Turkey and EU energy strategy', in Adam Hug (ed), [Turkey in Europe: The economic case for Turkish membership of the European Union](#) (Foreign Policy Centre), November 2008

²⁴⁸ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p64

²⁴⁹ 'Turkey's gas request blocks Nabucco, says Hungary', *Turkish Daily News* 4 October 2008

²⁵⁰ Simon Taylor, 'Cyprus blocks French plans for energy talks with Turkey', *European Voice* 5 June 2008

The Nabucco issue may evaporate if the South Stream proposal goes ahead before it. Both are scheduled to come on stream in 2013, but the South Stream has recently gained a boost from a finalised agreement for Greece's participation. Some maintain that the two pipelines are not mutually exclusive, but others are sceptical about whether enough gas is being produced to fill both pipelines.²⁵¹

4. The economic effect of EU membership²⁵²

Turkey's economy is already closely linked to the EU through the customs union between the parties, which came into effect in 1996. This covers most goods, although some agricultural products are excluded. The EU is Turkey's largest trade partner, accounting for 47% of trade in 2007 (with 56% of its exports going to the EU and 41% of its imports coming from EU countries).²⁵³

Given the level of integration achieved since the customs union was established, the economic impact of future EU accession is likely to be less than would otherwise be the case. However, accession would see all of the EU's internal market rules fully applied to Turkey, covering services, investment and procurement, for example, rather than only those rules governing goods trade as at present.

The Business and Enterprise Committee's June 2008 report on Turkey and the EU looked at the economic impact of Turkish accession in detail. In its evidence to their inquiry, the Department for Business, Enterprise and Regulatory Reform (BERR) saw that "direct net economic benefits would be positive but asymmetric", with Turkey benefiting proportionately more than the EU.²⁵⁴ BERR also acknowledged that the unclear timescale for Turkish accession made economic predictions difficult.²⁵⁵ It suggested that the key economic effects of accession would be to:

- increase the size of the EU internal market and [...] enable further trade integration through the removal of trade restrictions [and] the abolition of customs controls and some other technical barriers to trade.²⁵⁶
- increase the population of the EU's internal market, increasing the number of customers for EU firms and offering economies of scale and gains from competition.²⁵⁷
- benefit EU consumers through cheaper imports.²⁵⁸

The Business and Enterprise Committee argued that, overall, the economic impact of Turkish accession "depends on many factors, including the relative economic progress of Turkey vis-à-vis the EU, and how freedom of labour movement is dealt with in and after final agreement. The greater the prospects of continued growth in Turkey, the greater—

²⁵¹ Toby Vogel, 'Will south Stream push the EU off course?', *European Voice* 30 April 2008

²⁵² By Ian Townsend, Economic Policy and Statistics Section

²⁵³ European Commission DG Trade, [Trade with Turkey statistics](#), 5 Aug 2008

²⁵⁴ Business and Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#) (7th report of Session 2007-08), Ev 49 (BERR) summary para 3 (see also [evidence volume](#) and [Government response](#))

²⁵⁵ *Ibid* Ev 51 (BERR) para 3

²⁵⁶ *Ibid* Ev 49 (BERR) summary para 5

²⁵⁷ *Ibid* Ev 50 (BERR) para 1

²⁵⁸ *Ibid* Ev 56 (BERR) para 25

and more apparent—will be the benefits of Turkish membership, and indeed, the lower the likelihood of significant migration from Turkey.”²⁵⁹

The economic case for Turkish membership of the EU was also discussed in a Foreign Policy Centre pamphlet published in November 2008.²⁶⁰

5. Population movements and border security

Fears of a mass influx of Turkish immigrants colour the accession negotiations. Turkey, whose population is currently about 74 million and growing,²⁶¹ is known as a country of emigration: from the early 1960s and well into the 1970s, large numbers of Turkish nationals migrated to western European countries, particularly West Germany. This emigration continued into recent times through family reunification schemes, the EU-Turkey Association Agreement and claiming asylum. Recently, Turkey has also become known as a country of transit to the European Union for irregular migrants from former Soviet Bloc countries and Asian countries such as Afghanistan, Bangladesh, Iraq, Iran, and Pakistan. According to the European Parliament’s Foreign Affairs Committee, one of the main immigration routes to Europe from the broader Middle East and South Asia passes through Turkish territory.²⁶²

There are many claims that Turkish immigrants are failing to integrate, exacerbated by the cultural importance of personal connections in Turkish society and the existence of Turkish media channels in the EU. But both Turkey and host countries are now beginning to recognise the importance of integration, and changing patterns of migration, which no longer show a prevalence of chain migration, make ghettoisation less likely.

On the other hand, the main countries of emigration from Turkey are now not Europe but Saudi Arabia and Russia: in 2006, the Middle East and the Commonwealth of Independent States made up about 95% of temporary migration from Turkey.²⁶³ The number of people emigrating from Turkey is likely to be smaller if Turkey’s economy continues to grow. Furthermore, the fast-changing demographics of Turkey (hard as they are to predict) suggest that the working-age group is shrinking and within that the average age is becoming older, again making emigration less likely.

Turkey may even become a country of immigration rather than emigration. After a period of almost no officially-sanctioned immigration, movement into Turkey is again increasing and diversifying, though the new Settlement Law of 2006 (replacing one from 1934) is still limited. The number of residence permits granted in Turkey increased by almost one third to reach more than 186,000 in 2006, mainly due to permits granted on grounds other than work and study, including family migration.²⁶⁴ Turkey has a liberal visa policy, and is for instance the only Western country to which Iranians can easily travel, but this

²⁵⁹ Business & Enterprise Committee, *op. cit.*, para 106. For more information, please see the [Committee's report](#).

²⁶⁰ Adam Hug (ed), [Turkey in Europe: The economic case for Turkish membership of the European Union](#) (Foreign Policy Centre), November 2008

²⁶¹ World Bank, *World Development Indicators* database, 2008

²⁶² European Parliament Committee on Foreign Affairs, [Report on Turkey's 2007 progress report](#), 25 April 2008, para. 49

²⁶³ OECD, [International Migration Outlook: SOPEMI – 2008 edition: Turkey](#)

²⁶⁴ OECD, [International Migration Outlook 2008: Turkey](#)

will have to be significantly tightened if Turkey is to adopt the Schengen visa system. It is also possible that many of the Turks currently living in Europe may return to Turkey, or follow the pattern of shuttle or circular migration which is increasingly prevalent worldwide.

Mixed views about the likely level of labour migration from Turkey to the EU after accession were presented to the Business and Enterprise Committee of the House of Commons. One witness suggested that even high levels of growth probably would not be sufficient to fulfil the aspirations of all “young Turks”; another suggested that migration could be the single biggest economic benefit to the EU. The Government told the Committee that it would be premature to attempt to assess the impact of Turkish accession on the UK labour market. In any case, the Committee was told that a seven-year transitional restriction on labour migration, similar to those imposed on Bulgaria and Romania on accession, and perhaps even ten-year safeguards, would be accepted as part of any eventual agreement for Turkey.²⁶⁵

Illegal immigration is a big issue for Turkey, which is a transit country for the trafficking and smuggling of people to the EU particularly via maritime routes (for example to the Greek islands). Increasing numbers of people are claiming asylum in Turkey (3,541 in 2006, growing by 65% to 5,846 in 2007).²⁶⁶ The EU is keen to use Turkey to protect ‘fortress Europe’, and is putting pressure on it to sign measures on illegal immigration, asylum and trafficking, though progress is slow. Turkey has not pursued the negotiations on a readmission agreement with the EU since December 2006, and has not signed the Council of Europe Convention against trafficking in human beings.²⁶⁷ Twinning projects are helping Turkey to establish a border security unit separate from the police who currently have responsibility for immigration control.

Turkey is also a major transit country for drug-trafficking into Europe, particularly heroin, though efforts to tackle this trade are improving. Synthetic drugs including ecstasy are trafficked into Turkey for local markets but amphetamines are also produced inside Turkey and exported.²⁶⁸ Turkey is a party to all significant international agreements against drug trafficking, and also has bilateral agreements with a large number of countries and international organisations. It has adopted a national strategy and action plan in line with the EU drug strategy and EU drug action plan. According to the UN Office on Drugs and Crime’s *2008 World Drug Report*, Turkey’s seizures of heroin in 2006 were second only to those of Iran and made up 18% of global heroin seizures.²⁶⁹ Most of the opiates (heroin, morphine and opium) from Afghanistan destined for Western Europe continue to be trafficked via Pakistan, Iran, Turkey and the Balkan countries, but improvements in border control between Turkey and Bulgaria are thought to have triggered a shift towards the Northern Black Sea route.²⁷⁰

²⁶⁵ House of Commons Business and Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#), 7th report of 2007-08, HC 367, paras 17-20

²⁶⁶ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p72

²⁶⁷ *Ibid* pp71-72

²⁶⁸ UN Office on Drugs and Crime, [2008 World Drug Report](#) p133 ff

²⁶⁹ *Ibid* p45

²⁷⁰ *Ibid* p48

B. Public attitudes

Public opinion in both Turkey and the EU is playing a more important role in the case of Turkish accession than it has in other enlargements. Ambassador Oğuz Demiralp, Turkey's Secretary General for EU Affairs, has described civil society dialogue as being as important as the official negotiations, in order to promote the image not only of Turkey in the EU but also the image of the EU in Turkey.

1. In Turkey

For the time being public opinion in Turkey still (just) appears to support the goal of EU membership. Initially, when Turkey started to move towards the EU, foreign policy was barely discussed by the public, and the decision to apply for full membership was hardly publicised by the press. When the Copenhagen criteria were put in front of Turkey, the media pushed governments to meet them and hailed every step forward, leading to a big upsurge of positive feeling towards the EU. But since 2004 there has been a serious decline in Turkish public support for EU membership, though this now appears to have halted (and, interestingly, support from young people for EU membership increased slightly from 67% in 2004 to 70% in 2007). A poll by the Open Society Institute in Istanbul showed support up from 51% before the July 2007 elections to 56% at the end of 2007²⁷¹ (though in 2004 it had been around 75%). Eurobarometer's most recent poll, from spring 2008, suggested that the ratio of those stating that membership would be a "good thing" seems to have stopped its decline and stabilized at around 49%. A higher proportion of the Turkish public, 58%, indicated that becoming a member of the EU would benefit Turkey (though this figure was 82% in spring 2007). The overall "image of the EU" was positive for 49% (48% in spring 2007) of the Turkish public. Those who thought that becoming a member of the EU would be a bad thing predominantly gave no specific policy reason but considered that overall they were against the EU (30%).²⁷² The Turkish Foreign Minister, Ali Babacan, considers that even 50% support is enough for Turkey to continue its reforms.²⁷³

Domestic political issues, including the tensions between the military and the Government, the constitutional crises of the 2007 elections and the court case against the AK Party,²⁷⁴ have diverted attention away from EU accession. Many Turkish supporters of accession have been frustrated by the change of focus, and have claimed that it has emboldened those opposed to Turkish membership, who welcome any opportunity to further delay Turkey's bid. But other observers argue that being displaced from Europe's immediate gaze by other problems has provided both the EU and Turkey with time for reflection at a point where increasingly fractious relations risked de-railing the whole accession process.²⁷⁵

²⁷¹ Kirsty Hughes, 'Losing interest in the EU?', *European Voice* 17-23 January 2008

²⁷² Eurobarometer, [Turkey](#), spring 2008

²⁷³ Comments to Wilton Park conference, *Turkey's accession process to the European Union*, 31 March – 3 April 2008

²⁷⁴ See pp12-18 above

²⁷⁵ See for example Katinka Barysch, 'The EU and Turkey: Drifting Apart', *Centre for European Reform* October 2007

However, within Turkey there is concern that its currently lukewarm relations with the EU could engender dislocation, disinterest and eventually disengagement from the whole process. Many Turks are sceptical of the EU's ultimate commitment to Turkey and increasing nationalist sentiment over the difficult and extensive reforms required by the EU have led many Turks to lose faith in the goal of EU membership. Moreover, many Turkish people resent the insistence of some EU countries that Turkey should accept the Armenian massacres as unilaterally committed genocide, and demands for Turkey to open its border with Armenia without also addressing the Armenian occupation of Azeri territory.²⁷⁶ The loss of support is also linked to their perceptions of the stance taken by France and Germany on Turkish accession and also to feelings that the Cyprus issue has been exploited. They feel that the main reason Turkey is not welcome in Europe is not political but religious or cultural.

Strategies mooted for reversing the decline in support include publicising the thousands of EU-funded projects in Turkey which already show the concrete benefits of EU accession; putting negative voices in Europe into perspective; and correcting misinformation such as the idea that the freezing of eight chapters has suspended all accession negotiations. In a step towards this, the EU has established a network of EU Information Centres in 13 Turkish cities. The Ankara centre receives 15 to 20 questions a day from members of the public, most of which are factual: about educational, business or job opportunities, or EU funding for projects.²⁷⁷

Istanbul's year as one of the three European Capitals of Culture in 2010 (along with the German city of Essen, representing the Ruhrgebiet region, and the Hungarian city of Pécs) may emphasise Turkey's place as part of Europe and provide opportunities for better understanding on both sides. Working with Turkish groups, for example through twinning projects, is increasing and can have a major impact.

2. In the EU

Whilst most EU Members States' governments support (or at least do not oppose) Turkish accession, public opinion varies widely and tends to be less positive. For instance, in Austria, support for Turkey's membership is only 7% and in Germany it is 16%. John Redmond summarised the official views of EU Member States and institutions and those of the public towards Turkish membership in 2007, concluding that the general outlook was not encouraging:

To summarize: the lack of any strong supporter (other than Britain) and the opposition of France and Germany make full Turkish membership an unlikely prospect in the immediate future. Nor can the Turks take much encouragement from the stances of the EU institutions. To the hostility of the EU's Council of Ministers (implied by the above analysis of national governments' positions) should be added that of the European Parliament, which has repeatedly condemned Turkey for human rights violations and related issues, and the longstanding scepticism felt in the Commission about the feasibility of Turkish accession. As for popular opinion in the EU, if referendums on Turkish accession were held in all 27 member states, a vote in favour of Turkey joining could not be

²⁷⁶ See pp40-41 above

²⁷⁷ Wilton Park conference, *Turkey's accession process to the European Union*, 31 March – 3 April 2008

anticipated with any confidence anywhere: not even in Britain, its most consistent supporter at government level.

The most likely outcome would be a very clear majority of member states not in favour of Turkish membership. Much of the general public simply see Turkey as too big, too poor, too far away and too Islamic.²⁷⁸

According to Eurobarometer polls, public support for Turkish accession across Europe has remained stable albeit at a low level: 30% in 2000, 28% in 2006 and 31% in 2008. This gives Turkish EU membership the lowest level of support of all the potential members. Attitudes are less negative (45% support) when respondents are asked whether they would support Turkey's membership when and if she were to satisfy all membership requirements. But the figures for opposition to accession are striking: 47% in 2000 rising to 59% in 2006.

Looking at the individual Member States, the UK is one of the strongest supporters of Turkey's bid for EU membership. The Foreign Secretary David Miliband stated in September 2007 that the EU "needs, as a clear goal, the inclusion of Turkey as a full member". The Government's enthusiasm for enlargement is shared by the Conservatives. Speaking at Chatham House in January 2007, William Hague, Shadow Foreign Secretary, stated that:

As for the EU, its widening to include twenty-seven members is a truly historic achievement, with enormously beneficial results for the security and prosperity of the whole continent. That widening should continue in the future, with countries of the Balkans, Turkey and even the Ukraine in mind.²⁷⁹

On 23 October 2007 the British Government issued details of a new Strategic Partnership with Turkey, part of which includes assisting Turkey on the path to EU membership:

Close dialogue and co-operation in support of Turkey's preparations for EU accession. We shall hold regular consultations between our Foreign Ministries on Turkey's accession process and wider developments within the EU, backed up by periodic review at Foreign Minister level.

Advice on the negotiating process. Assistance and co-ordination in troubleshooting on individual chapters where further cooperation is needed. Help with continued compliance with the political criteria, including through resumption of our human rights dialogue.

Joint work on promoting Turkey in Europe, improving the understanding in governments, the public and the media of the strategic importance of Turkey's accession bid, and demonstrating that Turkey is capable of and prepared to take the bold reforms necessary for accession. Further EU-Turkey networking and relationship-development projects such as the Bosphorus Conference. A public diplomacy campaign to give improved visibility to Turkey's contributions to the EU in e.g. the field of CFSP.

²⁷⁸ John Redmond, ['Turkey and the European Union: troubled Europe or European trouble?'](#), *International Affairs* vol 83 no 2, March 2007, 305 at 309

²⁷⁹ William Hague, ['Thinking ahead: The foreign policy of the next Conservative government'](#), 31 January 2007

More - and more strategic - EU Twinning and bilateral projects to help Turkey fulfil the priorities in its Accession Partnership and reinforce its administrative capacity to assume the obligations of membership. Help to ensure the effective use of IPA funds. More work on political reform and human rights, through Whitehall visits and exchanges. English language training for officials working on Accession issues. Use of the Foreign Office Global Opportunities Fund - Reuniting Europe project budget, and greater involvement in the Commission's Civil Society Dialogue (e.g. through city twinning, university and NGO links).²⁸⁰

The UK's then Minister for Europe, Jim Murphy, told a Wilton Park conference on Turkey and the EU in April 2008 that the UK is and will remain a consistent advocate of Turkey's EU accession, recalling the divisions and suspicions that surrounded the UK's own accession to the EU. However, he also warned that if the UK is to maintain its support, Turkey must maintain the momentum of its reforms. His support appeared to be based on regional and international issues, suggesting on the one hand that Turkey could not afford to go it alone and should instead join alliances against new threats and for new opportunities, and on the other hand that Turkey's relations with the Islamic world would significantly benefit the EU's efforts to take a more active role in the world, and that the fields of security and energy security in particular would be strengthened by Turkey's accession.

The House of Commons Business and Enterprise Committee recently suggested that the UK's strong support for Turkey's EU membership should give it a competitive advantage over European competitors, and recommended that the UK should strive for a greater market share in Turkey in advance of accession and further economic reform.²⁸¹

However, for some observers in the EU, British support has been allegedly based (to some extent) on the view that Turkish accession will impede further EU integration. Furthermore, Britain's echoing of US policy (which favours Turkey's EU membership on security grounds) is seen as a reminder of longstanding concerns about where British loyalties really lie.²⁸²

The British Government's enthusiasm for enlargement generally is in contrast to public opinion. A *Financial Times* poll in December 2007 found that 47% of Britons believe migration by workers within the EU has been negative for the economy, almost double the 24% of people who hold the same view in Spain.²⁸³ But a poll carried out for the European Commission in May-June 2005 had suggested that in Britain a relative majority was in favour of Turkish accession, with 45% for and 37% against. This contrasted with some other countries where opposition ran as high as 80%.²⁸⁴

In other Member States, support is weaker or non-existent. Germany has historically been friendly with Turkey, and the two countries still have close ties. Trade between them is strong, many German tourists and pensioners go to Turkey, and the Turkish

²⁸⁰ Foreign and Commonwealth Office press release, [Turkey UK Strategic Partnership 2007/08](#), 25 October 2007

²⁸¹ House of Commons Business and Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#), 7th report of 2007-08, HC 367, para. 108

²⁸² John Redmond, 'Turkey and the European Union: troubled European or European trouble?', *International Affairs* vol 83 no 2, March 2007, 305 at 308-9

²⁸³ 'Hostile UK fails to see benefits of migration', *Financial Times*, 19 December 2007

community in Germany is over 2.5 million, one third of whom have acquired German citizenship and can vote. But Germany is not a strong advocate of Turkish accession, and public opinion is clearly negative: only 16% of Germans support it, and in Bavaria the opposition is even stronger. Former Chancellor Kohl viewed the EU as a Christian club, strengthening the perception that Turkey did not 'belong', and this was enhanced by the view that Turks in Germany refused to integrate and learn the language (though this may have been as much the fault of the host country as of the immigrants). Such an attitude reflects Germany's consciousness of its own role in the European project and its assessment that Turkey would have a big impact on that project. However, Germany does not question the accession process in itself, and continues to give low-key official support. If the Treaty of Lisbon comes into force and the cost impact of accession is reduced through, for example, reform of the Common Agricultural Policy, Germany's concerns about EU institutions might be addressed; and a new integration policy may ease concerns in that quarter.

Austrian public support for Turkish accession is the lowest in the EU, at 7%. Its reasons are similar to Germany's, with the addition of historic prejudices. Negative stories get disproportionate publicity: for example cases of Turkish girls not being allowed to do gymnastics, or male doctors not being allowed to treat female Turkish patients. Since 2004 all major political parties have opposed accession, and a referendum on the issue has been promised (though not by a constitutional change).

But it is France's opposition which is currently seen as "the greatest political barrier in the EU to Turkish accession".²⁸⁵ France and Turkey had a long friendship going back to the Ottoman Empire, and Presidents Mitterand and (initially) Chirac supported Turkey's accession, but in 2004 Chirac joined other European countries in reversing his support. He introduced an amendment to the Constitution to require a referendum on future accessions, which was widely seen as an anti-Turkey move. Comments during the 2007 French presidential elections that Turkey should not join the EU were aimed at a domestic audience but heard loud and clear by Turkey. Nicolas Sarkozy was elected on a firm promise to stop enlargement, a position from which he has not retreated since his election. He took forward the constitutional amendment requiring treaties to approve new members of the European Union to be submitted for a referendum unless they win a three-fifths majority in parliament, which was finally passed on 21 July 2008.²⁸⁶

France's objections to Turkish accession may be less about Turkey than about its own internal difficulties with its (Arab) Muslim population being projected onto Turkey. But further reasons include the perceived drain on agricultural subsidies (of which the largest part currently goes to France) resulting from Turkish accession, and the fact that Turkish communities in France are not perceived to be well integrated. There is also strong enlargement fatigue in France, with many people seeing no benefits in further enlargement and thinking that the EU is not working as they would like it to. There has been little debate of substance on Turkey, but 2009 will be the 'Year of Turkey' in France which may provide an opportunity to redress this.

President Sarkozy's proposal for a group of 'wise men' to discuss the future of Europe was widely seen as an anti-Turkey idea. His original plan was not well-received by other

²⁸⁴ Anthony Browne, 'Most want Turkey to stay out of the EU, poll shows', *Times*, 19 July 2005

²⁸⁵ House of Commons Business and Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#), 7th report of 2007-08, HC 367, para. 34

²⁸⁶ Adam Sage, 'Sarkozy snatches reforms victory by a single vote', *The Times*, 22 July 2008

Member States, and the independent commission which grew out of this proposal pointedly did not have the EU's geographical borders in its remit. Revised proposals for a Union for the Mediterranean, which seem to aim at little more than revitalising and extending the existing Barcelona (Euro-Mediterranean) Process, were approved in principle at the European Council of 13-14 March 2008 and discussed at a summit in Paris on 13 July 2008. Spain, France and Italy have all declared that these proposals are not an alternative to Turkey's accession, perhaps because they recognise that such a union would have no future without Turkey. Turkey, which attended the summit, is quite clear that it will not accept this as an alternative to accession.²⁸⁷

Big business in the EU could benefit from Turkish accession, but on the whole it neither defends nor promotes Turkey's image. There are some exceptions, though, such as the Turkey Institute which was founded in the Netherlands in 2007 to change the image of Turkey in education and business and is fully sponsored by Dutch companies which invest in Turkey.

C. Early agreements

Turkey's desire to be part of the 'European project' is longstanding. Following the creation of the Turkish Republic in 1923, the Turkish Government took every opportunity to align itself with European states, joining the central post-war western organisations such as the Council of Europe, the OECD, the OSCE and NATO.

In July 1959, shortly after the creation of the European Economic Community (EEC) in 1958, Turkey made its first application to join the new Community. The EEC's response to Turkey's application in 1959 was to suggest the establishment of an 'association' until Turkey's circumstances permitted its accession. The ensuing negotiations resulted in the signature of an Association Agreement between Turkey and the Community (the 'Ankara Agreement') on 12 September 1963. This agreement, which entered into force on 1 December 1964, laid down objectives to bring about integration between the EEC and Turkey, such as the strengthening of trade and economic relations, the establishment of a customs union and the free movement of workers. But the timetable was not followed: the customs union, for example, was not established until 1995.

The 1963 Ankara Agreement was supplemented by an Additional Protocol signed in November 1970, which set out a timetable for the abolition of tariffs and quotas on goods circulating between Turkey and the EEC. The 1995 customs union agreement covers most industrial products and processed agricultural goods, and allows these to circulate free of tariffs between the EU and Turkey, as a result of which EU exports to Turkey have tripled to \$58 billion a year and Turkish exports to the EU quadrupled to \$48 billion a year.²⁸⁸

These early agreements linked Turkey's destiny to Europe, even though it was considerably poorer then than it is today. The military intervention in 1980 caused a temporary freeze in Turkish-EEC relations, but following the multiparty elections of 1983, relations were re-established and have gained steadily in importance for both sides since

²⁸⁷ See Library Standard Note SN/IA/4797, [The Union for the Mediterranean](#), 14 July 2008

²⁸⁸ House of Commons Business and Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#), 7th report of 2007-08, HC 367, para. 41

then. Turkey's progression towards EU membership is nevertheless still proving painfully slow.

D. Formal progress towards accession

1. 1999: candidate status granted

Turkey formally applied for membership of the EU in April 1987. In 1990 the European Council confirmed Turkey's eligibility for membership but deferred an in-depth analysis of its application. It was not until 1997 that Turkey was declared eligible to become a member, and in 1999 it was finally granted 'candidate country' status on an equal footing with other candidate countries, although the formal opening of accession negotiations would not come for another six years.

A group of European policy-makers (including former Heads of State and Government, Foreign Ministers and European Commissioners, and chaired by Martti Ahtisaari, the former President of Finland) formed an [Independent Commission](#) to examine the challenges and opportunities presented by Turkey's possible membership of the European Union. Their report, entitled *Turkey in Europe: More than a Promise?*, was published on 6 September 2004 and addressed the sometimes highly emotional arguments against Turkish membership of the European Union, in an attempt to contribute to a more objective and rational debate. The Independent Commission determined that Turkey had made great strides in political and judicial reforms, and warned that European interests and credibility could suffer unless the EU admitted it as a member. It concluded that:

- Turkey's membership would be unlikely to fundamentally change the EU and the functioning of its institutions;
- Turkey would be a candidate for considerable EU assistance, the amount depending on circumstances at the time of accession;
- Turkey had achieved more reform in just over two years than in the whole of the previous decade; ensuring full implementation of new legislation and sustaining the reform process were to a large degree dependent on maintaining the momentum of Turkey's accession process;
- The Turkish economy was still weak and suffered from imbalances, but had proved to be resilient and had great potential;
- Predicted migration flows would be modest and could be of benefit to the European economy;
- Turkish accession would strengthen the Union's capabilities as a foreign policy actor in regions vital to Europe's security;
- As one of NATO's strongest partners, Turkey would be of great value to the European defence system; and
- Turkey's geopolitical position made it an important factor for the security of Europe's energy supplies.

2. 2004: setbacks

2004 nevertheless marked a low point in the negotiations. New requirements suddenly appeared in that year's Commission progress report on Turkey,²⁸⁹ for example on 'absorption capacity'. The EU's argument was that these new requirements were the result of lessons learnt from the enlargement of May 2004: that there was no point opening a chapter unless the country was respecting its existing commitments, willing to negotiate and able to reform. When Turkey complained, the result was to extend the new requirements to all candidates: 'bench-marks' were introduced for opening negotiations and for provisional closure of chapters, so that the actual negotiations were on 'when' and 'how' rather than 'whether' reforms were going to happen.

3. 2005: accession negotiations started²⁹⁰

Prospects improved the following year, following a period of intense negotiation and a raft of legal reforms in Turkey which annulled the death penalty and liberalised many of its authoritarian laws. The Austrian government, which faces widespread domestic discontent over the possibility of Turkey becoming an EU member,²⁹¹ demanded that the EU consider the possibility of a 'privileged partnership' for Turkey as an alternative to full membership, but failed to find support for this position amongst the other Member States.

On 3 October 2005, during the UK Presidency, Member States agreed the Negotiating Framework for Turkish accession to the EU, clearing the way for full accession negotiations to begin in earnest. The first phase of these negotiations, the 'screening process' to ascertain the differences that exist between national legislation and the body of EU legislation and case-law known as the *acquis communautaire*, began later that month.

According to the 2005 [Negotiating Framework](#), Turkey's progress in each of the areas will be measured in particular against the following criteria.

- the Copenhagen criteria, which set down the following requirements for membership:
 - the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
 - the existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union;
 - the ability to take on the obligations of membership, including adherence to the aims of political economic and monetary union and the administrative capacity to effectively apply and implement the *acquis*;
- Turkey's unequivocal commitment to good neighbourly relations and its undertaking to resolve any outstanding border disputes in conformity with the principle of peaceful settlement of disputes in accordance with the United

²⁸⁹ European Commission, *Recommendation of the European Commission on Turkey's Progress towards accession and Issues Arising from Turkey's Membership Perspective*, October 2004

²⁹⁰ A fuller discussion of the position on Turkey's EU candidacy in 2005 is given in Library standard note SN/IA/3800, *Turkey and the European Union*, 15 November 2005.

²⁹¹ See p71 above

Nations Charter, including if necessary jurisdiction of the International Court of Justice;

- Turkey's continued support for efforts to achieve a comprehensive settlement of the Cyprus problem within the UN framework and in line with the principle on which the Union is founded, including steps to contribute to a favourable climate for a comprehensive settlement, and progress in the normalisation of bilateral relations between Turkey and all EU member states including the Republic of Cyprus
- the fulfilment of Turkey's obligations under the Association Agreement and its Additional Protocol extending the Association Agreement to all new EU Member states in particular those pertaining to the EU-Turkey customs union, as well as the implementation of the Accession Partnership, as regularly revised.

4. 2006: the Ankara Protocol dispute

By 13 October 2006 the screening process was completed. The next stage was for EU Member States to agree unanimously to open substantive negotiations on each individual 'chapter' of the *acquis*. It was at this point that Turkey's already thorny accession bid ran into new problems.

At various points during 2006 the Commission had expressed concern that internal reforms in Turkey had slowed, as well as raising concerns about restrictions on freedom of speech, which had been prompted by the prosecution of a number of high-profile Turks under Article 301 of the Penal Code for the vaguely-defined crime of 'insulting Turkishness'.²⁹²

Some Member States meanwhile raised another issue, namely Turkey's refusal to open its ports and airports to Greek-Cypriot ships and aircraft following Cyprus's accession to the EU. This is in breach of the EU customs union rules. The Turkish Government did sign the Protocol to the 1963 Ankara Agreement, which extends the customs union to Cyprus as a new EU member state, on 29 July 2005,²⁹³ but it was accompanied by an unequivocal declaration: Turkey announced that signature of the Protocol did not in any way amount to an implicit recognition of Cyprus. The declaration prompted anger from both France and Austria. The *Financial Times* quoted Dominique De Villepin, then French Prime Minister, as saying that, "[t]he EU accession process cannot start with a country that does not recognise each one of its members."²⁹⁴ The customs union provides that any conflict between Turkey and the EU should be taken to arbitration or the European Court of Justice, but throughout 2006 the Member States that opposed Turkey's membership aspirations had warned Turkey that they would use their vetoes to prevent negotiating 'chapters' being opened and closed if Turkey did not comply with the Protocol – a move that would effectively suspend negotiations.

The Commission's 2006 progress report on Turkey was critical, but stopped short of suspending talks. It called upon Turkey to continue to take action to address various concerns about the internal reform process, in particular the pace of reform, the use of

²⁹² See pp22-26 above

²⁹³ ['Turkey Signs Customs Union Additional Protocol'](#), *Delegation of the European Commission to Turkey Weekly Newsletter*, August 2005

²⁹⁴ 'Recognise Cyprus, de Villepin tells Turkey', *Financial Times*, 3 August 2005

Article 301, the continued repression of non-Muslim minorities and Kurds, and inadequate civilian control over the military.

On 29 November 2006, the Commission released details of a proposal for the December 2006 European Council Summit which aimed at avoiding a complete suspension of negotiations. Under the Commission's proposal, talks would instead be slowed down: eight of the negotiating chapters would be 'frozen' until progress on 'key issues' had been made. All eight chapters were said to have a connection to Turkey's refusal to implement the Ankara Protocol, and the freeze would be removed when the Commission decided that Turkey had fully and non-discriminatorily implemented the Protocol. The Commission hoped that if the Council adopted the plan it would send a message to Turkey that its failure to open its ports had consequences, while at the same time helping to avoid the complete derailment of talks by garnering supporting for the proposal from all Member States at the December summit.

Prior to the summit, press reports suggested that the UK had wanted no more than three chapters closed while other countries such as France and Germany had pushed for more than ten. Cyprus and Greece pushed for even stronger sanctions including a new deadline to review the ports issue in 12-18 months, a move that the Commission was keen to avoid. Cyprus had said it would oppose the compromise plan.

In the end, on 11 December 2006 the Council agreed to the Commission's proposals for a freeze on negotiation chapters. Under this agreement, until the Commission verifies that Turkey has fulfilled its commitments under the Ankara Protocol, no chapter will be provisionally closed, and the following eight chapters will not be opened: free movement of goods; agriculture and rural development; freedom to provide services; financial services; fisheries; transport; customs union; and external (economic/trade) relations.

Turkey views this as politically motivated, particularly in the choice of eight core chapters rather than just the one on free movement of goods. Prime Minister Erdoğan was reported to have said that the relationship between Turkey and the EU was "going through a serious test, despite all our efforts", and that "the European Union so far has not treated the issue of Cyprus fairly".²⁹⁵

The Republic of Cyprus is obstructing Turkey's moves towards the EU in other ways. It has been reported that Cyprus is blocking the French Presidency's plan to open the energy chapter because it is concerned that this would give Turkey a major bargaining chip at a sensitive time when the two sides are trying to find a solution for the island's future; and also that it is blocking an agreement on setting the criteria that Turkey has to fulfil in order to open negotiations on fundamental rights (Ankara insists that it should not be responsible for human rights in north Cyprus because there is an independent government there).²⁹⁶

5. 2008: Revised Accession Partnership document

The Accession Partnership document, which sets out the Commission's short-term priorities for reform in Turkey along with a few medium-term ones, was revised in

²⁹⁵ Associated Press, 19 December 2006

²⁹⁶ Simon Taylor, 'Cyprus blocks French plans for energy talks with Turkey', *European Voice* 5 June 2008

February 2008.²⁹⁷ Some of these reforms are specific (for example “Conclude urgently a readmission agreement with the EU”) but others are woolly and vague (for example “implement the national strategy on organised crime”; “strengthen the fight against organised crime, drugs, trafficking in persons, fraud, corruption and money-laundering”). There is a rather long list of short-term priorities including:

- Political dialogue
- Democracy and the rule of law
- Public administration, both central and local, and including an Ombudsman and a Court of Auditors
- Civilian oversight of the security forces
- Judicial interpretation, independence and efficiency
- Anti-corruption policy
- Human rights (promotion and enforcement; prevention of torture; access to justice, freedom of expression, assembly, association and religion; civil society organisations; women’s rights; children’s rights; labour rights and trade unions; anti-discrimination; minority rights; cultural rights and the protection of minorities)
- Situation in the east and south-east
- Internally displaced persons
- Cyprus
- Peaceful settlement of border disputes
- Economic criteria
- Specific measures to comply with each chapter of the *acquis*.

The medium-term priorities relate to “economic criteria and the ability to assume the obligations of membership”.

It is up to Turkey to decide when and how to implement these priorities. The importance of the document is that Turkey must be seen to make progress in doing so if it is to continue to receive EU funding from the pre-accession instruments.²⁹⁸

Turkey views the criteria and benchmarks as useful tools for maintaining the incentive to reform, though it is concerned that the opening and closing of chapters is determined not just by technical factors but by the political considerations of other Member States. It has therefore distanced its reform process from the technical aspect of opening and closing chapters, and introduced its own calendar for reform up to 2013. The [Turkish Foreign Ministry website](#) explains that its “Programme for Alignment with the EU Acquis 2007-2013” has been prepared entirely on Turkey’s own initiative, and is “a comprehensive road map which will serve as a guide for realising the reforms which our people need in their daily lives, as well as a to-do-list for our legislative efforts towards alignment with the EU acquis leading up to 2013”. The Turkish Grand National Assembly has an ‘EU Harmonization Commission’ to assist with the legislative harmonisation process.²⁹⁹

²⁹⁷ [Council Decision on the principles, priorities and conditions contained in the Accession Partnership with the Republic of Turkey and repealing Decision 2006/35/EC](#), 2008/157/EC, 18 February 2008

²⁹⁸ See pp78-80 below

²⁹⁹ [Draft National Programme for the Adoption of the Acquis \(NPAA\)](#), August 2008, p4

6. EU aid to Turkey³⁰⁰

In 2007, Turkey received \$797 million in Official Development Assistance (ODA) from all donors worldwide. Of the total ODA in 2007, \$709 million (90%) was from EU sources: \$546 million (68.5%) was disbursed by the European Commission, while 20.4% (\$163 million) was disbursed as bilateral aid by individual EU member states.³⁰¹

The vast majority of this ODA funding is EU aid to Turkey as a candidate country for accession. As the table below shows, some €1.5 billion was provided from 2004 to 2007, with a further €2.5 billion allocated from 2008 to 2011 (totalling €4.1 billion).³⁰² Prior to this, funding was around €177 million a year from 2000 to 2004.

Table 2

Turkey: EU pre-accession funding

	€, millions
2004	250
2005	300
2006	500
2007	497
2008	539
2009	566
2010	654
2011	789

Sources: see main text

From 2007 various EU pre-accession aid instruments for candidate and potential candidate countries were brought under a single Instrument for Pre-Accession Assistance (IPA). This funding is allocated based on European Commission 'Accession Partnership documents'. In Turkey's case, these highlight areas where Turkey "needs to harmonize with the EU norms and regulations and Turkish institutions prepare and implement projects to address these needs".³⁰³

There are five 'components' to the IPA.³⁰⁴ For 2007-2010 these are broken down as shown in the table opposite:

³⁰⁰ By Ian Townsend, Economic Policy and Statistics Section

³⁰¹ OECD, [DAC database](#), table 2a

³⁰² EU Delegation to Turkey [website](#); European Commission, "[Frequently asked questions on Instrument for Pre-Accession Assistance \(IPA\)](#)", 8 Nov 2006, & IPA [Multi-Annual Indicative Financial Framework 2009-2011](#), p5

³⁰³ EU Delegation to Turkey [website](#).

³⁰⁴ For further information on the planned allocation of IPA funding in 2007-2009, see Turkey's [Multi-annual indicative planning document](#) for that period.

Table 3

Turkey: EU assistance, 2007-2010

	€, millions	% of total
transition assistance and institution building	946.9	42%
cross-border cooperation	34.4	2%
regional development	762.1	34%
human resources development	222.1	10%
rural development	290.5	13%
TOTAL	2,256.0	

Source: HL Deb 16 Jan 2008 c268-9WA

A new Accession Partnership was agreed in February 2008, outlining priorities for the short term (one to two years) and medium term (three to four years), with economic issues appearing in both lists.³⁰⁵

In September 2008, the European Commission announced that strategic planning of financial support for the IPA in 2008-2010 was complete.³⁰⁶ Of the €4.5 billion that would be available to candidate and potential candidate countries for 2008-2010, €1.8 billion was allocated to Turkey.³⁰⁷ The Commission noted that:

EU assistance to Turkey focuses on support to the stability of institutions so as to guarantee fundamental rights and freedoms, democracy, the rule of law, human rights and the respect for and protection of minorities, and promotion of the EU-Turkey Civil Society Dialogue.

A [list of projects supported under the IPA](#) is available from the Commission website, as is the *Multi-Annual Indicative Planning Document (MIPD)* for Turkey for 2008-2010, which was adopted by the Commission in July 2008. In its accession progress report, the Commission also noted that Turkey also benefits from “a series of regional and horizontal programmes under IPA.”³⁰⁸ However, the Commission noted delays in the process of preparing IPA programme allocations in 2007 which put them at risk; it said that “Turkey needs to vigorously address remaining system weakness findings and to further improve the quality and efficiency of the project and programme cycles.”³⁰⁹

Proposals from the European Bank for Reconstruction and Development (EBRD), which was set up in 1991 originally to provide investment in former communist countries, to begin operations in Turkey received the unanimous support of its directors in October 2008.³¹⁰ Having applied in April 2008, Turkey will be the first non-communist country to receive investment from the Bank. The level of investment is expected to reach \$600 million by the end of 2010, which the *Financial Times* observed would make Turkey “one

³⁰⁵ [‘Council adopts a revised Accession Partnership with Turkey’](#), *Council of Ministers Release* 6614/08, 18 February 2008

³⁰⁶ [‘Commission adopts multi-annual planning of financial assistance to the Western Balkans and Turkey’](#), *EC press release*, 29 September 2008

³⁰⁷ European Commission, [Multi-Annual Indicative Financial Framework For 2010-2012](#), July 2008

³⁰⁸ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p5

³⁰⁹ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p6

³¹⁰ [‘Turkey to receive EBRD investments of \\$600 million by 2010’](#), *EBRD press release*, 28 October 2008

of the EBRD's largest countries of operation".³¹¹ The EBRD's investments would focus on five areas:

- Micro and small and medium sized enterprises: increasing the availability of risk capital and long-term financing, especially outside the main cities;
- Agribusiness: Supporting the agriculture sector with investments along the food chain;
- Municipal Environmental Services: Supporting the reform and the secure and efficient delivery of vital services via non-sovereign lending;
- Energy and Energy Efficiency: Enhancing market conditions and promote a sensible use of scarce resources;
- Privatisation: Supporting the country's reform programme through EBRD investments and expertise.³¹²

7. Latest position

In August 2008 Turkey published a new 410-page [draft National Programme for the Adoption of the Acquis](#) (NPAA).³¹³ Each EU candidate country prepares NPAA's to give details, timetables and costs for the fulfilment of each priority area of the *acquis* as defined in the Accession Partnership. Turkey's draft National Programme accepts the need for structural reforms to strengthen its capacity to "cope with competitiveness pressures within the Union and to eliminate possible risks in the area causing macroeconomic instability in the future".³¹⁴ It highlights labour market, social security, education, health, energy and transportation as the main areas for reform.

Turkey's ability to "take on the obligations of membership" is measured through its progress on alignment with the chapters of the *acquis communautaire*. However, its actual progress is not always obvious from the formal position. For instance, European Commission's 2008 progress report says that alignment is advanced in the following nine areas:

- free movement of goods
- intellectual property
- anti-trust [competition policy]
- energy
- enterprise and industrial policy
- consumer protection
- statistics
- Trans-European networks
- science and research.³¹⁵

From this list, the science and research chapter is provisionally closed (the only chapter to have reached this stage), and several others have been opened and negotiations

³¹¹ "EBRD set to fund Turkey", *Financial Times*, 28 October 2008

³¹² *ibid.* See also EBRD [Turkey homepage](#) and [factsheet](#).

³¹³ Republic of Turkey, [National Programme of Turkey for the Adoption of the EU Acquis \[Draft\]](#), August 2008

³¹⁴ *Ibid* p20

³¹⁵ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, p63

continue (intellectual property, statistics, enterprise and industrial policy, Trans-European networks, consumer and health protection). But three chapters on which good progress has been made do not even have opening benchmarks set (free movement of goods, competition policy, energy). Only the first of these is frozen as a result of the Ankara Protocol dispute. Conversely, some chapters which have been opened do not appear on the list of those with advanced alignment (company law, financial control).

Another factor is the informal 'political block' imposed by France on the opening of five other chapters that it deems central to Turkey's full membership (agriculture and rural development; economic and monetary policy; regional policy and structural instrument co-ordination; financial and budgetary provisions; and institutions). However, this negative attitude may be weakening in the light of its effects on French commercial interests in Turkey and a perceived 'softening' of France's tone in recent months.³¹⁶ France, during its current EU Presidency said that it planned to open another two or more chapters, possibly including energy,³¹⁷ but time for it to do so is running out as the Czech Republic takes over the Presidency from the start of 2009.

The box overleaf shows the formal position reached on each negotiating chapter, including those subject to the informal French block.

³¹⁶ House of Commons Business and Enterprise Committee, [Keeping the door wide open: Turkey and EU accession](#), 7th report of 2007-08, HC 367, para. 35

³¹⁷ Peter O'Donnell, 'Membership talks: too fast or too slow?', *European Voice* 17 July 2008

Technical progress in accession negotiations

Chapter opened and closed (provisionally)

Science and research

Chapters opened and still under negotiation

Company law

Intellectual property rights

Statistics

Enterprise and industrial policy

Trans-European networks

Consumer and health protection

Financial control

Chapters frozen since December 2006

Free movement of goods

Rights of establishment and freedom to provide services

Financial services

Agriculture and rural development

Fisheries

Transport policy

Customs union

External relations

Chapters subject to an informal French block

Agriculture and rural development (frozen)

Economic and monetary policy

Regional policy and structural instrument co-ordination

Financial and budgetary provisions

Institutions

Chapters for which the EU has set opening benchmarks

Free movement of goods (frozen)

Right of establishment and freedom to provide services (frozen)

Free movement of capital

Public procurement

Competition policy

Financial services (frozen)

Information society and media (benchmark report presented to Council 5 September 2008)

Agriculture and rural development (frozen; French informal block)

Food safety, veterinary and phytosanitary policy

Taxation

Social policy and employment

Environment

Customs union (frozen)

Chapters for which screening reports drafted but awaiting council approval

Free movement of workers

Fisheries (frozen)

Transport policy (frozen)

Energy (frozen)

Regional policy and coordination of structural instruments (French informal block)

Judiciary and fundamental rights

Justice, freedom and security

External relations (frozen)

Financial and budgetary provisions (French informal block)

Sources: European Voice 17 July 2008 and European Commission [overview of negotiations](#) 25 September 2008.

The European Commission's 2008 Progress Report on Turkey³¹⁸ also looks as usual at a wide range of issues, not just technical alignment with the *acquis*. Once again it presented a mixed view of Turkey's progress, though the *Financial Times* called the accession process "stalled", summarising the Commission's conclusions as "almost no substantive progress with reforms in the past year."³¹⁹

On political matters, the Commission considers that Turkey continues to fulfil the Copenhagen criteria sufficiently, but as well as some progress over the year it notes a number of serious concerns:

- the potential political crisis over the request to ban the AK Party was avoided, and the new President has worked positively in calling for further political reform and improving relations with Armenia, but a lack of dialogue between the main political parties slowed down the process of political reforms;
- there was some progress in the areas of freedom of expression, the rights of non-Muslim religious communities and promoting the economic development of the South-East; but the rules and practice on political parties, constitutional reform, freedom of expression, minority rights and women's rights still require particular attention;
- there was no progress in ensuring full civilian supervision of the military and parliamentary oversight of defence expenditure;
- work to prepare for judicial reform progressed but there were still concerns about the independence and impartiality of the judiciary and the quality of police and gendarmerie investigations;
- corruption remained widespread;
- there was no progress on normalising bilateral relations with the Republic of Cyprus or fully implementing the Ankara Protocol, but relations with Greece evolved positively.

On economic matters, the Commission noted that Turkey's economy has continued to perform relatively well, and macro-economic stability has been preserved in spite of a slower GDP growth, but the need for considerable external financing increases its vulnerability to external shocks.³²⁰ The Commission declared Turkey to be a 'functioning market economy' which it considered should be able to cope with market forces in the medium term if reform continues.

The Commission also noted that Turkey's economic interdependence with the EU had increased.³²¹ While the proportion of Turkey's goods exports going to the EU increased slightly, the share of goods imports from the EU fell by over two percentage points, mainly due to the rising import bill for energy which is generally not imported from EU

³¹⁸ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008

³¹⁹ A chill wind blows in but long term looks good, *Financial Times* ([Investing in Turkey survey](#)), 1 December 2008, p1 (also available as a [PDF file](#))

³²⁰ See pp56-61 above

³²¹ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, p6

countries.³²² The report also highlights that around two-thirds of total Foreign Direct Investment (FDI) inflows to Turkey in 2007 were from EU countries, though this was a fall from 82% in 2006, and was down to 53% in the first quarter of 2008.

In terms of progress on economic aspects of the accession process, the Commission noted either some or limited progress in most relevant chapters, some of which are dependent on Turkey fulfilling the requirements of the Ankara protocol (as noted previously). The Commission saw:

- some progress on free movement of goods and on economic policy, although it noted the need to ensure full independence of Turkey's central bank;
- some, albeit uneven, progress on free movement of capital;
- some progress on the right of establishment and the freedom to provide services;
- some progress on customs union, which was already highly aligned because of the pre-existing customs union, but further efforts needed in certain areas;
- little progress on monetary policy;
- limited progress on free movement of workers, and also on common commercial policy, although disproportionate use of safeguard measures and longstanding trade irritants has an impact on proper functioning of the Customs Union; and
- good progress on financial services.³²³

The Commission also noted that fragmentation of responsibility for reforms between various different government bodies had been partly addressed by giving the Deputy Prime Minister the role of co-ordinating economic policy. But the Commission also saw only partial benefits in the coordination of budgeting and medium-term economic policy-making, with decisions apparently being taken on an *ad hoc* basis and impact assessments either lacking or based on partial information.³²⁴

The Commission places the responsibility for the slow pace of accession negotiations clearly at Turkey's door, saying that it reflects "the pace of reform as well as the country's fulfilment of the relevant conditions" and warning that "Turkey now needs to renew its political reform effort".³²⁵

However, one contributor to a recent Financial Times investment survey of Turkey saw things differently:

The EU was to provide the blueprint for structural reforms. That was after all how past candidate countries were quickly able to overhaul their economic structure. The membership negotiations that were initiated in October 2005 were a critical component of this process. But the EU failed to fulfill the role of an anchor, as it

³²² Proportion of Turkey's goods exports going to the EU increased from 56.0% in 2006 to 56.4% in 2007, while the share of Turkey's imports from the EU fell from 42.6% to 40.4% (European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p36).

³²³ Taken from the Commission's 2008 Progress Report and 2008-09 Enlargement Strategy

³²⁴ European Commission, [Turkey 2008 Progress Report](#), SEC(2008) 2699, 5 November 2008, p29

³²⁵ European Commission, [Enlargement Strategy and Main Challenges 2008-09](#), COM (2008) 674 final, 5 November 2008, p3

failed to eliminate the political uncertainty clouding Turkey's path to full membership.³²⁶

The Turkish Ministry of Foreign Affairs welcomed the Commission's report in general, and reaffirmed Turkey's strategic aim of membership of the EU. It said that implementing the political and economic criteria would "allow our people to attain the highest standards in all fields", and it set out reforms achieved by Turkey during the previous nine months:

In the Turkish Grand National Assembly, 30 pieces of legislation have been adopted regarding alignment with the EU acquis and political criteria during the 2007-2008 legislative year. The new Foundations Law and the Law Amending Article 301 of the Turkish Penal Code, which are among these pieces of legislation, have entered into force. We have also made progress in the area of implementation.

We are in the final stages of completing the National Programme, which we have been working on for some time. The draft National Programme, which has been published on the internet and opened to public scrutiny, has been shared with 87 civil society institutions and political parties. The Commission has also been informed about it. Our efforts are continuing with a transparent and participatory approach.³²⁷

The Ministry ended on a more cautionary note:

Turkey will continue to fulfil its commitments as regards the accession process. However, the EU also has responsibilities. As regards the enlargement process, it is essential that the EU acts not with a short-sighted perspective but rather focuses on its principle founding philosophy, in other words on peace, stability and attaining the status of a global power.³²⁸

VIII Looking to the future

For Svante E. Cornell and Halil Magnus Karaveli, the central questions for Turkey's future are firstly "how Islamic conservatism will develop, whether or not it will encourage a kind of Islamic reformation – an Islamic reconciliation with Enlightenment values – and secondly, whether or not it will be able to hold the nation-state together". They consider that the existential divisions in Turkish society – between secularists and religious conservatives, as well as between Turks and Kurds – are far from being bridged, and indeed run deeper than ever. As a result, they foresee three possible futures for Turkey: a more conservative Turkey; democratic reconciliation; or the return of military stewardship:

The first scenario – a more conservative Turkey – in principle constitutes the extrapolation and continuation of the trends that have been observed during the past decade, which have seen the crumbling of secular politics and the rise of a

³²⁶ Sinan Ülgen (Managing Partner of Istanbul Economics; Chairman of Istanbul think-tank EDAM), 'A country caught in a Hotel California-style dilemma', *Financial Times* ([Investing in Turkey survey](#)), 1 December 2008, p4 (also available as a [PDF file](#))

³²⁷ Republic of Turkey Ministry of Foreign Affairs, [Press Release Regarding the Enlargement Strategy Paper Published Today By the European Commission \(Unofficial Transmission\)](#), No. 190, 5 November 2008

³²⁸ *ibid*

dominant religious conservatism in both society and the state. The second – a democratic reconciliation – assumes that the AKP, like other dominant political movements, is likely to crumble under its own weight as a result of a sclerosis of power, leaving room for yet another redefinition of the political contest between the competing ideologies of religious conservatism and secularism. The last scenario – a return to military stewardship – could occur if the Islamic conservative movement overplays its hand. It is the least probable scenario.³²⁹

Local elections in March 2009 will give an indication of the political direction in which Turkey is heading.

Now that the closure case against the AK Party is over, there is likely to be a return to political and constitutional reform, but the Government will have to tread carefully. The Constitutional Court has given it a clear warning in the closure case, and has made it clear that all constitutional amendments passed are under its jurisdiction lest they contravene the four ‘unchangeable’ articles of the constitution.³³⁰

It appears unlikely that Turkey will be able to provide a comprehensive solution to the Kurdish question in the near future. The future withdrawal of US troops from Iraq is however likely to change the dynamics of that issue significantly, leaving the Iraqi Kurds dependent on the Iraqi Government and on neighbouring states such as Turkey and Iran.

Turkey’s expanding regional and international role is likely to become even more important, not least because of its geo-political and geo-economic position. Currently this role can be seen as reactive, but it could instead become more strategic as Turkey’s involvement with the countries of the Caucasus and the Middle East widens and deepens. Despite this growing involvement, the Turkish leadership is unlikely to shed its primary Western orientation.

As regards the economy, with its current account deficit Turkey is likely to remain potentially at risk from the current financial crisis. Growth is forecast to slow to 3.0% in 2009 – less than a third of the recent peak rate of growth of 9.4% in 2004. However, some have taken the view that without a new IMF loan package, valued at anything from \$20 billion to \$40 billion, the Turkish economy could go into recession in 2009. Whether an agreement with the IMF is reached, and if so what form this agreement would take, is probably the main economic issue for Turkey in the near future. In the longer term, the IMF expects Turkey to return to higher growth of 5% or above from 2010. Several analysts see Turkey expanding more rapidly than many EU countries in the coming decades, possible even becoming the third largest European economy by 2050, with a per capita incomes 75% of the EU average.

It is difficult to be optimistic about the immediate future of EU-Turkey relations, but if Turkey does succeed in fully implementing the EU’s exacting accession criteria, a continued refusal to admit it to the EU would damage the EU’s credibility and reputation. Adam Hug, in the conclusion to the pamphlet he recently edited for the Foreign Policy

³²⁹ Svante E. Cornell and Halil Magnus Karaveli, [‘Turkey: A Secular and Unitary Future?’](#), *Silk Road Paper*, October 2008

³³⁰ Haluk Şahin, ‘The season of the AKP’s disorientation’, *Turkey Analyst* 21 November 2008

Centre, suggests that both Turkey and Europe should do more to make progress towards accession:

The contributors to this pamphlet are clear that Turkey must accelerate the pace of the economic and political reforms necessary for accession to take place, improving the quality of life in Turkey, and strengthening support for membership, both among Turks and EU citizens. Turkey must also reach out to EU citizens with effective public diplomacy, busting myths and raising awareness of Turkey as a modern European society with deep roots in the continent's history. These steps must be reciprocated within the EU through cultural exchange and use of economic links to break down barriers.

Turkey must not be used as a 'whipping boy' by unpopular governments to distract from their own problems, as the price for the future of Europe is simply too high. European politicians have started the process of accession and they must commit to letting the process run its course. The huge commitments Turkey is making cannot be allowed to be undermined by 'low politics' in European capitals.³³¹

Appendix: key economic indicators

Overleaf are two tables of key economic indicators on Turkey from the International Monetary Fund and the World Bank, covering the period 1990 to 2008.

³³¹ Adam Hug, 'Conclusion: Making Turkish membership a reality', in Adam Hug (ed), [Turkey in Europe: The economic case for Turkish membership of the European Union](#) (Foreign Policy Centre), November 2008

Table 4

Selected Economic Indicators: Turkey

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
IMF data (a)																				
Gross Domestic Product (GDP), current prices	(\$ billions)	200.6	198.6	209.9	237.9	172.2	223.7	239.4	250.1	265.6	245.5	265.2	192.7	231.0	304.1	392.9	482.8	528.7	659.3	798.9
GDP, constant prices	(annual % change)	9.3	0.9	6.0	8.0	-5.5	7.2	7.0	7.5	3.1	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.6	3.5
GDP per capita, current prices	(\$)	3,825	3,711	3,849	4,280	3,045	3,891	4,093	4,305	4,501	4,097	4,225	3,019	3,562	4,616	5,872	7,110	7,760	9,569	11,463
Inflation, consumer prices	(annual % change)	57.3	62.9	72.0	65.2	104.3	89.6	80.2	85.7	84.7	64.9	55.0	54.2	45.1	25.3	8.6	8.2	9.6	8.8	10.5
Current account balance	(\$ billions)	-2.6	-0.1	-1.0	-7.8	0.5	-5.4	-2.4	-2.6	2.2	-0.9	-9.9	3.8	-0.6	-7.5	-14.4	-22.1	-31.9	-37.7	-52.1
Current account balance	(% of GDP)	-1.3	0.0	-0.5	-3.3	0.3	-2.4	-1.0	-1.1	0.8	-0.4	-3.7	2.0	-0.3	-2.5	-3.7	-4.6	-6.0	-5.7	-6.5
World Bank data																				
Population	(millions)	56.2	57.3	58.4	59.5	60.6	61.7	62.9	64.0	65.2	66.3	67.4	68.5	69.6	70.7	71.1	72.1	73.0	73.9	..
Population growth	(annual % change)	2.3	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.7	1.7	1.6	1.6	1.5	0.6	1.3	1.3	1.2	..
Gross National Income per capita, current prices	(\$)	3,070	3,500	4,020	4,300	3,630	3,870	3,900	4,250	4,050	3,760	3,930	3,250	3,250	3,560	4,770	6,150	7,080	8,020	..
Poverty headcount (national poverty line)	(% of population)	..	..	..	..	28	..	..	..	..	..	..	..	27	..	..	..	..	..	..
Government cash surplus/deficit	(% of GDP)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1.9	..	..
Time required to start a business	(days)	..	..	..	..	..	..	..	..	..	..	..	..	..	38	9	6	6	6	..
Merchandise trade	(% of GDP)	16.6	16.1	16.6	17.3	22.5	23.4	26.8	28.0	27.1	27.0	30.8	37.1	37.6	38.3	40.9	39.3	42.5	42.2	..
Exports of goods and services	(% of GDP)	..	..	..	..	..	..	..	..	21.3	19.4	20.1	27.4	25.2	23.0	23.6	21.9	22.7	21.9	..
Imports of goods and services	(% of GDP)	..	..	..	..	..	..	..	..	20.2	19.3	23.1	23.3	23.6	24.0	26.2	25.4	27.6	27.0	..
External debt, total	(current \$ billion)	49.4	50.9	56.6	68.6	66.2	73.8	79.8	84.8	97.1	102.0	117.1	113.2	131.0	144.4	161.1	169.3	207.9	..	..
Net Foreign direct investment inflows	(\$ billions (BoP))	0.7	0.8	0.8	0.6	0.6	0.9	0.7	0.8	0.9	0.8	1.0	3.4	1.1	1.8	2.9	9.8	20.1	..	..
Agriculture (value-added)	(% GDP)	..	..	..	..	..	..	..	..	13.6	11.5	11.3	9.9	11.7	11.4	10.9	10.8	9.5	8.9	..
Industry (value-added)	(% GDP)	..	..	..	..	..	..	..	..	35.5	33.3	31.5	30.2	28.7	28.6	28.5	28.5	28.7	28.3	..
Services (value-added)	(% GDP)	..	..	..	..	..	..	..	..	50.9	55.1	57.2	59.8	59.6	60.0	60.6	60.7	61.8	62.8	..
Agricultural land	(% of land area)	51.6	52.1	51.8	51.9	52.2	51.3	51.1	51.0	51.9	52.4	52.6	53.2	53.5	52.8	53.5	53.6	..	..	..

Note: (a) IMF data are estimates from 2007 onwards

Sources: World Bank, *World Development Indicators* database (2008), & IMF, *World Economic Outlook* database (October 2008)

Table 5

Turkey: IMF GDP, inflation & current account balance forecasts

		2008	2009	2010	2011	2012	2013
GDP, constant prices	(annual % change)	3.5	3.0	5.0	5.5	5.3	5.0
Inflation, consumer prices	(annual % change)	10.5	8.4	6.9	5.7	4.6	4.0
Current account balance	(% of GDP)	-6.5	-6.7	-6.5	-6.3	-6.0	-5.5

Source: IMF, *World Economic Outlook* database, October 2008