Is Turkey’s EU accession process grinding to a halt? Did open opposition to Turkish membership by some European leaders cause the slow-down of Turkey’s reform process in recent years, or was it the Ankara government’s lack of resolve? Is there a danger of “creeping Islamisation” in Turkish society? What are the chances for solving the Kurdish question, the Cyprus problem and the differences with Armenia? Can Turkey’s important new geo-political role in the region be an asset for the European Union?

These and other questions are answered in this report of the Independent Commission on Turkey. The Independent Commission was established by prominent European politicians for the purpose of analysing some of the most pressing aspects of Turkey’s accession to the EU. Its first report Turkey in Europe: More than a Promise? was issued in September 2004.

Members of the Independent Commission on Turkey would like to thank the Open Society Foundation and the British Council for their support to this report.
Independent Commission on Turkey

Martti Ahtisaari (Chairman)
Former President of Finland
Nobel Peace Prize Laureate 2008

Kurt Biedenkopf
Former Prime Minister of Saxony, Germany

Emma Bonino
Former European Commissioner
Former Minister for International Trade and European Affairs, Italy
Vice-President of the Italian Senate

Hans van den Broek
Former Foreign Minister of the Netherlands
Former European Commissioner

Bronisław Geremek († 13 July 2008)
Former Foreign Minister of Poland

Anthony Giddens
Former Director of the London School of Economics and Political Science

Marcelino Oreja Aguirre
Former Foreign Minister of Spain
Former Secretary General of the Council of Europe
Former European Commissioner

Michel Rocard
Former Prime Minister of France

Albert Rohan (Rapporteur)
Former Secretary General of Foreign Affairs, Austria

The Independent Commission on Turkey is supported by the Open Society Foundation and the British Council.
The Independent Commission on Turkey thanks Hugh Pope for his assistance in the preparation of this report.
Contents

6  Introduction
8  I Treating Turkey fairly?
13  II Turkey’s missed opportunities for reform
17  III A new urgency in Cyprus
21  IV The Kurdish problem
25  V Turkey and its region
30  VI Turkey’s opening with Armenia
34  VII Islam and the secular Turkish state
38  VIII Economic resilience
43  Conclusions
48  Annex: Conclusions of the Independent Commission on Turkey's 2004 Report
Introduction

The Independent Commission on Turkey was established in March 2004 by a group of concerned Europeans, deeply committed to the integration process and having held high public office, for the purpose of contributing to a more objective and rational debate on Turkey’s accession to the European Union.

In its first report, *Turkey in Europe: More than a Promise?*, published in September 2004, the Independent Commission examined the long history of Turkey’s convergence with Europe as well as the major opportunities and challenges connected with Turkey’s possible EU membership. It concluded that accession negotiations should be opened without delay upon fulfilment by Turkey of the Copenhagen Criteria. Turkey’s European vocation and its eligibility for membership in the EU having been re-confirmed by European governments many times during past decades, any further delay would have been seen as a blatant breach of commitments made and would have seriously damaged the Union’s credibility. Moreover, while the accession of a country with the size and specific characteristics of Turkey would doubtlessly present the EU with substantive challenges, it argued that these were by no means insurmountable. On the other hand, the accession of a transformed, democratic and modern Turkey, a country in a unique geo–strategic position with great economic potential and a young and dynamic workforce, would bring considerable benefits to the European Union.

The Independent Commission welcomed the European Council decision in December 2004 to open accession negotiations with Turkey and the start of talks in October 2005. Regrettably, negative reactions since then from European political leaders and growing hesitation by the European public about further enlargement, have given Turkey the impression that it is not welcome, even if it were to fulfil all membership conditions. Moreover, the process itself has been hindered by the effective blockage of more than half of the negotiating chapters.

Support in Turkey has faded for both the EU accession process and the implementation of difficult and sometimes expensive reforms. This was aggravated by internal political difficulties, in which the ruling Justice and Development Party (AKP) found itself under serious pressure from emboldened Turkish Euro-sceptics who, partly under the guise of defending secular principles against a supposed advance of Islamism, attempted to delay the implementation of political and social reforms needed for EU membership. Lack of Turkish reforms triggered more European opposition to Turkey’s accession. The sense of being excluded further demoralized Turkish reformers, thus creating a vicious circle.

This vicious circle is now undermining the many achievements over the past decade inspired by Turkey’s convergence with the EU. In particular, progress has stalled in strengthening democracy, broadening respect for human rights and building up a free and vibrant civil society. The new dynamism experienced by the Turkish economy has slowed, aggravated by the global economic crisis, as has the dramatic increase of foreign direct investment experienced after the talks started. On the other hand, Turkey’s new charisma and prosperity have made it increasingly attractive to nearby countries and its proactive regional policy has proved that an EU-anchored Turkey can project stability into volatile areas of its neighbourhood in the Caucasus and Middle East. This is the backdrop of the present report, in which the Independent Commission analyses developments in the EU and Turkey since the opening of negotiations as well as issues important for Turkey’s accession process.

As with its first report in 2004, the present publication by the Independent Commission represents the personal views of its members, and does not intend to duplicate the European Commission’s forthcoming annual progress report.

Finally, it is with great sadness that the Independent Commission on Turkey records the untimely death in 2008 of its fellow commission member Bronisław Geremek, former Foreign Minister of Poland, whose valuable contribution to the work of the Independent Commission was highly appreciated.
In December 2004, the European Council, comprising the heads of state or government of all EU member states, decided unanimously to start accession negotiations with Turkey. This unambiguous decision was fully in line with repeated affirmations made over many decades of Turkey’s eligibility and its future welcome as a member, as soon as it fulfilled the required conditions. The decision was firmly approved the same month in the European Parliament, with 407 Members voting in favour and 262 against. Already in 1999, the European Council had declared that Turkey should be treated like any other candidate state. Turkey therefore had every reason to expect that this process would be conducted in the same manner as previous enlargement rounds, and that its duration and outcome primarily depended on Turkey’s fulfilment of the Copenhagen Criteria, adoption of the body of EU law and other conditions of accession.

Unfortunately, within months Turkey was confronted with statements by European leaders that undermined this unanimous decision, as well as negative actions by EU member states to block the talks. These attempted to overturn the agreed course and fundamental nature of the negotiations. In several countries, such public discourse coincided with elections, giving the impression that domestic political calculations were involved. Attacks on the EU-Turkey process became a proxy for popular concerns about immigration, worries about jobs, fears of Islam and a general dissatisfaction with the EU. Some politicians argued that Turkey is intrinsically un-European, that even if Turkey fulfilled all conditions it should not join the EU and that Turkish accession would flood Europe with Turkish migrants. Through language conjuring up a uniquely Turkish threat to the EU, attempts were made to blame Turkey’s EU accession process for difficulties within the Union and making it seem as though an eventual Turkish accession would render the Union unmanageable.

This public rhetoric was backed up by efforts to re-interpret the Negotiating Framework formally agreed by all governments, on the basis of which Turkey started negotiations on EU membership in October 2005. The framework clearly stated that “the shared objective of the negotiations is accession.” However, some leaders took the sentence that followed – “these negotiations are an open-ended process, the outcome of which cannot be guaranteed beforehand” – to mean that EU-Turkey negotiations could also be aiming at several alternative possibilities other than membership.

A few governments began arguing in favour of a “privileged partnership” or “special relationship” instead of the treaty-based prospect of membership held out to Turkey for decades. None of the proponents of this formula, however, have succeeded in explaining what additional privileges or partnership might be on offer for Turkey, the non-EU state with the oldest and closest relationship with Brussels, including an Association Agreement in 1963 and a Customs Union since 1996. Moreover, NATO-member Turkey is already broadly integrated into almost all pan-European institutions, from the Council of Europe, including the European Court of Human Rights, and the Organization for Security and Cooperation in Europe to football leagues. Indeed, advocacy of “privileged partnership” appears to be a populist excuse to deny Turkey access to EU political mechanisms, even though Turkey is already bound by many EU political decisions in which it has had no say.

These negative attitudes and policies of European leaders are in clear contradiction to all previous EU decisions and commitments. They put in question EU credibility, reliability and the principle of pacta sunt servanda, that agreements are to be honoured. As in any negotiation, the EU-Turkey accession process is by definition open-ended, and may not be concluded if either side is not satisfied with the end result. Undermining these talks in advance by substituting alternative arrangements for the goal of membership constitutes a breach of faith with Turkey, stokes up a nationalist backlash in the country and creates the wider impression that the EU has discriminatory double standards when dealing with a Muslim country. In any event, the process
alone – adopting the EU *acquis communautaire* with thousands of regulations – would make much less sense if it was geared towards anything short of membership. High-level European talk of a “privileged partnership” lacking substance thus works against the key EU goal of building up its soft power beyond its current borders, a process that is visibly promoted through Turkish adoption of EU rules, values and political standards.

Just as damagingly, formal and informal actions by some EU member states have targeted the negotiating process itself. More than half of the 35 negotiating chapters are blocked, either formally because of Turkey’s failure to implement the Ankara Protocol, or informally by one or more member states. Nearly a dozen chapters are frozen in connection with the Cyprus problem, including eight chapters formally blocked by the December 2006 European Council. France has publicly declared that it will not allow five key areas of the negotiations to go forward, specifically because the current French leadership opposes Turkish accession and believes Ankara should be offered “partnership, not integration”. There are informal blocks on other chapters and eleven chapters are held up in the Council by member states for political reasons. Paradoxically – given the fact that Turkey aligned itself with 109 of 124 EU joint statements, declarations and demarches in 2008 and participates in important EU missions in Bosnia and Herzegovina and Kosovo – the blocked chapters include three of the most important and promising areas for joint EU-Turkish action, namely External Relations; Energy; and Foreign, Security and Defence Policy. Other indirect efforts to derail Turkey’s EU membership goal have included the suggestions that the definitive borders of Europe be drawn by a “group of wise men”, and that a Union for the Mediterranean should be established. Turkey was not mentioned in these proposals, but was widely seen as the target. Due to timely intervention by member states in favour of a Turkey integrated into the EU, the mandates for these initiatives were then formulated in such a broad manner that they have had little real impact on Turkey’s European ambitions.

Politicians who oppose Turkish membership of the EU have nonetheless succeeded in diluting the spirit of the Helsinki European Council of 1999, which, in a watershed decision, declared that “Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States.” Since then, the bar for accession has been raised steadily higher than for previous candidates. Psychologically, this has been one of the most de-motivating aspects of EU conduct, especially when Turks felt that the Europeans had prioritized former Soviet-bloc states over their long-standing NATO ally, and were disregarding Turkey’s arguably stronger performance in governance and economic and social indicators.

European politicians who aim to deny Turkey access to the EU often seem to follow attitudes in their respective countries as reflected in opinion polls – an incomplete way of deciding the future of a complex EU-Turkey accession process that will take another decade or more. European public opinion in turn tends to follow the views expressed by political leaders. There is a clear correlation between falls in support for Turkey’s EU membership and high-levels of anti-Turkey speech-making in some countries. In other states, where leaders have articulated the benefits of the EU-Turkey process, support for Turkish accession has remained higher. It is obvious that many Europeans are in two minds about Turkey’s future with the European Union. Much of the confusion results from a lack of clear information, and an assumption that accession or aspects of it are imminent. In fact, some of the Europeans’ greatest concerns – free movement of Turkish labour, agricultural subsidies and structural funds – have already been made subject to possible permanent derogations. The more open debate there is on these matters, the better. After all, back in 1954, 51% of French people told pollsters that they had a negative view of the German people and only 29% thought a Franco-German alliance would work.

In Turkey, media and politicians have tended to focus on antagonistic messages from Europe and to disregard the considerable support for Turkey’s EU membership in many European countries. This has contributed to a backlash in Turkey, resulting in resentment against Europeans in general, a helpless feeling that Turkey will never be accepted as an EU member and a decline in support for EU accession. In autumn 2008, Eurobarometer found that Turks stating that membership would be a good thing fell to 42%, down from well over 70% in 2004. Lack of faith in a positive outcome of the accession process de-motivates Turkish leaders and means the population puts less pressure on them to carry out the necessary reforms, which in turn feeds the
II Turkey’s missed opportunities for reform

The sweeping reforms in Turkey that followed the EU’s 1999 recognition of Turkey as a candidate state count as one of the most impressive transformations in the country’s history, and bear comparison to the adoption of European laws in the 1920s under republican founder Kemal Atatürk. The 2000–2005 golden age of reform produced eight legal reform packages to comply with Copenhagen Criteria and harmonize Turkish legislation with the EU acquis communautaire. These changes rewrote one third of the constitution, enacted international human rights legislation, abolished the death penalty, improved women’s rights, brought new safeguards against torture and ushered in reform of the prison system. New laws curtailed formerly draconian restrictions on freedom of expression, association and the media. The Turkish armed forces stepped further back from their once-dominant role, accepting more transparent defence budgets, the reduction of National Security Council powers and the end of state security courts. A sense that Turkey was now part of a real European project made the country feel more secure, alleviating the Turkish-Kurdish conflict, encouraging a more open debate about the Armenian question and reducing incidents of militant violence. The new confidence anchored six years of 7% economic growth and an unprecedented wave of foreign investment. Outside Turkey, this partnership with the EU encouraged Ankara to make strong contributions to international peacekeeping missions and to sponsor a chance to settle the frozen Cyprus conflict.

Ironically, the dramatic slow-down of this reform era can be dated to the start of accession negotiations in October 2005. There are a number of reasons for this unexpected development. On one hand, blame can be laid on the negative attitudes of some European leaders, confusion in Europe about constitutional arrangements
and further enlargement, and the increasing obstacles that arose in the negotiating process, as described in the previous chapter. On the other hand, the AKP government missed opportunities and failed to sustain the momentum of reforms before it was challenged by a plethora of domestic distractions.

From 2007 onwards, the ruling AKP had to fight off multiple challenges from an ad hoc coalition of old guard opponents including the military, parts of the judiciary and the main opposition Republican Peoples’ Party (CHP). These attacks were based on the allegation that AKP was acting against the secular principles of the republic. They included an April 2007 warning by the General Staff of the Turkish Armed Forces that it might “openly display its reaction” and a March 2008 demand by the Supreme Court of Appeal’s chief prosecutor for the closure of AKP and the banning from politics of 71 politicians, including President Abdullah Gül and Prime Minister Recep Tayyip Erdoğan. Another disruption was the discovery in 2007 of arms caches that seemed to be part of a plot to topple the government, the Ergenekon conspiracy. Although the prosecutors appear to have had every reason to pursue the Ergenekon case, further controversy resulted from more than 100 subsequent arrests and investigations of high military officers and establishment figures. The government’s freedom to enact reforms for ethnic Kurds in the post-2005 period was also limited by renewed clashes between the Turkish military and militants of the Kurdistan Workers’ Party (PKK), recognized as a terrorist group by the EU and many others. Such internal ferment led to a regrettable slow-down in the reform process. While this political drama has largely been seen as a sign of political instability, it in fact included the steps necessary for Turkey to become a more open society. The Independent Commission is convinced of the need for Turkish re-engagement with a number of important projects to bring itself into line with European norms. First among these should be a broad-based process leading to a new constitution to replace the restrictive document drawn up under military rule in 1982. A new constitution is not a requirement to join the EU, but drawing up one would both remove obstacles to other vital reforms and also make a clear statement of Turkey’s intent to become a truly democratic society and a modern EU state. The opposition Republican People’s Party (CHP) and National Action Party (MHP) should demonstrate their stated support for Turkey’s EU ambitions by working in good faith with AKP on such a new basic document.

To conform with EU law, Turkey must push ahead with passing legislation to establish a functioning ombudsman, an institution which, in another sign of Turkey’s long European interaction, is originally an Ottoman idea adopted by a passing Swedish king three centuries ago. It must also adopt EU standards on procurement as another step to full transparency and reducing corruption in government, one of the main reasons ordinary Turks support the EU accession process. Freedoms of organization, equal rights in education and access to seminaries must be extended to all religious faiths. Freedom of expression must be secured by convinced public support for free speech from political leaders, by narrowing the definition of terrorism in the Anti-Terror Law and ensuring European standards in the interpretation and implementation of restrictive regulations by the courts and security services. In April 2008, Turkey made it harder to open cases against dissidents and intellectuals under controversial Penal Code Article 301 and changed its wording to make it less unacceptable to liberal and international opinion, but even in its amended form it appears open to abuse. A new Political Parties Law is also vital to strengthen intra-party democracy, encourage youth to enter mainstream politics, bring transparency to party financing and end a system in which party leaders are too easily able to crush dissent. The military has withdrawn further from politics since 47% Turks voted for AKP in July 2007, three months after the army published a threat to the government on its website, but it must do more to be non-partisan, for instance by ending the practice of lengthy public political speeches by senior generals.

If Turkey wants to align fully with European democracies it must recommit to the transformation process and shed authoritarian legacies and an outdated hostility to external influences. Turkish leaders must do their part to speed up the tempo of efforts to adopt the EU acquis communautaire, a rhythm in which the two sides have mostly opened two negotiating chapters in each six-month EU presidency. The Independent Commission is encouraged by the re-launch of the reform efforts in December 2008, when, after more than four
The Cyprus problem is approaching a new and critical crossroads. After five years in limbo following the Republic of Cyprus’s entry into the EU, developments over the next year will likely determine whether or not the island will be indefinitely divided. The EU member states bear a political responsibility for the current situation. It also faces a political imperative to do its utmost to encourage Greek and Turkish Cypriots to reach a satisfactory conclusion to the ongoing talks, which look like the last chance for a federal settlement. The difficulty of reaching this objective is small compared to the likely complications of failure. EU governments will be caught between loyalty to a member state and their important strategic interests in Turkey. Failure in the talks will mean further hindrance of cooperation between the EU and NATO because of Cyprus-Turkey differences, and continued blockage in opening more chapters that could bring the EU-Turkey negotiations to a standstill. Cyprus has remained peaceful for decades, but the EU has unfastened the balances of the old status quo and, with tens of thousands of troops on the island, this is a conflict that might unfreeze.

The EU brought this problem upon itself by accepting Cyprus’s one million inhabitants into the Union even though they had yet to resolve their inter-communal differences. It has thus imported the whole tangled history of the island into its inner councils. The troubles started in earnest after independence from Britain in 1960, when the 80% Greek Cypriot community and 20% Turkish Cypriot community set up a joint republic, guaranteed by Britain, Greece and Turkey. The republic broke down in 1963, when the Greek Cypriots excluded Turkish Cypriot leaders from government and drove the Turkish Cypriots into barricaded
quarters of towns and isolated villages. After the colonels’ regime in Athens backed a Greek Cypriot coup in Cyprus in 1974 that aimed to unite the island with Greece, Turkey invoked its right to intervene as guarantor and staged a military invasion, eventually occupying the northern 37% of the island.

Impending membership of the EU in 2004 changed many Cypriot dynamics. Years of UN-mediated talks on a deal to reunify the island and remove Turkish troops had not progressed far due to continued old-style nationalist grandstanding on both sides. But at a referendum, the Turkish Cypriots, backed by Turkey, voted 65% in favour of the UN-brokered deal, known as the Annan Plan, whereas 76% of Greek Cypriots voted against it. Even though the EU had publicly and insistently backed the Annan Plan, it nevertheless allowed the Greek Cypriots to enter as the sole representatives of the island. One of the Republic of Cyprus’s first actions as a member was to force the EU to break its political promise to reward the Turkish Cypriots for their “yes” vote, blocking a Direct Trade Regulation that would have allowed Turkish Cypriots direct access to EU markets. Greek Cypriot embargoes on Turkish Cypriots were first criticized by UN Secretary General U Thant as a “veritable siege” in 1964, and in 2004 UN Secretary General Kofi Annan said “the Turkish Cypriot vote has undone any rationale for pressuring and isolating them”. In response to the perceived unfairness, Turkey then back-tracked on its obligation under the Additional Protocol to the 1963 EU-Turkey Association Agreement to open its airports and sea ports to Greek Cypriot traffic.

The situation is not hopeless, however. The Greek Cypriot community registered a notable change of heart in presidential elections in February 2008. In the first round, two-thirds of the electorate voted for candidates who campaigned on compromise strategies for reunification. The ultimate winner, President Demetris Christofias, soon embarked on a promising new round of talks with his counterpart, Mehmet Ali Talat, who had led the Turkish Cypriots to vote “yes” to the Annan Plan.

These talks are registering significant progress, but risk succumbing to complacency and are running short of time. First and foremost, responsibility for reaching a settlement lies with Cypriots themselves. But they need the full support of EU governments and Turkish decision-makers in Ankara. EU leaders can achieve this through frequent visits to the Cypriot communities and leaderships on both sides of the island, to raise their morale and attract positive popular attention to the process; by sponsoring eye-catching bi-communal projects and interaction between two communities that can rekindle enthusiasm for reunification; by regular visits to Ankara to underline that Turkey is on track to membership of the EU and that continuation of its existing support for a Cyprus settlement will help it reach the EU goal; and by persuading Greece to use its influence to intercede with the Greek Cypriot community, explaining the benefits of compromise and normalization with Turkey. EU leaders should also make clear how wrong the Republic of Cyprus and Turkey both are to believe that pressure from Brussels alone can force changes in the other’s antagonistic positions. For a Cyprus settlement to gain traction, officials from the Republic of Cyprus and Turkey will also have to meet and learn to trust each other.

Failure to reach a settlement this year will be costly to all sides. EU leaders must challenge the apparent view in both Cypriot communities that the status quo is sustainable indefinitely and show that peace through compromise can bring many benefits. Turkish Cypriots will win full citizenship rights and integration into the EU, with all the economic and political advantages that entails. Greek Cypriots will be able to live without fear of Turkish soldiers manning a line through the middle of their divided capital, will see the island become a real east Mediterranean hub through full access to Turkey, the region’s biggest economy. According to a study by the Peace Research Institute Oslo (PRIO), the Cypriot economy will grow by an additional ten percentage points within seven years. Both Greece and Cyprus will gain a more pro-European Turkey as a neighbour that will be inclined to settle conflicts over the Aegean and Mediterranean territorial waters. Turkey will win a more open negotiating road for EU membership, greater stature in Europe and official language status for Turkish in the EU. At the same time it will lose the financial burden of its Cyprus garrison and the subsidy consumed by the Turkish Cypriot administration.

Since the EU and Turkey are currently paying the political cost of the Cypriots’ failure to compromise, EU leaders should engage more actively to prevent the Cyprus problem derailing Turkey’s accession process. This process is essential for Turkey’s transformation and is of vital importance to the EU and Cyprus as
well. Alongside their efforts to support a settlement on the island, the EU should search for ways and means that lead to the fulfilment of Turkey’s commitment to open its airports and sea ports to Greek Cypriot traffic, a development that would immediately release eight chapters to the Turkey-EU negotiating process and win time to reach a fuller Cyprus settlement. The EU could do this through reviving its 2004 promise to end Turkish Cypriot isolation through direct trade and try to overcome obstacles to direct international flights to the Turkish Cypriots’ own airport. The EU must assume its responsibility for the injustices and absurdities of the situation. The whole of Cyprus is theoretically now part of the European Union; on the other hand, the acquis communautaire of the Union is officially suspended in the north; at the same time, the European Court of Justice has ruled that Greek Cypriot court judgments about the north are enforceable throughout the Union.

A Cyprus settlement, and the need for all sides to avoid provocations and work for a solution, is now urgent. Grandstanding between gunboats and oil survey ships in the waters around Cyprus, Turkey and Greece in November 2008 shows where deepening frustrations may lead: similar frictions between Turkey and EU-member Greece very nearly resulted in armed conflict in 1987 and 1996, crises which the EU was powerless to solve and which had to be settled by the United States. The Turkish Cypriots in April 2009 voted in a new, more nationalist government, signalling that without a settlement Mehmet Ali Talat may lose his seat in the April 2010 presidential elections to a candidate less committed to a solution. Non-solution and never-ending negotiations in Cyprus will raise tensions on the island and will indefinitely block the EU-Turkey process. If old friends like Talat and Christofias fail to reach a federal settlement, it is hard to see how anyone either inside or outside Cyprus will ever mobilize behind a new effort. Yet managing the alternative, the partition of Cyprus, will be extremely divisive for the EU. European leaders have compelling interests to work with priority commitment for a negotiated Cyprus settlement in 2009, because the chance of a federal solution and demilitarization of the island will certainly not come again in this political generation.

The Kurdish question is a perennial problem in Turkey due to a mix of regional under-development, denial of cultural rights, human rights abuses by Turkish state security forces and 25 years of terrorist attacks by the Kurdistan Workers’ Party (PKK). The Kurds number about 12 million people or 15% of the inhabitants of Turkey. About half live in the Kurdish-majority areas of the southeast, the rest in western Turkey and metropolises like Ankara, Izmir and Istanbul. Most Kurds share the same Sunni Muslim religious tradition as the majority of Turks, with whom intermarriage is common, and there is a substantial overlap in history and customs. As among the Turks, some 10% of Kurds adhere to the Alevi faith. A sense of national identity is growing among Kurds but lacks political weight due to significant differences of region, dialect, tribal identity and attitudes toward the Turkish state. Some Kurds talk of autonomy and a few of independence for the Kurdish majority-areas of the southeast, but this would be both impractical and counter-productive for a variety of reasons. There would be explosive arguments about where the boundaries of this area might be, and autonomy could have negative consequences for the many Kurds living in western parts of the country.

There is no easy answer as to who represents Turkey’s Kurdish citizens. Kurds in mainstream Turkish parties already make up about one sixth of parliament and the Cabinet. The Kurdish nationalist party, the Democratic Society Party (DTP), seems to command about half of the vote in Kurdish-majority areas. Its legitimacy in the eyes of many Turks is however compromised by the fact that its leaders voice sympathy for the PKK, officially labelled as a terrorist group by Turkey, the EU and many others. The DTP has been the subject of a court case.
to close it down since 2007, charged with organizational links to the PKK and because some of its demands for autonomy are perceived as an attack on the constitutional unity of the country. Nevertheless, DTP is fully part of Turkey’s political culture. Many of its demands for more Kurdish rights and respect for the Kurdish identity are also privately made by leading Kurdish parliamentarians in AKP and other parties. The possible banning of DTP by the Constitutional Court is unlikely to contribute to the solution of the Kurdish problem.

The PKK itself, and its jailed leader Öcalan do not constitute a legitimate political party, and they have committed too many terrorist acts to have a legalized future in Turkey. With about 5,000 armed militants, perhaps half of them in Turkey and half in remote mountainous areas of northern Iraq, the PKK pursues an agenda of national liberation. But it uses terrorist and criminal methods, including extortion, drug-running, attacks on conscript-manned outposts and bombings of civilians and European tourists inside Turkey.

The ruling AKP has proved to be a party with strong support among both Turks and Kurds, winning half of the vote in the southeast, and has arguably done more to improve the situation of the Kurds than any previous government. It was helped by the capture of PKK leader Abdullah Öcalan in 1999, a subsequent PKK cease-fire and the decision to commute the Kurdish militant’s death sentence for terrorist acts, another achievement of Turkey’s EU convergence. The brutal repression of all signs of Kurdishness of the 1980s faded, and mainstream Turkish commentators now openly criticize defunct official propaganda about Kurds being “mountain Turks”. Turkey started accepting international legal oversight and honouring rulings of the European Court of Human Rights. A third of the 350,000 Kurds officially counted as having been forced from their villages by the government during the 1990s clashes received some compensation and returned to their homes. A group of Kurdish nationalist politicians in jail since 1994 on charges of PKK links were released in 2004. Several members of the armed and security forces long mentioned in Turkish media as suspects in death-squad killings of Kurdish nationalists in the 1990s were jailed after 2008 in the Ergenekon conspiracy trial, and new evidence allowed prosecutors to reopen some cases of Kurds who disappeared in those years. Restrictions on expressions of Kurdish culture were liberalized. A few private Kurdish language centres opened their doors, although most soon succumbed to bureaucratic harassment and a lack of local demand. In the mainly Kurdish southeast and elsewhere, Kurdish-language bumper stickers, music, publications, festive days, radio and television all became first legal, then tolerated and then broadly accepted. The government successfully began implementing a World Bank poverty relief program.

These positive developments are not always noted or appreciated in Europe. Some EU states have been too lenient on the PKK, allowing their intelligence agencies to do deals with the organization’s operatives in return for information, letting identified PKK operatives escape justice after breaking EU states’ laws and withholding cooperation with Turkey on repatriation or proper trials in the relevant country. In the Independent Commission’s view they should do demonstrably more to prevent PKK fund-raising and organization in their countries, work to overcome the inter-EU mismatch in judicial systems in this context and not allow the PKK’s secrecy and skill at camouflaging its operations to defeat differing levels of political will in EU states.

More generally, Turkey-EU convergence helps a fundamental European interest to encourage broader respect for human rights and cultural freedoms in Turkey, not just to create a more secure environment in the European neighbourhood but also to prevent the kind of blowback violence inside the EU among immigrant communities of Turks and Kurds seen in the 1990s. A more stable and prosperous Turkey integrated into EU mechanisms would also be a better partner in dealing with EU concerns about other offshoots of the Kurdish problem, drug trafficking and illegal immigration.

Turkey has seen considerable progress in terms of economic development and political reforms that have relieved Turkish-Kurdish tensions. However, given how much further Turkey has to move from the bitter legacies of the past, more has to be done in order to secure enduring social peace throughout Turkey. The opening of a Kurdish-language 24-hour state television channel in January 2009 was a good step forward, showing once again what Turkey could have achieved more painlessly if such moves had been made decades ago.

AKP has done more to improve the situation of Kurds than any previous government.

More has to be done to secure enduring social peace throughout Turkey.
Such liberalization should be backed up with full legal and constitutional protections for the use of Kurdish languages, in broadcasting, public buildings, schools and political speeches. Kurdish place names should be unbanned and Kurdish institutes should be permitted in universities desiring to found them. Constitutional articles that appear to privilege one ethnicity over another should be rewritten to give all citizens of Turkey genuine equality. Continuing to deny Kurdish citizens in Turkey the full use of their language and identity is incompatible with Turkey’s EU membership. It also contravenes the 1923 Treaty of Lausanne that founded the Turkish republic, which unequivocally states in Article 39 that “no restrictions shall be imposed on the free use by any Turkish national of any language in private intercourse, in commerce, religion, in the press, or in publications of any kind or at public meetings”.

Twenty years ago, wariness or hostility defined Turkey’s relations with all of its many neighbours. Today, ties with only two of the eight states bordering Turkey remain problematic, Cyprus and Armenia, and Turkey has initiated promising processes to settle outstanding problems with both. Having been absent for many decades from the Balkans, Central Asia, Middle East and Africa, Turkish diplomacy is now active and appreciated on several fronts. Turkey’s new neighbourhood policy made its first breakthrough in 1998. After Ankara persuaded Damascus to expel PKK leader Abdullah Öcalan, the Kurdish militant was captured following an odyssey that included extended stays in Italy and the Embassy of Greece in Kenya. Greece changed policy after this exposure of its officials’ complicity, aided by an outpouring of mutual solidarity after twin earthquakes in Turkey and Greece in 1999. Just three years after the two sides had nearly gone to war over claims to a rocky islet in the Aegean Sea, Greek and Turkish foreign ministers led a process of Greece-Turkey normalization that cleared Turkey’s path to official EU candidacy status in December 1999 and later brought great economic benefits and lower defence spending to both sides.

The turnaround in Turkey’s relationship with Syria was equally dramatic. Trade, flights and tourism between the two countries all rose rapidly, as did mutual visits between the leaderships. Whereas the regime in Damascus had previously opposed NATO-member Turkey’s few overtures to the Arab world, it now became its ally, helping Turkey become an observer at the Arab League, despite the fact that Turkey had cemented its long-standing ties with Israel with a military training agreement in 1996. In 2008, Turkey’s relationship with both Syria and Israel brought about several rounds of proximity talks between Syrian
and Israeli diplomats in Istanbul, a contribution to the Arab-Israeli peace process that goes beyond what is normally achieved by the EU. Furthermore, Turkey was able to back up Egyptian and French initiatives – at their requests – with its own talks with Hamas to help broker an end to the Gaza crisis in January 2009. Strong criticism of the Israeli assault on the Palestinian territory by Turkish leaders damaged Turkey’s image as a neutral broker in Israel, and worried Arab leaders that the Turks might be seeking a populist limelight, but at the same time it confirmed to regional populations that, among non-Arab actors, it was not just Iran that felt and articulated their concerns.

Turkey has a level and frequency of access to the Iranian leadership that is greater than that of EU countries, and consistently supports the EU position on Iran’s nuclear programme and on halting any weaponisation. This is not the only dynamic by which a Europeanizing Turkey can influence Iran’s Islamic Republic. Iranians do not need visas to enter Turkey, and one million visit each year to sample Turkey’s free-wheeling beaches and hotels alongside two million Russians and four million Germans. There is nothing fundamentally un-European about the prospect of having the EU’s eastern edge in eastern Turkey, where the frontier of the Roman Empire lay, and neither is it destabilizing. The dividing line between Turkey and Iran is one of the oldest national borders in the world, having stayed the same since the time the two countries ended the last war between them in 1639.

Newly confident and respected by its neighbours thanks to its accession negotiations with the EU, AKP has built up the Turkish regional policy it inherited as a major achievement of its government. Supported by President Gül and Prime Minister Erdoğan, Foreign Minister Ahmet Davutoğlu’s name in particular has been associated with a “zero-problem” policy of peace-promotion in the region, and, through “maximum cooperation”, to reverse a tendency of previous Turkish external policy to focus on perceived foreign enemies or foreign scapegoats for domestic ills. Beyond its Syria-Israel mediation Turkey has made significant contributions to regional peace-making by fostering a trilateral process with Pakistan and Afghanistan, by helping solve the 2008 Lebanon presidential election crisis, by initiating a Caucasus Stability and Cooperation Platform as a framework for all sides to communicate after Russia’s 2008 invasion of Georgia and by contributing troops and commanders to the EU’s Balkan and NATO’s Afghan missions. Further afield, Turkey has also become an observer in the Gulf Cooperation Council and the African Union, and its candidate won the first democratic election to head the 57-nation Organization of the Islamic Conference. This productive activism was crowned with success when 151 states voted for Turkey to become a non-permanent member of the UN Security Council in 2009-10.

Perhaps the most notable example of Turkey’s new and successful engagement with its region has been the development of a carefully balanced Iraq policy. As it repaired relations with the United States – damaged after the Turkish parliament declined to allow U.S. troops to invade through Turkish territory, a democratic reflex that any European state might have been proud of – one of its first contributions was to help reconcile Sunni Muslims to the new Iraqi order. It has also built up ties with factions in the Shia Muslim majority, giving them some alternative to their main relationship with Iran. From 2003 onwards, Turkey initiated meetings of Iraq’s neighbours, whose foreign ministers met a dozen times to reduce chances of a break-up of Iraq. Above all, it overcame old taboos and started working publicly with Iraq’s Kurdistan Regional Government. The policy has helped Iraq and reined in the PKK, whose chief bases are in northern Iraq. Turkish products and contractors, long dominant in the Iraqi Kurdish market, are increasingly prominent all over Iraq, and potential partners for European companies seeking business there.

Many Muslim leaders, intellectuals and opinion-makers perceive the EU’s treatment of Turkey as an indicator of European attitudes towards the Muslim world. The presence of more than 200 Middle Eastern journalists to witness the decision to open accession negotiations with Turkey at the Brussels European Council of December 2004 well illustrates this resonance. But it would be wrong to see Turkey’s intensified relationship with its eastern neighbours as an “Islamic” foreign policy, even if President Gül and Prime Minister Erdoğan have been more open towards the Middle East than earlier generations of Turkish policy-makers. Moreover, Turkish leaders’ interventions in Islamic meetings often highlight European concerns about reforms, women’s rights and the need to end the habit of blaming all the region’s ills on Israel.

The rebalancing of Turkey’s international profile is not just between east and west: It may be a NATO member, but Russia
is now its biggest single trading partner and energy supplier, and Turkey has avoided being caught in any tensions between Russia and the West. European policy-makers have been slow to appreciate the extent to which Turkey and especially Istanbul have become an all-round regional hub since the end of the Cold War, which had cut off NATO-member Turkey from much of its natural commercial hinterland in the Balkans, Black Sea, Caucasus and Middle East. European visa policies mean even European companies find it useful to base regional operations in Istanbul, and many contracts signed by multinationals in Russia or Central Asia would not be won or completed without the diligent support of Turkish sub-contractors.

Turkey’s geography already makes it important for European energy security, with major energy transport routes criss-crossing the country. These include tankers passing through the Turkish Straits, oil pipelines to the Mediterranean from Iraq and Azerbaijan and natural gas pipelines from Russia, Azerbaijan, and Iran. Natural gas already transits westward to Greece and an onward connection to Italy is planned.

There were those who dismissed each of these pipelines as pipe dreams at the beginning, but the network has steadily grown. Implementation of the theoretically promising Nabucco natural gas pipeline project from Turkey to the EU has been delayed by a lack of politically easy gas supplies and excess transit and profit demands by Turkey. The planned pipeline also suffers from a lack of European sense of purpose, even though Nabucco offers the real chance of new non-Russian gas supplies from the Caspian basin, Iraq and Iran, if Tehran’s relationship with Washington improves. The signing of the key inter-governmental agreement in July is an important step forward. In view of Turkey’s role as a possible energy hub, it is ironic that Cyprus is forcing the EU to block the opening of the Energy chapter in the accession negotiations. While Turkey and the EU will both clearly remain dependent on Russia’s huge oil and gas reserves, Ankara could be a key EU energy partner if European leaders were more ready to commit funding to such projects and consistency to the Turkey relationship. Russia has been the only winner from dissent on this matter so far.

Turkey contributes to crisis-solving; is building up its role as a world crossroads for energy transport; and inspires regional imitators of its relatively successful mix of market economy, democracy, national pride and Muslim traditions. The example of its transformation has acted to project the soft power of core EU values eastward. Turkey has thus helped push problems further away from the borders of the European Union, demonstrating that an EU-member Turkey with borders on Syria, Iran and Iraq is not a liability but makes a good partner to help manage and assist European interests in the Middle East and elsewhere. In Central Asian states, for instance, most of whose populations speak Turkic languages, Turkish businessmen are often the single biggest group, the most experienced contractors and the companies that are able to perform most quickly and effectively. An EU-empowered Turkey could add Europe as a player to a region currently dominated by Russia, China and the United States.

There is no other country whose leaders can and do travel so often between capitals as varied as Moscow and Damascus, Tehran and Jerusalem, and be received with respect and be able to advocate important policy goals so widely. Turkey cannot solve any crisis or problem for the EU single-handedly, but without Turkey, the EU’s task in the region becomes a harder uphill struggle.
VI Turkey’s opening with Armenia

The relationship between Turkey and Armenia is burdened by a number of inter-connected problems. Turks and Armenians have disagreed about how to describe the Ottoman-era massacres committed against Armenians in the First World War. On top of this, Turkey, which has a close partnership with Azerbaijan based on linguistic ties and now major oil and gas pipelines, has long linked any improvement in its relationship with Armenia to a negotiated settlement of the Armenians’ 1992-1994 conquest of Azerbaijan’s Armenian-majority enclave of Nagorno Karabakh. These disputes meant that Turkey and Armenia failed to open diplomatic relations after the break-up of the Soviet Union. Turkey also closed the Armenia border in 1993 to put pressure on Armenian forces to withdraw from the 13.5% of Azerbaijan they currently occupy.

The young Turkish Republic, feeling threatened from all sides in its fight for national survival, never faced up to the atrocities committed during the dying days of the Ottoman Empire. It was also alarmed by territorial claims and demands for reparations by Armenians, and resented that Turkish casualties and war-time conditions in eastern Anatolia as the Ottomans fought invaders on three fronts were not taken into account. To question the official line became a criminal offence and the issue a taboo.

Armenia, meanwhile, requested that the events be recognized as “genocide” by Turkey. The large Armenian diasporas in Europe and America have been radical in pursuing this demand. Diaspora terrorists killed 30 members of the Turkish diplomatic service and their families between 1973 and 1984. On the political front, diaspora lobbyists, with the moral support of Armenia, have won genocide recognition resolutions from more than 20 parliaments, including several in Europe.

In the past decade there has been remarkable change in Turkey on the Armenian issue, in parallel with a new national self-confidence generated by the virtuous circle of EU outreach to Turkey and EU-backed domestic reforms. The trend was led by academics, the Turkish community first exposed to the full range of international scholarship about the Armenian question. Novelists began to explore a sense of loss and guilt about the once vital Armenian pillar of Ottoman society. Broader sources of information became available to the general public too, through travel, translations of books and the internet. In 2005, Turkey’s leaders called for the matter to be turned over to a Turkish-Armenian joint commission of historians, a proposal regrettably not accepted by Armenia. Turkish official statements and schoolbooks began avoiding the use of the old term “so-called genocide” in favour of more neutral terminology like “the events of 1915”. In 2008, reflecting a growing sense that it was time to come to terms, 200 intellectuals, later joined by 30,000 other Turkish citizens, signed an online petition apologizing in their personal capacity for the “great catastrophe” that befell the Armenians in 1915.

There was also movement on bilateral relations between the two countries. Air links have remained open for much of the period despite the closure of the border. Each month Turkish businessmen truck some ten million dollars worth of exports to Armenia through Georgia and Iran. Tens of thousands of Armenians have been informally allowed to stay in Turkey to work. Over the last years, secret talks progressed between Turkish and Armenian officials. After the election of Armenian President Serzh Sarkisian in February 2008, a new page was turned. Turkish President Gül accepted an invitation to attend a Turkey-Armenia football match in Yerevan in September 2008. This encounter was followed up by intense but discreet diplomatic contacts including on the level of Foreign Ministers. In April 2009, the two sides announced agreement on a “comprehensive framework” for normalization. Without being publicly spelled out, it was widely known to foresee the establishing of diplomatic relations, the re-opening of the border and the setting up of a bilateral commission including a sub-commission...
to deal with the events of 1915. Regrettably, Turkey appeared to step back from the deal a few weeks later, publicly linking any Turkish movement to the Nagorno Karabakh situation once again.

There is a complex triangle that connects the three main issues in play: the events of 1915, Turkey-Armenia normalization and the Nagorno Karabakh conflict. Progress on any of these matters would have a positive impact on the others. Not allowing progress on any of them, on the other hand, would just prolong past stalemates. It is a fact, for instance, that keeping the Turkey-Armenia border closed for 16 years has not helped Azerbaijan win back any territory occupied by Armenia. An Armenia made to feel more secure by a normalized relationship with Turkey, on the contrary, could start the ball rolling for progress in settling this conflict, which has defied international mediation for almost two decades.

Turkey-Armenia normalization will make the process of reconciliation with the past easier and vice-versa. Coming to terms with its history, however, is a task to be carried out by Turkish society itself. Historians from both sides can prepare the ground, preferably working together and with third parties so that their research can be fully credible to the other side. Legislation by foreign parliaments, on the other hand, has been and remains counter-productive to this process, provoking nationalistic reactions and holding up change. Furthermore, genocide resolutions stand little chance of persuading Turkey, since these usually seem to be products of domestic political pressures rather than high moral concerns, and ignore the way most legislatures tend to be silent on their own past national short-comings.

With considerable political courage, Turkey’s President Gül and Armenia’s President Sarkisian have broken the taboos that ruled out progress for too long. Both sides should make best use of the dynamics thus created and return as quickly as possible to the road-map that treats Turkey-Armenia normalization separately from other issues in the Caucasus. For Armenia this will end its blockaded isolation, its near-total dependence on Russia and open a western gateway to Europe. In Turkey’s case, while not a formal criteria for eventual EU accession, honest work to settle the controversy will send a powerful message to Europeans about Turkey’s readiness to reconcile itself with its past. Good relations with all neighbours are expected from an EU candidate country and any accession treaty must ultimately be ratified by the European Parliament, which has in the past shown sensitivity about the Armenian issue.

The Independent Commission is convinced that a normalization of relations between Turkey and Armenia remains within reach and that it would symbolize much of the regional good that Turkey’s policy of neutrality in the neighbourhood has been trying to achieve, setting an example of statesmanship that can help to calm the volatile situation in the south Caucasus.
From its foundation in 1923, the Republic of Turkey has modelled itself on the French ideal of a secular state and aimed to remove religion from any role in government and politics. Individual freedom of religion is protected, while legal sanctions block any advocacy of a return to Shariah Islamic law. The state meanwhile keeps control of an established Sunni Muslim hierarchy, paying the country’s prayer leaders as civil servants, owning most mosques and centrally directing the content of sermons. This system is a main foundation of the modern Turkish state.

Secular Turks and some Europeans are concerned with what they perceive as a progressive “Islamisation” of Turkish society in recent years. More women appear to wear headscarves in city centres, and in conservative neighbourhoods it now seems more common to see women wearing black çarşaf cloaks covering their heads and bodies. They relate this to the AKP government and its alleged “hidden agenda” to turn Turkey into a state based on Islamist principles. Opponents of the ruling party point to the way the government has recruited civil servants with a more observant religious culture. They also complain that AKP-run municipalities cultivate a “neighbourhood pressure” that intimidates women against wearing what they want in religious neighbourhoods, deters people from eating or drinking in public during the Ramadan month of Muslim fasting and has effectively driven the sale of alcohol out of the centres of provincial towns. One consequence of this perception was that ten of the eleven judges of the Constitutional Court, a bastion of Turkish secularism, found the AKP guilty in 2008 of being “a focal point of anti-secular activities”. The court did not, however, find enough evidence to close the party down.

The AKP, for its part, sees itself as the Muslim equivalent of a Christian Democrat party in Europe. AKP says its secularist opponents use charges of Islamism as a pretext to keep hold of the levers of bureaucratic power, using methods from the Republic’s authoritarian past. If the party had an Islamist agenda, its leaders add, they would be advocating the imposition of Islamic law, which they do not. Indeed, AKP’s concern is clearly to win elections and to stay in office, and leaning towards Islamism would alienate more votes than it attracts in Turkey. The country does have an even more explicitly religious and conservative party, from which AKP’s more centrist leaders split off in 2001, but it won only 5.2% of the vote in March 2009. Furthermore, Turkish society now has a secular bedrock. This was demonstrated again when the people of western Turkish cities, who have historically determined the country’s direction, staged peaceful mass demonstrations in support of secular principles in 2007 and gave strong support for secularist parties in the 2009 municipal elections.

Clearly, there is an increase in the importance of religion in Turkish society, a phenomenon that can be seen in other countries and other faiths. This is partly a consequence of the more open atmosphere as Turkey evolves; partly due to the migration of people from traditionally more religious rural areas to the western cities; and partly because of a struggle for power between the newly urbanized, upwardly mobile, observant conservatives of AKP and the old guard secularists in the establishment, military and judiciary. A typical example of this polarization is the question over whether Turkey should lift a ban on women wearing headscarves in universities. Outsiders too have taken both sides in this debate. Human Rights Watch, for instance, supports the right of adult women to wear what they want, while the European Court of Human Rights has backed the Turkish Constitutional Court’s ban. At the same time, 70% of Turks support women college students’ right to use headscarves. Turkish women face much worse difficulties of concern – including honour killings, family obstacles to girls’ education, arranged marriages and low representation in the upper reaches of the work force – but these are problems of poverty, tradition and education, not AKP or Islam.

It is difficult to arrive at a firm conclusion on these sensitive issues, which are of importance for many Europeans. For instance, while many people have the impression that more Turkish women are wearing headscarves on city centre streets, a study by Turkey’s
Economic and Social Studies Foundation (TESEV) showed that in fact the wearing of headscarves has decreased in absolute terms. What can be said is that the secular system is not in doubt. Polls show that less than 10% of Turks support Shariah law as an ideal, and, when the more outdated injunctions such as polygamy and corporal punishment are spelled out, the support level drops to a fraction of that. There is no question that after 80 years, secularism is a well-founded pillar of the Republic of Turkey, even if making the state equidistant from the religions of all Turkish citizens is still a work in progress. Nevertheless, media speculation, court cases and political rhetoric about the orientation and intentions of the AKP, while part of a political power struggle, also reflect the real concerns of liberal civil society, and require careful observation. It is regrettable that AKP leaders have not done more to soothe the legitimate anxieties of secularists in Turkey.

Of particular interest to European opinion, too, is the status of non-Muslims in Turkey. Armenian, Jewish, Greek Orthodox and other Christian communities amount to about 0.2% of the Turkish population, or 150,000 people, and have suffered periods of discrimination and harassment during the country’s history. The tragic murders of a Roman Catholic priest, an Armenian Turkish newspaper editor and three members of a provincial evangelist congregation in the past three years appear to be isolated incidents that have as much to do with xenophobic gangs as religious discrimination. Individual freedom of worship has long been guaranteed in theory and practice in Turkey, but the main problem is of a different nature. Turkey must modernize its approach to the legal personality of and ownership of property by religious communities; give freedom to the training of priests of all legal denominations; liberalize the granting of work permits for foreign clergymen; and end indirect local bureaucratic difficulties in the maintenance and improvement of churches and prayer halls for non-mainstream faiths. In order to mitigate some of these problems, the government in 2008 enacted a Law on Foundations that aims to restore non-Muslim property rights and allow religious communities to own properties. This law, however, can only be seen as a first step in the right direction.

The 4.5 million Turks living in Europe enjoy wide freedoms to exercise their religion, including the building of thousands of mosques. As more and more EU citizens live in Turkey, the government should address their concerns with greater urgency too.

Turkey is already today the most democratic, secular state in the Muslim world. The Independent Commission is convinced that to anchor Turkey firmly in the EU would provide additional protection to the secular principles of the Republic.
VIII Economic resilience

Turkey has a functioning market economy, and its resilience to the global financial crisis demonstrates the considerable progress made during the past decade of convergence with Europe. High economic growth in 2002-2007 was achieved alongside successful disinflation. Debt levels in the national accounts fell, thanks to primary budget surpluses, International Monetary Fund-backed fiscal discipline and buoyant conditions in pre-crisis international markets. Historically large amounts of direct investment continue to flow into the country, further supporting stability and development in the economy. A key anchor of this rising prosperity has been the increasing security of investment and policy predictability provided by the transformation aimed at EU membership. Turkey remains an economy with great potential for European business, with its young and fast-growing market, its proven base for high-quality manufacturing and its companies familiar with a wide and developing region of which Turkey is a principal commercial hub.

Real GDP growth (2002 – 2007 average)

Overall, Turkey kept up an average 7% GDP growth between 2002-2007, although the rate slowed down to 1.1% in 2008 amidst the global downturn. The IMF has warned Turkey to brace itself for a 5% contraction in 2009, due to a fall in exports, consumption and investment, but the IMF expects a return to 1.5% growth in 2010. Both the budget deficit and debt stock – 2.2% and 39.5% of GDP based on EU definitions in 2008 – now meet the Maastricht criteria. The crisis has also taken pressure off Turkey’s current account deficit, running at 5.7% of GDP in 2008 and predicted by the IMF to fall to 1.2% in 2009. Turkey’s relatively high inflation of 10.4% in 2008 – down from 45% in 2003 and 84% in 1998 – was still lower than several EU members including Latvia, Lithuania, Bulgaria and Estonia. The IMF and Turkish Central Bank expect inflation to drop to around 7% in 2009. Exports rose 23% to reach $132 billion and imports 19% to $202 billion in 2008. In 2009, however, the government expects a 7% drop in exports and 10.4% fall in imports.

The banking sector has proven particularly strong, thanks to a shake-out during a domestic Turkish financial crisis in 2000-2001 and the new Banking Act of 2005. Bank capital adequacy ratios were higher than Poland or Hungary in 2008 and total capital actually rose 9% in September 2008-March 2009, the worst months of the global financial crisis, to which no Turkish bank has yet succumbed. The quality of loans to Turkish corporate borrowers may have deteriorated, but profits rose 23% in Turkish lira terms in the first quarter of 2009 compared to a year earlier.
In a typical example of the country’s growth potential, Turkish households borrow only one seventh as much as in the EU. At the same time, Turkey is a young country, with 61% of Turks under 35 years old. Since 2002, the financial sector has attracted considerable foreign investment, with Italian, British, French, Belgian, Dutch and Greek banks taking major stakes in Turkish banks, putting European banking brand-names and interests on the high street of every town in Turkey.

Such purchases were part of a first major inflow of foreign direct investment that began pouring in when accession talks opened in 2005. After decades in which investment lingered at an annual level of $1-2 billion per year, it reached a peak of $22 billion in 2007. EU-based entities accounted for two thirds of this investment during the decade, led by Greece, Austria, Germany, France and the UK. At the same time, the number of German companies operating in Turkey more than doubled to 3,000 in the three years after 2005, as Turkish German businesspeople moved quickly to take advantage of Turkey’s new potential.

Despite roughly halving after the onset of the global crisis in mid-2008, investment into Turkey continued at a steady pace in the last quarter of 2008 ($3.8 billion). Further privatizations of state enterprises and a large state bank will likely attract still more European funds in the near future.

Such privatizations netted about $50 billion for the Turkish state this decade and helped transform and internationalize the Turkish economy. Additionally, EU-based companies like France’s Carrefour, Austria’s OMV, Germany’s Bosch and Siemens and the UK’s Vodafone all made major investments in manufacturing, retailing, energy and telecommunications. The investment goes both ways, with Turkish firms raising their commitment to Europe. Major European household brand-names like Godiva chocolates, Grundig televisions, Blomberg household appliances and Villeroy and Boch tiles are now Turkish-owned product lines whose parent companies increasingly do the relevant design, engineering and manufacturing. Furthermore, the reality of Turks in Europe is now much removed from their 1960s-1980s images as guest workers. In 2008, over 130,000 Turks in Europe were entrepreneurs, with total investments worth approximately €14.4 billion in businesses that employed around 600,000 people.

The 1996 Customs Union agreement with Turkey represents the deepest economic and trade relationship that the EU has with a non-member. There are shortcomings in this partnership, however. Turkey has particular grievances about the Free Trade Agreements that the EU negotiates with third countries, which, under customs union rules, gives them tariff-free access to the Turkish market without forcing them, at the same time, to open their markets to Turkey.

The Turkish economy is not without its own problems. Unemployment in 2008 was officially 10.6%, and in reality it is probably even further above the EU average of 7.6%. In 2005, Turkey had the Organization of Economic Cooperation and Development’s largest inter-regional differences in productivity levels and female participation in the economy, disparities that have caused disruptive, large-scale flows of migrants to more prosperous cities in the past. Agriculture provides 8.7% of GDP, compared to an average 1.6% in the EU, and some 26% of Turks still work on farms, compared to 5.4% in the EU. However, the number of farmers has decreased from 33% in 2002. Turkey has begun reforming its large, fragmented and inefficient agricultural sector, and has started work to register farmers, reduce direct subsidies, remove artificial incentives and tackle problems of low productivity.

Aside from the EU candidacy, the other great anchor that secured Turkish policy and investor confidence in Turkey from 1999 onwards was an IMF program that reached a successful conclusion in May 2008. Although Turkey has so far managed to cope with the global financial crisis due to the sudden drop in its current account deficit, structural problems remain. Rating agencies and Turkey’s
own business community advocate the conclusion of a long-discussed, two-year, $20 billion new IMF program deal before Fall 2009. Failure to do so could well trigger a new vicious circle in which weaker market confidence results in increased outflows of foreign capital and downward pressures on the currency, leading to higher interest rates.

Nevertheless the resilience of the Turkish economy has given it options that it never had before, underlining the inherent and growing strength of Turkey. It is, however, a regional power that must give priority to its relationship with Europe. Taken as a bloc, the EU is by far its most important trade partner. Trade with EU-27 in 2008 made up 48 per cent of Turkey’s total exports and 37 per cent of imports (down from 56 per cent and 40 per cent in 2007 respectively). For the EU, Turkey is the fifth biggest export market, ahead of Japan, and demand from the Turkish market can be very lucrative for European companies, as demonstrated by Turkish Airlines’ tender in January 2009 for 105 new airplanes.

The Independent Commission is convinced that the mutual economic benefits of Turkey-EU convergence, the volume of trade, the multiplicity of EU-Turkey business relationships and the potential for growth make a compelling case for further integration. Half-measures and talk of alternative arrangements to membership cannot persuade Turkey that it is a full player on the EU team and will harm EU companies in their attempts to win the future contracts they need. On the Turkish side, half-heartedness will hold up the regulatory changes it has to make in order to stay competitive and delay the transformation Turkey must undergo to deliver economic growth to its young and expanding workforce. In short, the goal of membership, sincerely embraced, is a major driving force that can deliver prosperity in both the EU and Turkey.

A comparison of economic indicators (2008)

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>Turkey</th>
<th>Croatia</th>
<th>Bulgaria</th>
<th>Romania</th>
<th>Euro Area</th>
<th>EU-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPD</td>
<td>Billion Euro</td>
<td>498.4</td>
<td>47.4</td>
<td>34.1</td>
<td>137.0</td>
<td>9.209</td>
<td>12.507</td>
</tr>
<tr>
<td>GPD per cap at PPP*(forecast)</td>
<td>EU-27=100</td>
<td>44.3</td>
<td>63.0</td>
<td>39.2</td>
<td>44.9</td>
<td>111.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Inflation (consumer prices, year-end)</td>
<td>% (change)</td>
<td>10.4</td>
<td>5.8</td>
<td>7.2</td>
<td>6.3</td>
<td>1.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Gross government debt</td>
<td>% (of GPD)</td>
<td>38.8**</td>
<td>37.7**</td>
<td>14.1</td>
<td>13.6</td>
<td>69.1</td>
<td>61.5</td>
</tr>
<tr>
<td>Budget surplus</td>
<td>% (of GPD)</td>
<td>-1.8</td>
<td>-1.6**</td>
<td>1.5</td>
<td>-5.4</td>
<td>-1.9</td>
<td>-2.3</td>
</tr>
</tbody>
</table>

Purchasing Power Standards, **2007 data
Sources: Eurostat, AMECO, IMF, Republic of Turkey Investment Support and Promotion Agency.

European governments must honour their commitments and treat Turkey with fairness.

Conclusions

1 The European Council’s decision to begin accession negotiations with Turkey in 2005 opened the way for the country’s full integration into European structures, an ambition pursued by the Republic of Turkey since its foundation and which accelerated after World War II with Turkey’s membership of the Council of Europe and many other European organizations. Unfortunately, negative statements by some European leaders soon after the EU’s Heads of State or Government had taken their unanimous decision, efforts to substitute alternative arrangements to accession as the agreed objective and obstacles put in the way of the negotiations have all but derailed the process. In Turkey, this led to a dramatic drop in support for EU convergence from the Turkish public and reinforced the government’s lack of resolve in proceeding with Turkey’s transformation. This, in turn, fed arguments to the sceptics in European countries for whom the lack of reforms presented the proof that Turkey was unworthy of EU membership. The Independent Commission is of the view that the vicious circle thus created must be broken urgently, in the interest of both Turkey and the European Union. This will require a change of attitude of both European and Turkish leaderships. European governments must honour their commitments and treat Turkey with fairness and the respect it deserves. Turkey, including both its government and opposition, has to encourage its many supporters in Europe through a dynamic, broad-based reform process, thus confirming that it is willing and serious in its ambition to join the EU.

2 The decision by the European Council was very clear: the shared objective of negotiations with Turkey is accession, not any
alternative such as "privileged partnership" or an unspecified "special relationship". Such concepts would exclude Turkey from participating in the EU's political decision-making but offer little added value to its present status as an associate member and partner in a customs union. Moreover, these negotiations, by their nature, have to be geared towards membership. No country would take upon itself the large number of difficult reforms needed to adopt the *acquis communautaire* if full integration was not the objective. As in other negotiations, however, there is no guarantee that the agreed goal can be reached. In that sense Turkey's accession negotiations are certainly an open-ended process.

3 After the golden era of Turkish transformation in 2000-2005, Turkey failed to sustain the reform momentum. The slow-down was partly a reaction to negative attitudes towards Turkey and a general loss of direction in the EU, but was also due to AKP's lack of resolve and domestic disruptions. A plot to topple the government, a Constitutional Court case to close AKP down and a public threat of intervention by the military were all linked to secularist factions in the army, judiciary and political parties. Such problems have now abated, and the ruling party has been strongly endorsed by the electorate in 2007 and 2009. The government has drawn up a new National Programme of EU reforms. It should now make good on its promises to both the EU and its own people to renew the reform process, in particular enacting a new constitution, a functioning ombudsman, full freedoms for religious organizations, respect for cultural liberties and wider freedom of expression.

4 The ongoing talks between the leaders of the two communities in Cyprus present the best and probably last chance to end the division of the island and come to a mutually acceptable federal solution of this long-lasting dispute. A positive outcome would not only bring major benefits to both sides, it would also remove a pernicious obstacle to Turkey's EU accession process and enhance the stability of this part of the Mediterranean region. Failure would likely lead to a long-drawn out partition of the island that would prove highly divisive for the EU. EU negotiations with Turkey would come to a halt. While the prime responsibility for an agreed settlement rests with the two communities and its leaders, European governments, in particular those of Greece and Turkey, should use all their influence to bring the negotiations to a successful conclusion. Moreover, Turkey must implement its obligations under the Additional Protocol and open its ports to Greek Cypriot traffic. At the same time the EU has to fulfil promises made in 2004 to end the isolation of the Turkish Cypriot community and allow it direct trade with the EU.

5 Helped by a new openness and greater tolerance in the wake of the 2000-2005 era of EU reforms, the ruling AKP has presided over more progress on Turkey's long-running Kurdish problem than any previous government. Kurdish culture is now more broadly tolerated, a Kurdish-language 24-hour state television station was opened earlier this year and the government began implementing a poverty relief programme sponsored by the World Bank. Old taboos about dealing with the Kurdish Regional Government in Iraq have been put aside, bringing Turkey more genuine cooperation in combating the PKK. These are certainly positive developments. However, in the interest of Turkey's stability, more has to be done and with greater urgency. To grant Kurds the full use of their language and respect for their identity, securing genuine equality for all citizens of Turkey, combined with continued efforts to overcome social and economic deficiencies in the South-East, is the only way to eliminate dangerous tensions and to uproot this problem once and for all.

6 The importance of Turkey's geo-strategic position for Europe is highlighted by its role as hub for vital energy supplies from the Caspian Sea, Central Asia and the Middle East. In addition, Turkey has the potential of offering European economies easy access to markets in Central Asian states, where it retains a strong presence based on geography, language and ethnic ties. In recent years, Turkey's new regional policy allowed it to settle outstanding disputes with most of its neighbours and to actively engage in crisis solving efforts in the wider region. The Independent Commission believes that Turkey's full integration into Europe would not lead to further entanglement of the EU in dangerous situations in the Middle East and South Caucasus, but on the contrary enable it to better help solve these problems and to project stability into its volatile neighbourhood.

7 Turkish-Armenian relations have long been burdened by differences over the nature of Ottoman-era massacres of
Armenians, the lack of diplomatic relations, the closure of the border and – indirectly – the Nagorno Karabakh conflict between Armenia and Azerbaijan. As a consequence of dynamics triggered by Turkey’s EU candidate status and the opening of accession negotiations, progress was achieved on most of these issues. In Turkey, the process of coming to terms with the past has begun in earnest and the events of 1915 are now being openly discussed. This is a task, however, which has to be carried out by Turkish society itself. Outside pressure, in particular resolutions by foreign parliaments labelling the events of 1915 as genocide, is counterproductive and should be avoided. On bilateral relations, last year’s visit of President Gül to Yerevan has opened the way for full normalisation. The Independent Commission is of the view that this path should be continued by both parties without further delay and without linking it to the issue of Nagorno-Karabakh. Ending Armenia’s isolation and establishing friendly relations between Turkey and Armenia would surely have a positive impact on that conflict which has defied international mediation for almost two decades.

During past years the importance of religion in Turkish society has been on the increase and the observance of religious practices and traditions by the faithful has become more visible. The secular establishment perceives this development as “creeping Islamisation” instigated by the ruling AKP and as a threat to Turkish secularism. For others it is the consequence of a more open atmosphere as Turkey evolves and of massive migration of people from traditionally more religious rural areas to western cities. For the overwhelming majority of Turks the secular system which constitutes one of the main pillars of the Republic of Turkey is not in doubt and no relevant political factor in Turkey advocates a state based on Islamic principles. In addition, as Turkish supporters of accession to the EU have pointed out, firmly anchoring the country in Europe would be the best protection for secularism in Turkey, and highlight Turkey’s positive experience of the modernization of Islam for Muslims in Europe and in the broader Muslim world.

Individual freedom of worship has long been guaranteed in theory and practice in Turkey. However, non-mainstream Muslim communities as well as the much smaller Christian churches are faced with a number of difficulties, some of them of a legal character. The government has taken certain measures recently to improve the situation. Nevertheless, more determined action is required to address these problems in a fully satisfactory manner.

Turkey’s economy demonstrated considerable resilience during the recent global financial crisis. No Turkish bank failed, partly due to a shake-out during a domestic 2000-2001 financial crisis, and partly due to structural transformations anchored by the accession process and a strict IMF programme. Until 2008, Turkey’s economy grew by an average of 7%, and attracted unprecedented foreign investments, much of it from European banks and businesses. On the other hand, regional imbalances, a large agricultural sector and a high rate of unemployment continue to be of serious concern.

The Independent Commission remains convinced of the huge benefits of Turkish convergence with Europe and an eventual EU membership of a transformed Turkey, both for the country itself and the European Union. The impressive progress Turkey has made in all fields over the last ten years was clearly linked to the country’s EU candidate status and the accession process. To ensure a continuation of Turkey’s transformation its European perspective must be preserved.

To ensure a continuation of Turkey’s transformation its European perspective must be preserved.

Nobody can predict the outcome of the accession process and whether the stated goal can be reached. To give it a fair chance, however, is a matter of the EU’s credibility, of self interest and of fairness due to all candidate countries.
Conclusions of the Independent Commission on Turkey’s 2004 Report

1. The Independent Commission on Turkey is of the view that accession negotiations should be opened as soon as Turkey fulfils the Copenhagen political criteria. Further delay would damage the European Union’s credibility and be seen as a breach of the generally recognised principle that “pacta sunt servanda” (agreements are to be honoured). Turkey, on the other hand, must accept that fulfilment of the political criteria includes the implementation of all legislation passed by parliament. Accession criteria apply to all candidate countries alike and there can be no shortcuts in individual cases. Equally, fairness demands that no candidate state should be submitted to more rigorous conditions than others. It is incumbent on the European Commission to assess whether Turkey’s compliance with the Copenhagen criteria has reached the critical mass necessary to recommend opening accession negotiations.

2. As far as Turkey’s European credentials are concerned, Turkey is a Euro-Asian country, its culture and history closely entwined with Europe, with a strong European orientation and a European vocation which has been accepted for decades by European governments. In this, Turkey is fundamentally different from countries of Europe’s neighbourhood in both North Africa and the Middle East. Its accession to the European Union would therefore not necessarily serve as a model for the Union’s relations with these states. Any objections in principle against Turkey joining the European integration process should have been raised in 1959 at the time of Turkey’s first application, in 1987 when Turkey applied for the second time, or in 1999 before Turkey was given candidate status. No government can claim that these decisions, including the conclusions of the Copenhagen European Council of 2002 on accession negotiations, were not taken in full knowledge of all circumstances.

3. The decision the European Council is taking in December will not be on Turkey’s membership to the EU, but on the opening of accession negotiations. Their duration and outcome will depend on progress made, in particular with regard to economic criteria and the acquis communautaire. It is expected that this process will take a long time, reflecting the scale of difficulties faced by such a large and complex country and the need for consolidation of the Union following the accession of ten new member states. This interval will present an opportunity for both sides to address the most urgent problems and to mitigate any negative effects Turkey’s accession could have. In other words, by the time a final decision is taken both Turkey and the European Union will have profoundly changed.

4. Turkey’s accession would offer considerable benefits both to the European Union and to Turkey. For the Union, the unique geopolitical position of Turkey at the crossroads of the Balkans, the wider Middle East, South Caucasus, Central Asia and beyond, its importance for the security of Europe’s energy supplies and its political, economic and military weight would be great assets. Moreover, as a large Muslim country firmly embedded in the European Union, Turkey could play a significant role in Europe’s relations with the Islamic world.

For Turkey, EU accession would be the ultimate confirmation that its century-old orientation towards the West was the right choice, and that it is finally accepted by Europe. EU membership would also ensure that the country’s transformation into a modern democratic society has become irreversible, enabling Turkey to fully exploit its rich human and economic resources.

A failure of the Turkish accession process would not only mean the loss of important opportunities for both sides. It could result in a serious crisis of identity in Turkey, leading to political upheaval and instability at the Union’s doorstep.
In spite of its size and special characteristics, and although it would unquestionably increase the Union’s heterogeneity as a member, Turkey would be unlikely to fundamentally change the EU and the functioning of its institutions. Turkey’s entry may accentuate existing divergences on the future of the integration process, but it would not cause a qualitative shift in the debate. It should be borne in mind that the decision-making process in the European Union is based on ever-changing alliances, and that the political influence of member states depends at least as much on economic power as on size or demographic weight.

As far as the costs of Turkish membership are concerned, Turkey is likely to require financial assistance from the European Union for many years, the level of transfers depending on the EU’s financial policies and the economic situation in Turkey at the time of accession.

A considerable problem could develop in several European countries in connection with the ratification of an accession treaty with Turkey, should public resistance persist and government policy continue to diverge from popular opinion. This issue must be addressed in a common effort by governments concerned, Turkey and the European Commission.

The best answer to the fears in parts of Europe about Turkey’s different religious and cultural traditions and perceptions of a danger that Turkey could become a fundamentalist Muslim state is to ensure the continuation of the ongoing transformation process, and to protect Turkey’s long-standing secular political system by firmly anchoring Turkey in the union of European democracies.

Unprecedented reform efforts undertaken by the Turkish Government and substantial support for EU membership in Turkish public opinion should not hide the enormous task that the ongoing and far-reaching transformation of the country’s legal, political and societal system represents for Turkey. It would be wrong to underestimate the latent resistance to such profound changes in many parts of Turkish society. Sustaining the reform process will to a large degree depend on whether the momentum of Turkey’s accession process can be maintained.

Turkey’s economy has traditionally been plagued by macroeconomic instability and structural deficiencies, many of which persist today. But the crisis of 2001 has shown the resilience of the Turkish economy, leading to a swift recovery and to far-reaching reforms of the institutional and regulatory frameworks. It is now of vital importance that the Turkish Government persists with the economic reform process in close cooperation with the International Monetary Fund and the European Union.

In view of the country’s size, geographic location and young and dynamic workforce Turkey’s economic potential is undeniable. It is equally evident that EU membership would be highly beneficial for the Turkish economy, providing a firm link to a stable system. The opening of accession negotiations by itself would considerably strengthen confidence in Turkey’s economic stability.

Migration pressure from Turkey, which raises concern in some countries, would depend on several factors, including economic and demographic developments in Turkey and the European Union. Free movement of labour is likely to apply only after a long transitional period, so that governments would retain control of immigration for many years after Turkish accession. Based on the experience of previous enlargement rounds, migration flows from Turkey are expected to be relatively modest, at a time when declining and aging populations may be leading to a serious shortage of labour in many European countries, making immigration vital to the continuation of present generous systems of social security.

Turkish eligibility for EU membership having been confirmed on many occasions over the past decades, Turkey has every reason for expecting to be welcome in the Union, provided it fulfills the relevant conditions. The Independent Commission therefore feels strongly that in dealing with this issue the European Union must treat Turkey with all due respect, fairness and consideration.