

## **MEMBER-STATE BUILDING IN TURKEY PART TWO: THE CHALLENGE OF COHESION**

*This article explores the nature of the member-state building process that has taken place in the past decade in Central and South Eastern Europe. It notes the importance of the Helsinki European Council decision in 1999 to treat all candidate countries within a single framework, and highlights how this has led to parallel transformations of the political landscape in Romania, Bulgaria and Turkey. In all three countries opponents of reforms associated with EU membership were marginalised and a broad social and political consensus emerged that transformed domestic politics. However, in the case of Turkey the focus of member-state building has until now been largely on the political criteria for membership. As Turkey prepares for real negotiations in the wake of the December 2004 decision, issues of economic and social cohesion, which have been central in the case of all other candidates until now are coming to the fore. The issue of Turkey's internal lack of cohesion will become a central issue in the adoption of the acquis, and will likely become the focus of the member-state building effort in the coming decade. It was therefore crucial that the negotiations with Turkey will be similar to those with all previous candidates, and that cohesion will also be a central concern for the EU itself, something that proponents of schemes for a "privileged partnership" had unsuccessfully opposed. One crucial issue will be whether the Turkish state is able and willing to undertake the vast administrative and policy reforms required for an effective regional policy in the near future.*

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On 17 December 2004 the European Union Council in Brussels decided to open EU membership negotiations with Turkey, concluded that membership negotiations with both Bulgaria and Romania had been successful, and opened the door to accession negotiations with Croatia in 2005. It thus made visible the remarkable transformation that had taken place in South Eastern Europe in the past five years. Since 1999, and the commitment of the Helsinki Council to “the inclusive nature of the accession process” comprising 13 candidate States “within a single framework”, institutional reforms had dramatically accelerated in Romania, Bulgaria and Turkey.

The Helsinki Council had underlined that all candidate states “are participating in the accession process on an equal footing.” Only in hindsight did it become clear to most Europeans just how revolutionary and far-reaching this simple promise had turned out to be. In fact, the Helsinki decision has by now opened the door to a second major wave of enlargements to follow the Central European expansion completed in May 2004. In the course of the coming years this process is set to transform a European Union of 25 into one of 33 or more member states (depending on the future of the State Union of Serbia-Montenegro and of Kosovo.) The Union would then include Turkey and all the countries of the Eastern and Western Balkans and an additional 135 million people. A majority of these new EU citizens will be Muslim (Albanians, Bosniaks and Turks,) most of the remaining Eastern Orthodox (Bulgarians, Romanians, Serbs and Macedonians.) It will be the Byzantine, Ottoman or anti-Huntingtonian enlargement.

This next enlargement is also certain to transform current debates on international state building and European soft power. In his most recent book Francis Fukuyama’s defines state-building as “the creation of new institutions and the strengthening of existing ones”<sup>1</sup> and notes that in the future “the art of state-building will be a key component of national power, as important as the ability to deploy traditional military force to the maintenance of world order.”<sup>2</sup> Fukuyama also underlines how few successes there are in this area, and that “what we know about the techniques and prospects for generating demand for institutions from the outside is both extensive and discouraging.”<sup>3</sup> Fukuyama does not mention the recent experience of EU enlargement. According to his broad definition of state-building, however, the pre-accession process leading to EU membership is simply another, and almost certainly the most successful, variation on his main theme: it is *member-state building*.

Applied in countries that have been formally recognised as candidates for EU membership - currently Romania, Bulgaria, Croatia, and Turkey - this model of outside involvement in domestic institutional reforms remains unique to Europe. As Steven Everts notes, the ability of the European Union to “exert influence in countries wishing to join the EU has been nothing short of revolutionary...This form of ‘regime change’ EU-style is cheap, voluntary and hence long-lasting.”<sup>4</sup> However, member-state building is much more than a belief in European soft power. As it evolved in the 1990s it has three dimensions: political change, administrative reform, and economic transformation, corresponding to the political, administrative and economic Copenhagen criteria. It also relies on a number of very specific instruments, whose technocratic appearance obscures their political impact: *questionnaires*

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<sup>1</sup> F. Fukuyama, *State Building: Governance and World Order in the Twenty-first Century*, (NY: Cornell University Press, 2004), p. ix.

<sup>2</sup> Fukuyama (2004), p. 164.

<sup>3</sup> Fukuyama (2004), p. 48.

<sup>4</sup> S. Everts, “An Asset but not a Model: Turkey, the EU and the Wider Middle,” *Centre for European Reform*, October 2004.

and *screenings* related to the *acquis*, the *opening* and *closing* of chapters, a process of *National Development Planning* to promote convergence and economic and social *cohesion*, annual reports and pre-accession financial programmes such as *SAPARD* (for agriculture and rural development) and *ISPA* (for infrastructure.) However, both the language of (diplomatic) negotiations and the common popular perception that EU accession is largely about adopting *legislation* are misleading: most fundamentally, member-state building amounts to a reconstruction of the whole machinery of government and a large part of public policies, from consumer protection to gender issues, based on a new set of *values*. If member-state building has accomplished revolutionary transformations over the past decade in the institutional architecture of candidate states then this is because it has been a deeply political process hiding at times under a cover of technocratic abbreviations.

The fact that the pre-accession process is based on and embodies substantive values is most obvious when it comes to the political Copenhagen criteria. These - the quality of democracy and the state of human rights - have received most attention in the recent debate on Turkey and the EU, which has ranged from large structural issues (the role of the military) to other very concrete ones (the conditions in prisons.) However, the commitment to a set of core European values is no less important when it comes to the European model of a free market economy, as embodied in the *acquis*. On the one hand the Union champions a liberal model of development, with its strong emphasis on freedom of movement for people, capital and goods and services, and with its strong support for European competition policies administered by the Commission. On the other hand, the Union also embodies a commitment to balanced economic development. This commitment to European *cohesion* – and the necessary institution building and policy reform that it requires – is central to the member-state building process, and far from being weakened has actually been strengthened in the wake of each successive enlargement.

Given the range of institutional reforms required from a candidate country and the length of time it takes to accomplish them the process of member-state building cannot possibly succeed without strong and broad-based domestic support that encompasses all main political parties and a large part of the population. The existence of such a broad consensus ensured that despite frequent changes of governments in Central European countries the process of pre-accession negotiations was never brought to a halt. The commitment that at the end of the accession process candidate countries would join a Union of equals was central to the ideological and political appeal of EU membership. Likewise, the willingness by the Union to put accession countries on the map of European cohesion from the very outset – to ensure that not only capital city regions benefit from integration but also rural, de-industrialising or peripheral regions – has obviously been central to the successful *politics* of member-state building. The impact that EU support for agriculture has had in the past year on anti-European attitudes among Polish farmers – which threatened to bring to power a populist party committed to reverse many of the reforms which have been achieved in recent years – is one of the most visible and spectacular examples of the constituency-building impact of EU policies.

The challenge of both member-state building and European cohesion raises, however, a number of questions on the eve of the most ambitious enlargement the Union has ever embarked upon: will future enlargements be like previous enlargements in terms of the core values that guide them, in the instruments that will be used to promote these values, and in the likely impact of the member-state building process on the domestic political agenda? Will the mechanisms that have been seen to produce results in Bulgaria and Romania also be working in the case of Turkey? And is the EU itself willing to be as supportive of this process in the

coming decade as it was in the past? In short, can it be taken for granted – or is it even reasonable to expect – that the success story of Europeanisation in South Eastern Europe during the past five years will continue in the next decade?

### ***Europeanisation and Political Change***

When the European Commission announced on 6 October 2004 that Turkey met the political criteria for starting membership negotiations, it drew attention to an extraordinarily fast and recent transformation. At the same time, it made it possible to compare the impact of decades of association with the EU with the impact of half a decade of candidate status.

In the decades before the Helsinki Summit Turkey had been a member of all of the major international clubs – NATO, the Council of Europe and the OSCE. It had received vast development credits from the World Bank and had signed a succession of IMF agreements. It also had an association agreement with the EU dating from 1963, which led to the creation of a customs union in 1996. But none of these memberships and cooperation agreements had an impact comparable to that of EU candidate status or membership in Portugal, Spain, Greece or the Central European countries. The relationship between Turkey and the EU resembled, in the words of Mehmet Uğur, an incomplete contract. Before 1999, he wrote, “Turkey, unlike Spain and Portugal in the 1980s, and central and eastern European countries in the 1990s, has never come to the point of accepting European integration as a reference point either for the formulation of the reform agenda or for the legitimation of the limited reforms carried out.”<sup>5</sup> In fact, the 1990s had been one of the worst decades in the history of the Turkish Republic in terms of both political (in)stability and economic (mis)management.

Thus, when the European Union announced at its historic summit in Helsinki in 1999 that it would grant Turkey official candidate status, Turkey had already fallen behind all the other candidates from Central and South Eastern Europe. It then met neither the economic nor the political criteria for membership. In its 1999 regular report the European Commission noted:

[A]lthough the basic features of a democratic system exist in Turkey, it still does not meet the Copenhagen political criteria. There are serious shortcomings in terms of human rights and protection of minorities. Torture is not systematic, but it is still widespread, and freedom of expression is regularly restricted by the authorities. The National Security Council continues to play a major role in political life. Although there have been some improvements in the independence of the judiciary, the emergency court system remains in place.

In 2000 the Commission added that “hardly anything had changed in the structural and social framework of the country which would have moved it closer to EU membership.” Perceptive analysts explained why one should not expect too dramatic changes. As Mina Töksöz wrote in 2002, “there is no party in Turkey that could lead a transformation of the Turkish economy. The Nationalist Action Party (Milliyetçi Hareket Partisi – MHP) cannot because of its mass base; the Islamic party will find it difficult to receive the backing of the country’s leading corporate and military elite; the other parties... are too discredited.”<sup>6</sup> Ümit Cizre wrote at the same time that “the political class constantly weighs the political pay-off derived from a reform in the system – to put an end to powerlessness, incapacity, corruption and stasis –

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<sup>5</sup> M. Uğur, “Europeanisation and Convergence via incomplete contracts? The case of Turkey,” in Featherstone and Kazamias (eds.), *Europeanisation and the Southern Periphery* (London: Frank Cass, 2001), p. 218.

<sup>6</sup> M. Toksoz, “The Economic Achievements and Prospects”, in B. Beeley (ed.), *Turkish Transformation New Century New Challenges* (Huntingdon: The Eothen Press, 2002), p. 143.

against the costs of giving up power based on patronage. It is more than likely that the civilian political class will not choose to terminate rent-seeking networks by reforms that would reduce the prominence of the military in politics.”<sup>7</sup> Taner Akçam went even further, warning that “the moment the armed forces would withdraw their protective hand from the state the various groups in Turkey would strangle themselves as a society.”<sup>8</sup>

By 2004, however, every one of the issues raised by the Commission in its 1999 report had been successfully addressed. As the Commission wrote in October 2004, Turkey had made spectacular progress in strengthening its democratic institutions, removing the military from politics, lifting restrictions on minority rights, abolishing emergency courts, and supporting the UN-sponsored peace plan for Cyprus. Many of these reforms, in particular those concerning the status of the military establishment within the political system, could not have been imagined a few years ago.

Commentators across Europe were struck by the fact that almost all of these reforms were based on a broad social and political consensus. Indeed, they were initiated by a motley coalition government led by Prime Minister Ecevit and including Turkey’s far-right nationalist MHP (which, although opposed to meeting the requirements for Europeanisation, did not withdraw from the government). They were then dramatically accelerated under the stewardship of the AKP (Adalet ve Kalkınma Partisi – Justice and Development Party,) a new party that first embraced and then implemented the liberal reform agenda required for EU membership. As Ziya Öniş observed, “the Helsinki decision had striking consequences for Turkey’s domestic politics. A tide of reforms were initiated, which the powerful ‘anti-EU coalition’ in Turkey found it progressively more difficult to resist.”

Not surprisingly, some European commentators employed supernatural metaphors: Daniel Cohn-Bendit, the current leader of the Green faction in the European Parliament, spoke of a “miracle on the Bosphorus,” complementing previous miracles on the Rhine (Franco-German reconciliation) and the Oder (the accession of Poland and other countries in postcommunist Central Europe). However, the Turkish experience is not a once-off event. The same pattern has been repeated across the region in recent years - wherever the EU has brought to bear the tools of member-state building. Less than a decade ago, two of Europe’s most respected senior statesmen, former French president Giscard D’Estaing and former German chancellor Helmut Schmidt, had publicly declared that neither Bulgaria nor Romania should ever join the EU, since they belonged to a different civilization (Orthodox/Byzantine). However, in October 2004, the European Commission declared that both Bulgaria and Romania had met the fundamental conditions for EU membership: they are stable democracies that protect human rights and ethnic minorities, and they have functioning market economies capable of withstanding the competitive pressures of the European market.

Romania and Bulgaria have gone through transformations no less dramatic than that of Turkey. In the mid-1990s, neither country was on the path to European integration, dwelling in a “gray zone” where formal democratic processes are combined with a corrupt elite, a public disaffected from politics, and poor economic policy. In Bulgaria, a succession of disastrous policy choices led to a financial collapse in 1996–97, with a run on the banking system, falling industrial and agricultural production, and sharply negative growth, necessitating an IMF stabilization program. About Romania, a leading expert wrote in 1995: “Clearly Romania is not moving in the direction of the west European political system... The

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<sup>7</sup> Ü. Cizre, quoted in Soli Özel, “After the Tsunami,” *Journal of Democracy*, Vol. 14., No.2 (2003).

<sup>8</sup> T. Akçam, *From Empire to Republic: Turkish Nationalism and the Armenian Genocide*, (London: Zed Books, 2004), p. 14.

absence of checks and balances, intense competition for limited state resources, and a strongly nationalist political culture means that there is a real possibility that Romania will become sucked into a cycle of military coups and weak civilian government.”<sup>9</sup> At the same time Jacques Rupnik warned that Romania’s security services “still represent a constraint on political life. Their proliferation (there are allegedly nine of them) and the absence of genuine parliamentary control over their activities remains a worrying issue.”<sup>10</sup> After a sharp economic decline in 1997–98, Romania’s 2000 presidential elections ended in a runoff between former communist Ion Iliescu and neofascist *poet* Corneliu Vadim Tudor.

As was the case with Turkey, the fortunes of both countries changed decisively once the EU-integration process was no longer an abstraction but a concrete reality. The decision taken in 1999 in Helsinki to begin membership negotiations led to an extraordinary convergence of political programs across the ideological spectrum. Institutional reforms and economic policies became firmly anchored to European standards. During the last five years the Bulgarian and Romanian economies have been growing steadily, powered by the objective of catching up to EU levels, and the momentum that developed soon proved irreversible.

In all these countries, the EU integration process deprived anti-Western agendas of their populist appeal. All major political forces, whatever their roots and political orientation, became firmly committed to seeing the country through to EU membership. At the same time, the European Union was also heavily involved in supporting the economic and social transformation of both countries. From the outset Bulgaria and Romania received the same attention and the same assistance as other, more advanced EU candidate countries. They were included in the support schemes for agriculture and rural development (SAPARD) and infrastructure (ISPA). By 2006 the European Union is supporting the National Development Plans of both countries with annual grants of 1.4 billion EUR for structural policies to help them achieve convergence with the European Union and to increase the competitiveness of their enterprises.

### ***Europe, Cohesion and Turkey***

The principle of balanced economic development is as old as the European Economic Community, part of the Treaty of Rome of 1957. Regional development policy acquired a heightened significance during the late 1980s, however, with the accelerated development of a single market and monetary integration and the reforms carried out in the Commission headed by Jacques Delors. The Delors Commission sought above all to eliminate any remaining barriers to a common European market and prepared the road towards a common European currency.

There was recognition, however, that the benefits of lifting trade barriers and enforcing monetary stability could have detrimental effects on economically marginal regions. In a well-known report published in 1987 economist Tommaso Padua-Schioppa, today a member of the executive board of the European Central Bank, argued that market liberalisation could aggravate existing regional imbalances, requiring accompanying measures to promote the adjustment of weaker regions. It is today an unchallenged assumption among those dealing with regional policy in the European Commission that “closer economic integration would not

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<sup>9</sup> T. Gallagher, *Romania After Ceausescu* (Edinburgh: Edinburgh University Press, 1995), p. 234.

<sup>10</sup> J. Rupnik, “The Politics of Transition,” *Democracy in Romania Assessment Mission Report* (Strömsborg: IDEA, 1997), p. 21.

necessarily permit the reduction of regional disparities and could, initially at least, lead to them widening.”<sup>11</sup>

By the late 1980s, a more assertive European regional policy had been formalised into a formal commitment to *cohesion*, which was written into the Maastricht Treaty of 1991 as one of the central pillars of the new European Union:

In order to promote its overall harmonious development, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion...The Community shall aim at reducing disparities between the levels of development of the various regions. (Article 158)

Ray Mac Sharry, a former finance minister of Ireland, one of the countries to benefit most visibly from European regional policy, has written that without the right balance between efficiency (the single market), stability (monetary union), and solidarity (the structural and cohesion funds) “the community would be unlikely to survive the social tensions generated by the introduction of the single market and single currency in such quick succession.”<sup>12</sup>

Ireland remains the most outstanding success story illustrating the impact of Europeanisation on its development. As Mac Sharry and the former head of the Irish Industrial Development Agency, Padraic White, noted, “if Irish economic history had ended in 1986, the verdict on national economic performance since Independence would be damning indeed... it is difficult to avoid the conclusion that Irish economic performance has been the least impressive in western Europe, perhaps in all Europe, in the twentieth century.”<sup>13</sup> However, in recent decades Irish GDP has risen from two thirds of the EU average when it joined in the 1970s to 118 percent today. The development which took place was driven in part by a sharp increase in foreign investment, which in turn “benefited from almost every item of spending under transfers from what in the late eighties became the EU structural and Cohesion funds.”<sup>14</sup> For instance, the training of Irish staff for foreign companies investing in the country was paid for by the Irish Development Agency, which in turn was reimbursed for 75 percent of the costs from the European Commission.<sup>15</sup> As Mac Sharry put it, the role of the European Union in this process of catching up was crucial. The country’s great economic leap since 1989 was “underpinned by the 17 billion pounds received in total EU support since 1989 – more than half of which came from the Structural and Cohesion funds.”<sup>16</sup>

However, the impact of Europeanisation has also been striking in the Mediterranean countries. In Spain, Greece and Portugal, *per capita* GDP leapt from 68 percent of the EU average to 79 percent between 1989 and 1999, as these countries benefited enormously from the combination of joining a large common market, the fiscal discipline inherent in moving toward monetary union, and a major injection of EU structural assistance.

EU regional policy seeks to improve the long-term growth performance of recipient countries, in an environment in which state aid to businesses is seen as dangerously distorting competition. It targets assistance to the supply side, with the bulk of its interventions focused

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<sup>11</sup> T. P. Schioppa, *Efficiency, Stability and Equity: a Strategy for the Evolution of the Economic System of the European Community*, (London: Oxford University Press, 1987)

<sup>12</sup> R. M. Sharry and P. White, *The Making of the Celtic Tiger – the Inside Story of Ireland’s Boom Economy* (Cork: Mercier, 2000), p. 168.

<sup>13</sup> *Ibid.*, p. 40.

<sup>14</sup> *Ibid.*, p. 179.

<sup>15</sup> *Ibid.*, p. 181.

<sup>16</sup> *Ibid.*, p. 154.

on infrastructure and vocational training. The structural funds are intended to create “synergies and positive spin-offs through a series of co-ordinated measures to improve human capital, set up infrastructure and promote productive activity.”<sup>17</sup> They must encourage investment over consumption within the recipient economy. It is assumed that EU grants can only have a positive impact if they add to, rather than replace national expenditure.

To ensure a positive impact, the EU has developed a number of operational principles to guide its interventions, including *additionality* - the EU funds are added to domestically financed public investments, to avoid substitution; they also rely on mandatory co-financing on the part of recipients; *development planning* - all projects supported by the EU must be embedded in long-term development programmes developed by the region/country concerned, so as to increase spill-over effects. The EU procedures require the formulation of a hierarchy of planning documents, which ensure that each specific project is tailored to the needs of the community and the wider economic policy of the country concerned; and *partnership* - to ensure that the best interests of the recipient communities are reflected in the programming, the EU requires close partnership between the Commission and national and regional governments, who work closely together to design, implement, supervise and evaluate operational programmes. This reflects the EU principle of subsidiarity, and has directly contributed to strengthening regional governments in a number of member states.<sup>18</sup>

These assistance strategies have also been expanded to the candidates which have now become members. As the Directorate for Regional Policy noted in 2001, “the presence of new member states composed almost entirely of regions with a general need for support for economic development will necessitate a massive refocusing of the effort in order to achieve a significant catching up within a reasonable period.”<sup>19</sup> For 2006 the EU had budgeted 9.7 billion EUR in structural actions for the new EU members.

In the case of Turkey, the European focus has until now been largely on the political criteria for EU membership. However, this focus is certain to broaden with the opening of accession negotiations, bringing fundamental issues of administrative reform and internal economic and social cohesion to the centre of the political agenda.

The wide divergence in living standards and economic conditions in different parts of the country is one of the most striking features of contemporary Turkish society. Not only is there a huge gap between different regions today, with GDP per capita in the Marmara Region about 4 times larger than in Eastern Anatolia Region; this gap also continues to widen. While this process has led to substantial migration between regions in recent decades, this alone has neither helped in the convergence of living standards or in solving the problem through gradual and voluntary de-population of specific areas: on the contrary, given higher than average birth rates in East and South East Anatolia, the *absolute* number of people living in most of Turkey’s poorest regions has continued to increase substantially in the last 20 years.

As the State Planning Agency recognised in its most recent reports, for decades economic growth has not contributed to eliminating development disparities between regions. Today the Eastern Anatolian region contributes one percent to the value added in Turkish

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<sup>17</sup> P. Goybet and M. Bertoldi, “The efficiency of the Structural Funds,” in J. Mortensen (ed.), *Improving Economic and Social Cohesion in the European Community* (London: Macmillan Press, 1994), p. 229.

<sup>18</sup> Herve and Holtzmann, *Fiscal Transfers and Economic Convergence in the EU: An Analysis of Absorption Problems and an Evaluation of the Literature* (Baden-Baden: Nomos Verlagsgesellschaft, 1998), pp. 32-33.

<sup>19</sup> European Commission. (2001). *Second Report on Economic and Social Cohesion*.

manufacturing. The region's share in overall national gross domestic product (GDP) decreased from 6.6 percent in 1965 to 4 percent in 1997. Income per capita in the East Anatolia region decreased from 41.9 percent of the national average in 1987 to 36.7 in 1997.<sup>20</sup> Nor are prospects good for change in the immediate future, given current trends. As the State Planning Organisation notes: "the possibility is very low for small and medium sized enterprises to emerge at least in the foreseeable future."<sup>21</sup> According to data provided by the State Statistical Institute for 2000, the rate of illiteracy among women in Mardin or Diyarbakır province stands at 43 and 45 percent.

This raises fundamental challenges for Turkey's pre-accession process. Already in its 1999 report the European Commission stressed the importance of regional policy and cohesion:

When preparing for membership, a high level of priority would have to be given to the establishment of an efficient regional policy, addressing the major gaps of the regions lagging behind. Turkey would have to adopt its central administration in order to address this priority in allocating significant human and budgetary resources in this area, improving administrative procedures and establishing operational structures in the region.<sup>22</sup>

The 2002 report was no less explicit, calling for "substantially higher levels of public investment in the regions lagging behind" and urging the government to give priority to "the formulation of an efficient and modernised regional policy that complies with Community standards and addresses the major issues in regions lagging behind." In response to these requests, a preliminary national development plan was drawn up by the government for the period 2003-2005, a new territorial organisation based on the EU's regional classification system (NUTS) was introduced, and steps were taken to prepare regional development strategies.

It is clear, however, that in the face of the enormous challenge which Turkey faces and in light of the support given by the European Union to the most recent candidate countries a serious effort to address Turkey's cohesion challenge is yet to be made. Even the most optimistic assessments of the prospects of the Turkish economy note the dualism of the Turkish economy: while a competitive modern sector produces an increasing number of exports for the European Union, other sectors, employing a majority of the labour force, are not competitive and not integrated into the European economy. This is particularly true for agriculture, which in large part explains the wide discrepancies between the developed West and the underdeveloped East, and between urban industrial centres and the coast and most of the rural interior. In Turkey some 33 percent of employment is in the agricultural sector, which is equivalent to 6.7 million people, compared to 6.3 million people working in agriculture in the 15 EU member states before enlargement.<sup>23</sup> This is mostly small-scale subsistence farming, with the average farm size 6 ha in 2001, compared to 19 ha in the EU.<sup>24</sup> In Eastern Anatolia the social and governance challenges to transform this sector remain tremendous: there is a high risk level for innovation, making it difficult to change traditional agricultural practices, soil resources are not being used according to their natural capacities, necessary land planning has not been prepared, agricultural enterprises continue to be

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<sup>20</sup> State Planning Organisation. (2000). Eastern Anatolia Master Plan, p. 2.

<sup>21</sup> Ibid., p. 17.

<sup>22</sup> European Union. (1999). *Regular Report on Turkey's progress towards accession* p. 41.

<sup>23</sup> European Commission Directorate for Agriculture. (2003), *Agricultural Situation in Turkey*, p. 3.

<sup>24</sup> Ibid., p. 4.

fragmented due to inheritance and there are not adequate water reservoirs for animals in pasture lands.<sup>25</sup>

The challenge for the Turkish economy, according to a recent study, is the “large-scale absorption of underemployed labour, especially from the rural areas and among women, into higher productivity activities in industry and services. Over a decade it should be possible to shift about one third of those currently employed at extremely low productivity rates in the rural areas into industry and services.”<sup>26</sup> The question this raises, however, is whether most of this *sectoral* migration of the labour force will also require a large-scale *physical* migration. And this in turn will have major implications for the development of Turkey’s regional policies in the coming decade.

Certainly addressing the issue of cohesion is going to be central to the member-state building effort of Turkey and the efforts of the European Union. As the EU prepares its multi-annual budget for the period 2007-2013 it will also make clear how many resources will be made available support these efforts, and how this will compare to previous enlargements. The Turkish government in turn will have to show a willingness to dramatically overhaul a public sector that in recent decades has obviously not been able to further the objective of internal cohesion and balanced development.

### ***Partnership and Cohesion***

In recent months some European political parties opposed to full membership for Turkey have suggested that Turkey be offered a “privileged partnership” or a “membership light.” The Turkish government and Turkish public opinion have always refused this and the Brussels European Council meeting has confirmed that the negotiation process is leading to full membership. But while this debate has sometimes been portrayed in the media as an issue of “Turkish national pride” – and French president Jacques Chirac has argued that anything other than full membership could not be offered to Turkey because it was a “great state” – one of the fundamental issues at stake in these debates has been the future of European cohesion policy towards Turkey.

None of the “privileged partnership” or “member-state light” proposals which have been advanced by different political parties in recent months (particularly in Germany, Austria and France) included Turkey on the map of European cohesion. None of them would have therefore foreseen either the institution building efforts or the assistance planned for the period between 2007 and 2013 to address this. Given the importance of cohesion in any member-state building process, negotiations for such a partnership would therefore from the very outset have to look very different from previous membership negotiations.

The decision by the Brussels summit to open negotiations for full membership means that cohesion will be central to EU-Turkey relations in the coming decade. This will create huge challenges for both sides, as they attempt to address a policy issue that for decades had not been tackled successfully. However, based on the record of member-state building in the past decade in Central Europe, in Bulgaria and in Romania, and based on the record of the Turkish government in the past years, it is clear that if ever there was an opportunity to reverse a development pattern that has bedevilled the Turkish republic since its creation then it is in the context of the pre-accession effort.

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<sup>25</sup> State Planning Organisation. (2000). p. 10.

<sup>26</sup> K. Dervis, D. Gros, M. Emerson and S. Ülgen, *The European Transformation of Turkey*, (CEPS Paperback Books, 2004), p. 103.