

PREPARING FOR A NEW BLUEPRINT IN EU-TURKEY RELATIONS?

Turkey's EU accession has lost its significance over the past decade. Today, distorted incentive mechanisms govern relations between Ankara and Brussels, often altering rational policymaking. It is in the interest of both sides that existing structures remain in place until better ones replace or complement them. In the meantime, change is necessary to correct outdated structures that encourage rivalry, and turn bilateral and multilateral relations with Turkey into uncalculated time bombs. Although migration and counter-terrorism play an important role, a new blueprint for a sustainable partnership necessitate a wider scope, including business support, trust, and respect for each sides' priorities. A reformed Customs Union, energy cooperation, and coordination on geo-regional foreign policy areas like Iraq may prove useful.

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Relations between Ankara and Brussels have been facing a downwards spiral during the past decade. Publically, this trend gained momentum in 2013, when Ankara clamped down on environmental protesters in what become known as the Gezi Park protests. The Turkish government's reaction was seen as unacceptable for most Europeans and painted a damaging image of the Turkish government. Whereas the European Commission's (EC) annual Turkey reports identified a gradual decline in democratic standards and imprisoned journalists between 2007 and 2012, the impact of Gezi fundamentally shifted European public opinion and deeply affected accession aspirations. It also impacted domestic electoral dynamics across most European countries.

Diplomatically, Turkey's difficult relationship with the EU predates 2013 by over a decade. From the inception of the Turkish accession process, broken promises and the continued freezing of chapters created a set of distorted incentive mechanisms, which continue to affect any attempts at building trust, reconciliation, and improved relations. A classic example continues to be the freezing of accession chapters by France and the blocking of chapters by Cyprus through the European Council—both of which set the tone for future relations. Apart from distorting credibility in accession outcomes and thereby gradually rendering the institutional mechanisms of accession void, it also created a new populist incentive mechanism, commonly known in EU circles as “scapegoating.” This familiar concept revolves around leaders shifting blame towards EU institutions after or during major summits in order to gain electoral support or popularity in their national constituencies. With public opinion tainted in Europe, and diminished belief in European aspirations among Turks, it only became a matter of time before the vicious cycle of electoral politics allowed for European nationalist parties and Turkey's government to start taking advantage of this tactic as well. Today, EU-Turkey relations face the most challenging circumstances observed in recent history. A crucial question remains as to how governments can help reinvigorate relations and trust, while correcting distorted incentive mechanisms and re-institutionalizing a new set of common priorities. In an effort to think openly about a new blueprint for future relations between the EU's member states and Turkey, this article reflects on how the accession process has become too politicized and how the EU and Turkey need to re-invigorate trust through potential venues like foreign policy, energy, and a reformed Customs Union.

The Institutionalization of “Bad Relations”

The danger of ending the accession process is obvious: The history of multilateralism teaches us that institutions and structures generally take more time, coordination, and effort to build than the simple procedure of tearing them down. But despite

cementing efforts by the accession process, the current institutions in place appear to distort rational policy making between Ankara and Brussels. An example is how the negotiation of accession chapters—originally a technical process—are today heavily politicized. Since the EU agreed to start negotiations with Turkey in 2005, only 16 out of 25 chapters have been opened. One has been closed—Science and Research (Chapter 25)—whereas 14 chapters continue to be blocked due to decisions by the General Affairs and External Relations Council Decision of December 2006 and the EU General Affairs Council Meeting in December 2009.¹ From a theoretical viewpoint, once an institutional relationship loses its common objective (e.g. the accession of Turkey into the EU) it becomes increasingly difficult to determine and correctly assess the impacts of policy. More often than not, deep-seated mistrust and contentious accession negotiations spill over and affect bilateral relations negatively. This has the consequence of delegitimizing shared institutions, while rendering current and new accession promises void of credibility.

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Within the specific context of accession negotiations, this tendency is becoming more visible year-by-year. When looking at negotiations on specific subjects like visa liberalization and the Customs Union, the results are clear. The principle of freedom of movement is held hostage by disputes tied to the migration deal and definitions of counter-terrorism. The supposed mechanisms or incentives for Turkey to reform and harmonize its laws to the *acquis communautaire* have been weakened, especially with regards to the Copenhagen criteria and the rule of law under chapters dealing with Judiciary and Fundamental Rights and Justice, Freedom and Security. Disregarding the fact that the screening processes remain blocked by the EU, both appear to have practically no impact left, while Ankara remains fundamentally unwilling to engage in serious political reform. These observations were confirmed during a set of high-level discussions conducted by the European Neighbourhood Council (ENC) in 2017. Both EU and Turkish officials expressed serious doubts about the longevity and likelihood of accession under the current conditions. During the discussions, they specifically named “trust” and “lack of institutional credibility” as the two major obstacles in the relationship, lending further support to the problem of absent structural incentive mechanisms. Carnegie Fellow and Senior EU-Turkey specialist Sinan Ülgen also addressed this issue in his 2016 article, stating that “the time has

¹ Republic of Turkey Ministry for EU Affairs, Directorate for Accession Policy, “Current Situation,” https://www.ab.gov.tr/current-situation_65_en.html

come to do away with the pretence that accession remains a realistic option for the foreseeable future; it is leading to acrimony rather than convergence.”²

This view has proven to be increasingly predictive, especially when looking at the context of wider bilateral relations. The 2017 diplomatic crisis’ involving the Netherlands, Germany, and Turkey portray a systemic tendency which depicts how current accession structures appear to enhance notions of uncertainty. Bitter sentiments and perceptions of unfair treatment in Ankara (e.g. the politicized freezing of accession chapters) and Brussels (e.g. Turkey not fulfilling the Copenhagen criteria and ‘flirting’ with Russia) have led to a distorted negotiation scenario, in which mistrust now dictates accession negotiations, while also spilling over into bilateral relations. The relocation of German troops from the İncirlik Air Base to Jordan in 2017 equally exemplifies this “spillover scenario.” Such an environment of instability has had the tendency to lead both sides into decision-making situations in which opting for the lowest common denominators and politicizing new areas are becoming an everyday reality. The list includes a wide range of policy areas ranging from defense and visa-free travel to Turkish minority groups living inside the EU and the allocation of Instruments for Pre-Accession Assistance (IPA) funds. There is now a risk that such diplomatic crises may have been deprioritized, and perhaps derailed otherwise necessary policy alignments. Such areas include pressing foreign, energy, and, trade issues between the EU and Turkey.

Dr. Nathalie Tocci, who serves as special advisor to the EU High Representative, Federica Mogherini, put forward a three-option scenario for future EU-Turkey relations in her 2016 paper entitled “Turkey and the European Union: Scenarios for 2023.” The paper outlines each scenario, out of which the third—and most plausible—option involves an EU-Turkey relationship without accession, based instead on “functional cooperation.” This relationship is predicted to increase “cooperation; linking Turkey to the EU through functional forms of cooperation and integration,” citing examples such as foreign policy, migration, and defense policy.³ Dr. Tocci also emphasizes that security relations are becoming “institutionalized.” Yet this concept may stand to benefit from further expansion into other areas like Customs Union reform and cooperation that goes beyond migration and specific security areas like counter-terrorism and the Balkans. For a successful transition to occur between the current accession structure and any complementary or replacing blueprint, the inclusion of other areas should, therefore, be considered carefully. In the following sections, I discuss some of those possible components, including Iraq and

² Sinan Ülgen, “Turkey Needs Reassurance of the West’s Friendship,” *Carnegie Europe*, 15 August 2016, <http://carnegieeurope.eu/2016/08/15/turkey-needs-reassurance-of-west-s-friendship-pub-64333>

³ Nathalie Tocci, “Background Paper: ‘Turkey and the European Union: Scenarios for 2023,’” *FEUTURE* (September 2016), p. 5.

energy, building trust, and a reformed Customs Union.⁴ Each of them stand to play an important complementary role.

Foreign and Energy Policy: Cooperation Over Iraq?

At first glance, the EU and Turkey appear to be fundamentally “set on diverging (foreign policy) paths.”⁵ Whether it concerns the Kurds in Syria or pipeline-deals like TurkStream, the underlying trust in EU-Turkish foreign policy alignment remains delicate. Yet, upon closer inspection, both sides may stand to benefit from improved cooperation in the south of Ankara. The case of Iraq stands out as an important regional example of potential foreign policy cooperation. The underlying idea behind increasing foreign policy coordination is based on how both migration and counter-terrorism have proven to be fruitful in EU-Turkey relations since 2011. It is also based on the necessity of increasing high-level political engagements and political incentives for Turkey, as Ankara remains highly invested in northern Iraq and stands to benefit from a stable and prosperous neighbor.

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The specific example of Iraq revolves around mutual interest areas such as energy, trade, and regional stability, including a peaceful and stable Kurdish governing model. In order to fully grasp this case, a brief historical examination is helpful. Between 2007 and 2017, Turkey participated in an important investment plan, supported by the US, which helped to develop a stable, economically open and de-radicalized Kurdish Regional Government (KRG) in northern Iraq. Turkey invested time and its own business connections to assist the KRG in becoming the most developed and peaceful part of Iraq. Turkey also invested in this plan in order to become a central transit country for Iraqi oil exportations (and perhaps future gas), primarily destined for European markets. This component is crucial with regards to EU-Turkey relations, considering the EU’s strong emphasis on “energy diversification” and Turkey’s official policy priority of becoming a regional energy hub.⁶ Article 91 of the EU’s Partnership and Cooperation Agreement from 2012, states that Iraq will participate “in the process of regional integration of the energy markets” while “supporting

⁴ This paper limits itself to analyzing certain components of possible foreign and energy policy cooperation. Other relevant areas, including the Black Sea region and increased naval militarisation, also merit further examination in terms of possible EU-Turkey cooperation. They however remain outside of the scope of this specific article.

⁵ Tocci (2016), p. 6.

⁶ Republic of Turkey Ministry of Foreign Affairs, “Turkey’s Energy Profile and Strategy,” <http://www.mfa.gov.tr/turkeys-energy-strategy.en.mfa>

developments on sound management of energy resources and on free, competitive and open markets.”⁷ In an obvious nod towards the establishment of a reliable energy partner (through Turkish cooperation and the EU’s Southern Gas Corridor initiative for European energy diversification) the agreement emphasizes the promotion of “partnerships between companies in the Union and Iraq in the field of exploration, production, processing, transportation, distribution, and services in the energy sector...including through the Euro-Arab Mashreq Gas Market and other relevant regional initiatives.”⁸ Iraq’s need for further regional cooperation in energy and economy was again voiced by the EU during the Council’s June 2017 conclusions in Brussels. This arguably also lent support to the idea of greater cooperation with Turkey as a potential measure of stabilization. It outlined that “the EU welcomes Iraq’s recent diplomatic engagement with its neighbours...urges all the countries of the region to sustain these efforts, to support Iraq’s unity, sovereignty and territorial integrity...underlines the importance for the prosperity of Iraq and its neighbours of improved economic regional cooperation.”⁹

Apart from the importance of energy transit fees, Ankara also dedicated substantial diplomatic efforts and business resources to increase ties within the KRG over the past decade. This largely served as a way to develop an economically prosperous, democratic, and peaceful Kurdish alternative to competing organizations operating throughout the region. The controversial 2017 referendum threatened to eradicate such developments between Ankara and Erbil, carrying negative consequences for all sides involved, including the EU. However, recent statements by the Turkish Foreign Minister Mevlüt Çavuşoğlu appear to indicate that Ankara is willing to re-engage with the KRG and serve as a potential mediator between Baghdad and Erbil.¹⁰ This is partly fueled by economic interests, but it also reflects a rising regional rivalry between Tehran and Ankara. Due to Turkey’s historic tendency towards geo-strategic competition with Iran, Ankara has had limited options when choosing domestic groups to work with inside of Iraq. Iran’s Shia culture has naturally allowed it to gravitate towards Baghdad’s ruling parties in the South. Turkey is in a less favorable position, as portions of Iraq’s Sunni populations have been radicalized by ISIS, while Turkmen populations remain demographically small. Any attempt by Ankara to reach out to Erbil would be welcomed by Europe, as both share similar trade and energy interests.

⁷ “EU-Iraq Partnership and Cooperation Agreement,” *Official Journal of the European Union*, L204/20, 31 July 2012, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:204:0020:0130:EN:PDF>

⁸ “Council of the European Union Conclusions on Iraq,” *Foreign Affairs Council*, Annex 10197/17, 19 June 2017, <http://www.consilium.europa.eu/media/23995/st10197en17-conclusions-on-iraq.pdf>

⁹ “Council of the European Union Conclusions on Iraq,” *Foreign Affairs Council*, Annex 10197/17, 19 June 2017, <http://www.consilium.europa.eu/media/23995/st10197en17-conclusions-on-iraq.pdf>

¹⁰ “FM Çavuşoğlu to visit Baghdad to expedite mediation efforts with KRG,” *Daily Sabah*, 16 January 2018, <https://www.dailysabah.com/diplomacy/2018/01/17/fm-cavusoglu-to-visit-baghdad-to-expedite-mediation-efforts-with-krg>

In turn, the KRG is likely to welcome EU-Turkish involvement in the area, as Europe continues to have high levels of credibility among Iraqi Kurds. In terms of trade, the EU is focusing on a multilateral approach which aims to consolidate national unity, economic prosperity, and regional cooperation. Today, the EU is Iraq's second largest trading partner, ahead of the US, and only behind China. Trade, demographic stabilization, and reconstruction efforts are key components of de-radicalization, energy diversification, and regional stability. From a domestic and economic perspective, this could serve Ankara's interests. An important set of Turkish businesses remain heavily invested in future energy and regional development contracts signed with the KRG for 2016 and 2019.¹¹ With a potential easing of relations, the Turkish government could save its KRG investments while reorienting itself towards more profitable energy and trade objectives. In this case, the structures available for EU-Turkish cooperation range from bilateral initiatives to trade agreements under the mandate of the Common Foreign and Security Policy (CFSP) and the EC. Such efforts could also be assisted by increased civil society engagement, Track II diplomacy, dialogue projects, trainings, and shared private sector energy investments. If successfully coordinated, there is a chance of getting the ball rolling again. This could increase trust and garner leading government attention through EU-Turkey high-level dialogue meetings, leaders' summits, and private sector involvement.

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Erdoğan, Mutual Trust, and a Reformed Customs Union

In “Living on Different Planets: Washington, Ankara and the Zarrab Case,” Svante E. Cornell and Halil Karaveli note that “Erdoğan himself apparently came to believe that the United States had turned the “Gülenist weapon” against him. He concluded the United States was out to get him, and that the Gülen movement was America's main instrument. This is a disturbing, yet emblematic, depiction of the current levels of distrust that exist between the Turkish government and many Western countries today. Taking this radically distrustful viewpoint into account should serve as an important starting point for any future blueprint between the EU and Turkey. It also signifies that future negotiations cannot simply rely on a traditional rational choice and state-centric perspective when dealing with Turkey. Instead, a viewpoint that more narrowly reflects the perceptions and concerns of its final decision makers

¹¹ Hazal Ateş, “Kuzey Irak’la ticareti uçuracak 4 hamle,” *Sabah*, 30 April 2016, www.sabah.com.tr/ekonomi/2016/04/30/kuzey-irakla-ticareti-ucuracak-4-hamle

should be considered. Neglecting this ‘personal perspective’ is likely to undermine the EU and Turkey’s potential for reaching an agreement that fully maximizes returns for both sides. Whether the objective is one of re-institutionalizing a new blueprint (or a complementary one to accession) through foreign affairs or a reformed Customs Union, the first obstacle is rooted in perception and contact.

The involvement of key government players, therefore, merits special attention, starting with the Turkish President Recep Tayyip Erdoğan and his inner Justice and Development Party (AKP) circle of advisors and ministers. Any process to increase trust should involve more bilateral and EU high-level dialogues and summits, that include Presidential and Prime Ministerial level meetings. The need for exchanges and person-to-person contact at a high-political level should also be extended to other groups—namely political parties and Turkey’s recently changed military apparatus. The lack of regular contact and political exchanges between members of the AKP and EU politicians has only aggravated an already tense environment of distrust. Black Sea militarization and trade are examples of pressing policy areas where medium to high-level dialogue and independent research continues to be relevant, despite the deadlock in negotiations.

Ideally, policies that aim to increase trust between the EU and Turkey should be supplemented by a structural anchor, like the reforming of the Customs Union. The EC and World Bank’s impact assessments show that a reformed Customs Union will affect exports positively, while mitigating asymmetries and increasing welfare. According to the EC’s study, an enhanced commercial framework is likely to raise welfare in the EU and Turkey by 5 billion and 12 billion euros, respectively.¹² Turkey’s impact assessment also indicates that the best scenario to follow is the full liberalization of agriculture, services, and the bilateral opening of public procurement markets in conjunction with Foreign Trade Agreements (FTA) concluded between Turkey and trade partners of the EU. However, the current Customs Union negotiation remains blocked by a group of EU member states, led by Germany.

Whereas the Customs Union could serve as a way to readjust distorted incentive mechanisms and gradually replace accession, this option remains an unrealistic trajectory for now. Its unlocking may instead depend on Turkey’s good will vis-à-vis Germany, as it is not unreasonable to suspect that the EU will resort to further measures that punish Turkey, such as cutting IPA funds, and halting large-scale investment loans to Ankara. Such measures against Turkey are rooted in Europe’s own domestic electoral impatience with Ankara’s demands. They also reflect Europe’s fundamental

¹² Sait Akman and Samuel Doveri Vesterbye, “A Modernized EU-Turkey Customs Union: Expert Interviews and Analysis,” *ENC Perspectives* (April 2017), p. 5.

structure: a multilayered system consisting of strong parliamentary opposition, citizen and media scrutiny, and 27 governments that necessitate consensus. Potential good will gestures by Turkey are believed to include ending the state of emergency and demonstrating a respect for the rule of law, particularly with regards to party pluralism in Turkey's upcoming elections. Within that context, a reformed Customs Union could play a vital role in opening up economic relations and reestablishing better governance, transparency and arbitration, which in turn, is likely to impact political openness inside Turkey.¹³ Contrary to foreign and energy policy coordination, a reformed Customs Union should be seen as a necessary medium to long-term strategy, as negotiations (without blockages) are estimated to last between three and five years.

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Next Steps

Turkey's accession process continues to distort incentive mechanisms, which is leading to conflictual relations with the EU. Whereas a new structure is needed to replace an increasingly void accession process, each attempt at restoring normalized relations is being politicized. The Customs Union provides a viable replacement (or complementary) option, but is likely to face continued obstruction unless Ankara opens up to more serious engagements with Europe. Other areas like visa liberalization and migration equally face political maneuvering, which highlight the difficulty in finding new openings for improved relations. This leaves the option of cooperating on foreign and security policy in areas like Iraq, as a final measure to improve trust through regional relations and energy ties.

The thematic areas for improving relations appear readily available, ranging from energy and economics to migration and terrorism. However, the conditions of trust are likely to dictate the next steps in EU-Turkey relations. In order to break the counter-productive cycle of distorted incentive structures, both sides will need to engage more contact and explore new areas of foreign, energy, and, economic cooperation. Therefore, further research, data, and, communication channels are needed. The area of Customs Union reform continues to provide the best replacement structure available, but currently lacks the political support across EU member states. An improvement in relations is therefore more likely to occur within the foreign, defense, and energy spheres, notably outlined in the case of Iraq where both Ankara and Brussels stand to benefit from mutual cooperation.

¹³ Sinan Ülgen, "Trade as Turkey's EU anchor," *Carnegie Europe* (December 2017), p. 1-4.