

TURKEY'S POTENTIAL CONTRIBUTION TO THE EU

By Meral Gezgin Eriş, Chairperson of Economic Development Foundation (IKV)¹

Abstract

This article seeks to examine Turkey's potential contribution to the EU in three broad areas: political/ security, economic, and social. Within the scope of political gains, it is argued that Turkey's membership will enhance EU's influence in the Middle East, Balkans and Caucasus as well as contributing to the diversification of its energy supplies and the strengthening of its justice and home-affairs policy. Economic gains are evaluated mainly with respect to market expansion, access to neighbouring markets, and liberalisation of services and public procurement. Contributions in the fields of politics and economics are complemented by social gains which are expected to minimise the negative impacts of declining and ageing populations in Europe as well as revitalising EU's labour market with her young labour force.

For many years studies conducted in Turkey on EU-Turkey relations have, for a long time, tended to focus largely on Turkey's long-term gains from EU membership, rather than devising a framework which would encompass the interests of both sides. Despite this focus, developments in recent years, such as the granting of candidacy status to Turkey and the positive remarks concerning Turkey's membership perspective in the conclusions of the Laeken and Seville Summits suggest that as any rational actor in international politics, the EU realizes the benefits that Turkey's membership will bring. The missing component in the prevailing analyses -that of

Turkey's potential contribution to EU- needs further attention in order to develop a more comprehensive outlook regarding the membership process. In order to fill this gap, Turkey's contributions in the case of full membership are hereby analysed from political, economic and social dimensions.

Political Issues and the Security Dimension

In the post-cold war era, political instability and conflicts in the Middle East, the Balkans and Caucasia have made it evident that there is a trans-regionalisation of security issues and an increasing erosion of traditional distinctions between European, Middle Eastern and Asian regions concerning security matters. Within such a context, wherein the immunity of EU to developments in these areas can no longer be argued, Turkey would be the only member state in these regions with a functioning democracy and a dynamic economy. In the Middle East, the most crucial role that Turkey will play as an EU member be that of a bridge between the civilisations of the East and the West, where she will utilise her extensive experience in the political affairs of the region, helping EU to enhance its power in the area. The contributions of Turkey's EU membership to EU's political role in the international sphere will not be confined to the Middle East alone, but will also extend to the Balkans and Caucasia. EU's efforts to achieve sustainable peace in the Balkans will gain new impetus from Turkey's geographical location and her commercial, historical and cultural relations with the countries of the region. In Caucasia, the Central Asian Republics will also become an attractive area for the EU to help build cooperative activities and attain stability. Turkey's common ties in religion, language and culture with the region will make this influence possible. Moreover, after full membership the adoption of Turkey's political values and economic

¹ İktisadi Kalkınma Vakfı, Rumeli Cad. 85/7 Osmanbey/Istanbul . Tel: (212) 230 76 37-233 94 37 Fax: (212) 247 75 87 E-mail: ikv@ikv.org.tr

development model by the countries of the region will ease the spread of EU's core political ideals centred around human rights and freedoms, rule of law and respect for democratic values.

The contributions of Turkey to the EU in the political/security area will pertain not only to the increase of EU influence in certain areas, but will also aid in solving certain problematic EU internal affairs. The critical issues that hamper relations between Turkey and Greece, resulting in under-utilisation of the Aegean Sea and political instability in the region, will be resolved after Turkey's full membership. Being subject to the same supranational structure under equal conditions will act as a facilitating factor in sharing the resources of the Aegean that are of economic value, which will in turn pave the way for cooperative actions between the Turkey and Greece.

Furthermore, major problems relating to the justice and home affairs policy which lie at the core of EU's security concerns that have increased since the 11th of September attacks will be tackled more easily after Turkey's membership. As Turkey becomes a part of the Union's coordination mechanism, border controls will be harmonised, increasing efficiency in identification and prevention of crimes by the adoption of a common legislation and approach regarding all types of illegal entrance, occurring mainly from the East. In addition, completion of public administration reforms in Turkey in the field of justice and home affairs together with the extension of Europol and Schengen Information System to Turkey will provide EU with a new member that will help the Union's fight against international terrorism. Turkey's proximity to the sources of terrorism in the Middle East and her extensive experience in combating terrorism with a wide intelligence network will prove particularly useful in this ongoing struggle.

The concept of political/security benefits should be interpreted in a wider framework, covering another highly significant issue with great political and economic implications, namely

energy policies. The energy sector constitutes an important share of EU imports. By 1998, 9.1% of EU imports of which 6.6% and 1.5% are composed of oil/oil products and gas respectively were realised in the energy sector². Concerns relating to the security of supply and the diversification of supply sources become even more acute in the face of an expected increase in domestic demand in the next 25 years along with a reduction in domestic production³. Turkey's strategic position in both the Baku-Tbilisi-Ceyhan Crude Oil Pipeline and natural gas pipeline projects on the East-West Energy Corridor will not only help ensure security of supply for the EU but also will help diversify the sources by introducing Caspian oil and gas as an alternative to supplies from Russia. The alleviation of political instability in the Middle East will further guarantee security and diversification of supply by leading to the activation of the pipeline transferring gas from Iran to South-East Turkey. It will also pave the way for the completion of connection lines from Egypt and Syria. In making full use of these advantages, the extension of Trans-European networks to Turkey will be crucial in the transfer of all these energy supplies to Europe.

These various contributions of Turkey to the EU in political and security spheres will be further enhanced with new outlooks and opportunities for both sides as Turkey attains a more stable political structure, assisted by EU membership; demonstrating once again the multi-faceted and multi-dimensional nature of the membership process. This nature becomes even more apparent when focused on the economic benefits that Turkey's membership will bring to the EU.

Economic Issues

In general terms, the expansion of the EU market to Turkey, with her population of 67 million, will prove highly beneficial for the EU economy. Turkey, with her outward oriented

² Eurostat (1999), "External and Intra-European Union Trade: Statistical Yearbook, Data 1958-1998", p.71.

³ Rumford, C. (1997), "Trans-Avrupa Ağlarının AB Bütünleşmesindeki Yeri", İKV Publications, No: 146, p.13.

economy, constitutes an important market for the EU in both investment and consumer goods. The acceleration of economic growth in Turkey after full membership will increase the demand in the country for both types of commodities, hence providing novel opportunities for EU firms. Full membership will also result in the elimination of all remaining technical barriers and non-tariff barriers between the two sides. This will enhance the beneficial aspects of the Customs Union while facilitating trade between the parties and increasing the quality and range of choices in the EU, especially in sectors where Turkey has competitive advantage. As the elimination of all these barriers also mean the attainment of EU standards in Turkey, competitive pressures will compel both EU and Turkish firms to improve themselves continually, increasing the quality and diversity of products. The extension of Trans-European networks to Turkey will also have a positive influence on the single market by effectively resolving the problems in Turkey's transport infrastructure and by helping the goods of EU origin to enter the Turkish market at lower costs.

The effects of abolition of all trade barriers will be felt most strongly in the agricultural sector which is not currently covered within the scope of the Customs Union. Full membership will bring an end to the application of customs levies on agricultural goods. Within this context, trade deficits in the EU with respect to certain products (e.g. fruits, vegetables, tea and spices⁴) and Turkey's existing trade surplus in these same products⁵ make it evident that full membership will increase EU's self-sufficiency in these products and help meet the demand for them from within the Union. Moreover, free from all barriers, Turkey will constitute a large market for certain products (eg. cereals, animals products) for which the EU has a production surplus and Turkey has a deficit⁶. The extent of EU's benefits from full liberalisation after membership becomes much more evident when the high rates of protection applied to animal products in Turkey is considered.

⁴ The Agricultural Situation in the European Union, 1999 Report, European Commission.

⁵ Website of the Republic of Turkey, Ministry of Agriculture and Rural Affairs (www.tarim.gov.tr/istatistikler).

Turkey's contributions to the EU within the scope of market expansion will not only be limited to these areas related to trade of goods but will also cover other fields such as services and public procurement and access to neighbouring markets.

Liberalisation in the field of public procurement will allow providers of goods and services in the EU to enter the Turkish public procurement market worth between \$25 billion and \$30 billion. The common legal and economic framework provided by such liberalisation will lead to reductions in operation costs of EU firms as well as contribute to the formation of a more stable economic environment for foreign investors. Turkey's population as well as her efficient market economy also suggest that EU firms will be able to find a wide area of activity especially with respect to infrastructure services after the liberalisation process is over.

Another issue highly linked to the liberalisation of services and public procurement markets is the state of foreign direct investments in Turkey. Such liberalisation coupled with the eradication of bureaucratic obstacles and discrepancies in legislation after full membership, will play an important role in increasing the flow of foreign direct investments from EU to Turkey. Those EU firms that invest in Turkey will not only enter Turkey's large market under more favourable conditions, but will also engage in direct investments in various fields such as radio and television broadcasting, telecommunications, maritime transport, civil aviation, port operation as well as oil and mining where certain restrictions on foreign direct investments are currently imposed. The foreign direct-investment ban in the fisheries and -real estate brokerage sectors will also be lifted after full membership. Furthermore, Turkey will serve as a base that eases EU firms' entry into Middle Eastern, Russian and Central Asian markets. Turkey's geographical proximity to the Middle East and her strong economic links with the region, as exemplified in the amount of exports

⁶ Ibid

and imports realised with the countries of the region⁷ will be effective in intensifying EU's economic relations with the Middle East and extending its foreign direct investments in the region. A similar situation also holds true for Russia and Central Asia. The prevalence of Turkish investors in these regions will help EU firms gain sound knowledge of these markets, increase their influence within the framework of investments and contracting services and occupy a strong position in this market which is anticipated to provide even larger opportunities in the future. The extension of Trans-European networks to Turkey will also ease this process by positioning Turkey as a logistic centre between these regions.

With respect to the widening of opportunities in neighbouring markets both in terms of goods and investments, Turkey's role as a full EU member within the framework of Euro-Mediterranean Partnership also requires special attention. Turkey's special status both in the European continent and the Mediterranean region with her dynamic economy and geography will, after full membership, lead her to serve as a bridge between the EU and partner countries, enhancing trade and investments in the region and helping EU increase its influence in these markets. Thus, as an overall outcome, the sphere of economic influence will be scattered along a wide geographical area that includes the Mediterranean alongside the Middle East, Russia and the Caucasus.

The Political and economic contributions of Turkey, however, can not be analysed independently from the social gains that Turkish membership will provide for the Union in the long term. These gains will prove critical for the EU to sustain the success of its economic model and attain sustainable growth in the future.

⁷ By the year 2000, the amount of exports to the Middle East comprised 8,8% of total exports whereas imports from the region constituted 7,2% of total imports. (The Ministry of Foreign Affairs, 2001, "Turkey and the European Union: An

Social Issues

EU population has been undergoing a dramatic and consistent decline for 35 years. The 8 person rise per 1000 people in 1960 has dropped to 2.6 in the year 1999⁸. According to population projections, EU population is expected to decrease even further in the next 20 years. The main threat to EU's future economic growth and social welfare stems from the fact that together with the decline in birth rates, the ratio of the elderly in EU population is also increasing. This situation is augmenting the dependency ratio of the elderly population on the young segment of society in terms of health and national security costs, putting the dynamism of society under great risk. Free movement of persons after Turkey's full membership will lead to the utilisation of Turkish labour and help relieve the problems caused by a declining and ageing population. People between the ages of 64 and 79 constitute 3% of the total population of Turkey, whereas this ratio is 12% in the EU. These statistics suggest that Turkey's EU membership will help EU to address its need of a young labour force from within itself and to finance its social security system by preventing the decline in demand.

In addition to population- related concerns that carry high significance mostly for their future implications, certain immediate considerations associated with the nature of the population infiltrate into Europe's current agenda. The shortage of qualified laborers in the EU is the major concern. Changes in society's demands, in technology and in production have increased EU's need for executives, specialists and technical staff, which most European countries clearly lack. A report prepared by the Independent Immigration Commission set up by the German Government suggests that a yearly inflow of 50,000 foreign workers to Germany must be realised in order to fill this

Overview", p.39.)

⁸ Eurostat (2001), "Eurostat Yearbook: The Statistical Guide to Europe-Data 1989-1999", p.15.

gap⁹. The situation in countries like Spain, Portugal and Greece is no different from that in Germany¹⁰. Turkey's full membership will provide the EU with a young population of potential employees who will enhance their qualifications with increasing income levels and educational opportunities to help EU to fill labour shortages at various levels.

Conclusions

The analysis presented above has explored Turkey's potential contributions to EU as a full member from the political, the economic and the social perspectives. The findings suggest that as a full member Turkey will have a crucial impact on boosting EU's effectiveness in world politics, maintaining its internal security, expanding its markets and sustaining its economic and social well-being.

Together with these benefits, full membership will also influence certain theoretical debates in the EU, the most important of which relates to EU's efforts to construct a multi-cultural European identity. A Union that includes Turkey as a member will defy all the accusations suggesting that EU is a Christian Club. Furthermore, the historical and cultural heritage of Turkey's geography and the cultural mosaic she has created will provide a role model for the multi-cultural European identity that Europe wishes to form. EU will find itself serving as a bridge between East and the West instead of solely speaking for the West, which will be a big step in proving to the whole world that a "Clash of Civilisations" is not inevitable.

⁹ Black Ian, "EU Green Card Proposed", The Guardian, July 12, 2001

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¹⁰ Spain currently needs a labour force of 1.2 million people primarily in the field of high technology.
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