

33. Savaş, E.S., Privatization: The Key to Better Government. Chatham, N.J. Chatham House, 1987.
34. Soydemir Selim, "Kurumsal Yatırımcıların Fon Kaynakları ve Kullanım Yerleri (1981-1993)", Türkiye'de Kaynak Aktarım Sürecinde Sermaye Piyasalarının Rolü, 1980 Sonrası Dönemin Bir Değerlendirme, SPK Araştırma Dairesi Yayın No: 17, Ankara, 1990.
35. SPK, Sermaye Piyasası Kurulu, OECD Ülkelerinde Menkul Kıymet Piyasaları, Yayın No: 49, Ankara, 1996.
36. SPK, Sermaye Piyasası Kurulu Aylık Bültenleri, Ekim 1998.
37. Star, P, "The Limits of Privatization", In S.H. Hanke (ed) Prospects for Privatization. Academy of Political Science. New York, 1987.
38. Tantan Saadet, Menkul Kıymetleştirme: ABD Uygulamaları ve Bankacılık Sektörüne Etkileri, Sermaye Piyasası Kurulu Yayın No: 44, 1996.
39. Taşkıran Scvtap, Erkan Nurhan, "Aracı Kurumların Performansının Değerlendirilmesi.", Türkiye'de Kaynak Aktarım Sürecinde Sermaye Piyasalarının Rolü, SPK Araştırma Dairesi Yayın No: 17, Ankara, 1996.
40. Türkiye Bankalar Birliği, 40. Yılında Türkiye Bankalar Birliği ve Türk Bankacılık Sistemi '1958-97", Yayın No: 207, İstanbul, 1988.
41. Türkiye Bankalar Birliği, "1997 Yılında Türk Bankacılık Sistemi", Bankacılar dergisi, Mart, 1988.
42. Yarrov, George, "Privatization and Economic Performance in Britain; A Comment.", Carnegie-Rochester Conference Series on Public Policy, Netherlands, No:31, Autumn 1989.
43. Yetim Sedat, Repo Ters Repo ve Menkul Kıymet Ödünç İşlemleri., Sermaye Piyasası Kurulu. Yayın No: 73 Cilt 1, 1997.
44. Yıldırım Sevil, ve Altun Oğuz, "Türk Bankacılık Sisteminin Değerlendirilmesi. 1980-1993 Deneyimi.", Türkiye'de Kaynak Aktarım Sürecinde Sermaye Piyasalarının Rolü, SPK Araştırma Dairesi Yayın No: 17, Ankara, 1996.
45. World Bank, World Development Report, 1998/99.



DOES EU REALLY WANT TURKEY?

Assistant Prof. Dr. Zeki YILMAZ*
Research Assistant Sezgin ACIK ALIN**

ÖZET

Bu çalışmada, ilk önce AB'nin tarihi gözden geçirilip, Türkiye'nin bu Batılı organizasyonla olan ilişkisi sunulması amaçlanmıştır. Daha sonra bu çalışmada neden biz halen AB'nin kapısında beklerken, yeni oluşan Doğu Avrupa ülkelerinin bu kapıdan içeriye girmekte olduklarına sorgulanmıştır. AD ülkeleri bizim üyeliğimiz için sürekli problemlerimiz olduğunu ve bunu çözümlenerek bize yarayacağını ifade etmektedirler. Burada Türkiye'nin AB ile olan ilişkisi ve tavrlarının zaman zaman nasıl değiştiği ortaya konulmaya çalışılmıştır. Burada, AB'nin kendi tarafından bakıldığında bizde nelerin yanlış olduğunu belirtmesi ve, neden bizim bunu ayırıcı bir tavır olarak ele aldığımız incelenmeye çalışılmıştır.

ABSTRACT

in this paper, first, we aimed to review the history of EU itself and Turkish relationship with this Western organization. Then this paper presents that why we are still waiting at the front door while some other new Eastern Europe Democracies are entering from that door. EU countries bring issues in front of Turkey and by doing this, they are hiding the line "This is for your goodness". Here, you can find of actions and relations time, to time between Turkey and EU. We try to look what EU find 'wrong' in Turkey from EU countries' side and why Turkey think this is a discrimination.

* Dumlupınar university, The Faculty of Economical and Adm. Science, Faculty Staff.

1. EU CREATION

After the devastating WW II, European countries needed for a long-term peace in Europe for renovations. The creation of EC was a direct result of these peace efforts. The roots of EU and Euro can be found when European Community was established in the late 1960s. European Coal and Steel Community, the European Economic Market (Common Market), and the European Atomic Energy Community were the original foundations of EC in 1967. The EC countries created European Monetary System (EMS) in 1979. The main purpose of this system was minimizing trade interference due to exchange rate fluctuations, and supporting monetary stability in Europe. However this effort collapsed in 1992.

The main objective European Union was to create economic union where trade and other transactions takes place freely among member nations. The Western European countries were dealing with their balance of payment problems after the end of WW II. For this purpose they were using a complex web of trade barriers. Starting with the GATT, these countries started to eliminate these barriers toward more integrated economies after 1950s. As a result of these movements toward free trade and liberalization the EC was created by the Treaty of Rome in 1957. Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany were the original members of EC. First, EU member countries established a free trade zone in 1968. Then, EU became a full-fledged custom union in 1970. In 1985, European countries announced a detailed plan for reaching the common market status of economic integration. The Maastricht Summit of 1991 was one of the important steps of EU construction. EU members decide to pursue economic and monetary union (EMU) and European political union (EPU) in this summit. The treaty need to be ratified by each member before took effect, which happened in 1993. EU members decided to eliminate all nontariff trade barriers among themselves by 1992.

1.1. Recent Developments in EU

The signing of Maastricht Treaty in 1993 made the idea of unified Europe more realistic. This treaty decided on the stages of transition to an even more integrated monetary union among the member countries. The idea of "Euro" was introduced by this treaty. In addition to this, they decided to establish a European Central Bank (ECB). In order to join this single currency each member state had to meet the certain levels for inflation rates, the size of budget deficits and the total government indebtedness. The Maastricht Treaty decided to three stages of transition from the EC to EMU. The first stage was the establishment of EMU and the participation of all 12 members

in the European exchange rate program. The establishment of European Monetary Institute (EMI) on January 1 1994 started the second stage. The final stage was the introduction of "Euro".

EU members expected from the beginning that Euro would be strong alternative for US dollar in the international arena. However in early December of 1999, Euro came below the US\$ 1.00 psychological level. This happened because of stronger American Economy relative to European countries. After this decline of Euro European countries expected 11 % appreciation of Euro against US dollar in 2000. However, the decline of Euro still continues until nowadays, and Euro is roughly equal to 0.85 US\$.

1.2. Concepts

The term of economic integration was started to be used more frequently by economists after 1950s. After these years, countries decided to remove barriers on international trade, payments and production factor mobility to increase their prosperity. Free trade area, custom unions and common market are some of the types of regional arrangements to increase the welfare of member countries. Now let's look at custom unions. This time member countries remove all type of barriers among themselves. This is the same situation we saw in case of free trade areas. However, an additional thing can be seen here. Member countries apply identical trade restrictions to non-member countries. Common market is a wider concept according to first two ones. "Common market allows the free movement of goods and services among member countries, the initiation of common external trade restrictions against non-members, and the free movement of factors of production across national borders within the economic bloc."²

Economic union is the most developed type of trading arrangements. In order to achieve the common good of all member countries national, fiscal and social policies are coordinated and administrated by an institution. In case of economic union we can see a supranational authority which can not take place in other types of trading arrangements. Here, member countries agree to transfer economic sovereignty to a supranational authority. The final stage of economic unions is the monetary union. In the final part, national monetary policies would be unified and member countries would accept a common single currency.

1.3. The European Union's Enlargement Process and Turkey

EU's current enlargement process carries importance for Turkey because of two main reasons. Firstly, Turkey has played an active role in the

demise of the Soviet bloc. That's why, it was only natural for Turkey to aspire for inclusion in the new European architecture which it helped to build. Second, both parties Turkey and the EU aims at Turkey's full membership in the EU, as underlined once again with the Customs Union whose dynamics aim at bringing about further integration between the two parties.

However, according to the Commission's report on 16 July 1997, Turkey had been excluded from the enlargement process. This report released that the Customs Union was functioning satisfactorily and that it had demonstrated Turkey's ability to adapt to the EU norms in many areas. On the negative side, it repeated the same political and economic arguments against Turkey and made no reference to Turkey's full membership objective. The Commission also declared, the "Communication" to enhance relations with Turkey, where it reconfirmed Turkey's eligibility and brought a number of recommendations. These recommendations were ranging from liberalization of trade in Services to consumer protection, that aim at taking Turkey-EU relations beyond the Customs Union, to a number of political issues as pre-conditions for moving Turkey-EU relations forward.

Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia are the strongest countries in their negotiations to get in EU. Their involvement to EU could be in 2005 or in 2006 but not earlier. Latvia, Lithuania, Malta and Slovakia started to detailed talks with EU. Bulgaria, Romania and plus Turkey are the last countries on waiting list of EU. In addition to these countries one or two more countries may apply to join to EU in the future, such as Croatia.

There is a clear contradiction on the fact that the EU confirmed Turkey's eligibility for membership but excluded it from the enlargement process. The EU has kept saying that Turkey has some good legal rules on different areas but it could not apply these rules. For example, On Turkish constitution, everybody is equal before law. However, Europe is saying this is not true especially for Kurdish people living in Turkey. Turkey can do a parallel argument against EU. The EU claims that all candidates would be judged according to the same objective criteria and that there would be no prejudice in their evaluation. However, Turkey found the Commission's approach unjust and discriminatory. As a result, even though the Commission argued that the same criteria were applied to Turkey and the other candidates, they produced logically diverging conclusions.

2. RELATIONS BETWEEN TURKEY AND WESTERN EUROPE

The story of westernization started in Turkey in the 19th century. Following the First World War and the proclamation of the Republic in 1923, Turkey chose Western Europe as the model for its new secular structure.

After the proclamation of the Republic, in the first years Turkey was close to Soviet Union. Starting with the work of real democracy movement in Turkey, it started to align itself with the West. Turkey has become a founding member of the United Nations, a member of NATO, the Council of Europe, the OECD and an associate member of the Western European Union. Turkey showed during the Cold War and Korean War was part of the Western alliance, defending freedom, democracy and human rights, in defending of Europe, Turkey has an important role, because of its location in the globe and its strong and huge army. In this respect, Turkey has played and continues to play a vital role in the defense of the European continent.

2.1. The Ankara Agreement

In July 1959, shortly after the creation of the European Economic Community in 1958, Turkey made its first application to join. On 12 September 1963, Turkey and European Economic Community have signed the "Ankara Agreement" which entered into force on 1 December 1964. This agreement aimed at securing Turkey's full membership in the EEC through the establishment in three phases of a customs union, which would serve as an instrument to bring about integration between the EEC and Turkey.

The most important aim of the Ankara Agreement was the progressive establishment of a Customs Union, which would bring the parties closer together in economic and trade matters. EEC decided to make some financial aid to Turkey during the process. "Under the First Financial Protocol which covered the period 1963-1970, the EEC provided Turkey with loans worth 175 million ECU. The trade concessions which the EEC granted to Turkey under the form of tariff quotas proved, however, not to be as effective as expected. Yet, the EEC's share in Turkish imports rose from 29% in 1963 to 42% in 1972."³

The Customs Union being established according to the Ankara Agreement does not mean only the removal of tariff and quantitative barriers to trade between the parties but also the application of a Common External Tariff to imports from third countries. The Ankara Agreement still constitutes

³ <http://www.mfa.gov.tr>

the legal basis of the Association between Turkey and the EU.

2.2. The Additional Protocol

The details of how the Customs Union would be established was determined by the Additional Protocol of 13 November 1970. According to this additional protocol, the EEC would abolish tariff and quantitative barriers to its imports from Turkey with some exceptions including fabrics. Whereas Turkey would do the same in accordance with a timetable containing two calendars set for 12 and 22 years. In addition to these, according to the Additional Protocol, the free circulation of natural persons between the parties would be set in the next 12 to 22 years.

This Protocol brought some advantages for Turkey's agricultural exports to the EEC. Although EEC made some preferential trade agreements with certain Mediterranean countries, and there are other agricultural producers such as Greece, Portugal and Spain later becoming member states, Turkey preserves even today its position as one of the EEC's most privileged trading partners.

2.3. Turkey's Application for Full Membership in 1987

On 24 January 1980, just before the military coup Turkey shifted its economic policy from an import-substitution model to export-oriented model, it opened its economy to the operation of market forces. The relations between Turkey and the Community had come to a virtual freeze following the military coup of 12 September 1980. These relations started to turn to normal after the multiparty elections of 1983 in Turkey. In the light of these positive developments, Turkey applied for full membership to EEC in 1987. Turkey made this request for accession on the basis of the Treaty of Rome. The Council forwarded Turkey's application to the Commission for the preparation of an Opinion. Commission confirmed that Turkey is eligible for the application, it basically underlined Turkey's eligibility for membership. "It also mentioned that Turkey's accession was prevented equally by the EC's own situation on the eve of the Single Market's completion which prevented the consideration of further enlargement, it went on to underpin the need for a comprehensive cooperation program aiming at facilitating the integration of the two sides and added that the Customs Union should be completed in 1995 as envisaged."⁴

Although this application could not fulfill its ultimate objective, it made some positive effects on the relations between Turkey and the EU.

⁴ <http://www.mfi.gov.tr>

The Association's political and technical mechanisms started meeting again and measures to complete the Customs Union in time were resumed. During these developments, the Commission's promised cooperation package, was unveiled in 1990, but could not be adopted by the Council due to Greece's objection.

3. CUSTOMS UNION BETWEEN TURKEY AND THE EUROPEAN UNION

3.1 Background

Turkey applied for association with the EC in 1959, one year after the enforcement of the Treaty of Rome. The Ankara Agreement of 1963 and the Additional Protocol of 1970 were two important documents. These two documents identified modalities and calendars ensuring the future customs union. They also clearly stated the ultimate aim of full membership. Turkey had decided to enter custom union without becoming a full member of EU. On 1 January 1996, Turkey became the first country in joining the custom union as a non-member country of EU, it initially covers all industrial products and processed agricultural products, which corresponded to 93 % in value of the trade between EU and Turkey in 1995. Turkey and EU decided to include traditional agricultural products in the Customs Union following Turkey's adaptation to the Community's Common Agricultural Policy. The parties ensure identical treatment to their imports from third countries, since EU and Turkey constitute the same customs territory in the trade of industrial products.

3.2. Some Details of Custom Union

3.2.1. Duties in imports from EU

Turkey abolished customs duties and charges applied to industrial products imported from EU and EFTA countries. The arithmetic average of the rates valid for these countries was 10 % and the average weighted rate 6 % approximately before abolition.

3.2.2. Duties in imports from third countries

After Turkey's involvement in Common Customs Tariff, third countries can get benefit of the low rates when they export to Turkey. The arithmetic average of the rates valid for third countries in 1995 was around 15 %, and the weighted average was close to 11 %. Today protection is as low as 5,6 % and will further decline to 3,5 % as the EU applies future Uruguay Round cuts.

3.2.3. Mass Housing Fund

Turkey was using The Mass Housing Fund charge on imports for all industrial products coming from any source before entering to Customs Tariff. As expected, after their agreement they abolished all these obstacles from freer trade. (Similarly, this charge is scheduled to be relieved from the majority of agricultural products before complete elimination in forthcoming periods.)

3.2.4. Sensitive products

The only exception to the application of the Common Customs Tariff to industrial imports from third countries concerns a number of sensitive products. The Association Council authorized this exception in the Decision No: 2/95 for a limited period of five years until 2001. Accordingly, rates higher than those in the Common Customs Tariff apply provisionally to imports from third countries of motor vehicles, motorcycles, bicycles, leather cases and bags, foot/ear and their parts, furniture, chinaware and ceramic ware, and bags for cement or fertilizers.

3.2.5. Processed agricultural products

In the imports of processed agricultural products, a system parallel to the one applied by EU was started to be used by Turkey. According to this new system, the agricultural and industrial components of a customs duty are taken separately. Protection through individual Turkish rates of duty will continue for the agricultural component.

3.2.6. Preferential regimes

EU signed with a number of third countries including Turkey preferential trade agreements. According to these agreements, Turkey has to harmonize their trade rules with EU until 2001. For this purpose Turkey had signed free trade agreements with some countries in Central and Eastern Europe, North Africa and the Middle East. These agreements are very similar to those signed between these countries and EU.

3.2.7. Textile quotas

Export of textile products is the strongest industrial area for Turkish economic competitiveness in international field. The signing of this customs union with EU established a base to abolish all textile quotas affecting Turkish exports to EU. Turkey had the obligation of adopting a similar sys-

tem in her imports from third countries. As a direct result of these agreements, Turkey was led to apply quantitative restrictions or surveillance on imports of textile and clothing products from 52 countries.¹

4. RECENT DEVELOPMENTS

Turkey has waited to be a member of Europe for a long time. Now we can say that Turkey may be winning this battle by a dramatic series of developments that began at the end of 1999 and continues today. As a result, Turkey is preparing itself to take a place in the global economy with a population of 65 million. In December of 1999, the International Monetary Fund approved Turkey's long delayed economic reform program. At the same time, European Union accepted Turkey as an official candidate for eventual full EU membership. During the 1990s, most of the big emerging economies in the world had solved their inflation problems. However, Turkey just started to deal with inflation problem seriously starting with the IMF program. Annual inflation has averaged 55 percent for Turkey during the last quarter of the century. When we look at the past decade, the picture was even worse. For the past decade the annual average has been 72%, despite repeated promises by previous governments. Turkey has been able to sustain economic growth at an average 4.2% rate over the past 20 years. However, the year-to-year fluctuations from plus to minus have been extreme. Foreign direct investments (FDIs) and financial services are the other important areas being affected by the new program. When we look at the waiting list of EU, we can see Central and East European countries before Turkey. On the other hand comparing these countries with Turkey on the basis of FDIs we can clearly see that Turkey has a big advantage.

Turkey's eligibility for accession to the European Union was confirmed by the Luxembourg European Council of 12-13 December 1997. However they excluded Turkey from the enlargement process. At this meeting the Council also decided to make a strategy to prepare Turkey for accession by bringing it closer to the European Union in every field. In addition, the European Council indicated that Turkey would be invited to participate in the European Conference on the same basis as the other applicant countries.

To these results of European Council, Turkey declared that this was a discriminatory application comparing to other applicant countries. Turkey stated that it would not participate in the European Conference. In addition, Turkey said that they were suspending political dialogue with the Union and therefore no longer wished to discuss with it issues such as relations between Greece and Turkey, Cyprus or human rights.

¹ This last part about the details is depending on <http://www.y.foreigntrade.gov.tr>

On March 1998, the Commission prepared a proposal of the "European Strategy for Turkey" as requested by the Luxembourg European Council. On June 1998, The Cardiff European Council welcomed the movements of the Commission on further moves to prepare Turkey for membership, and invited the Commission to prepare any proposals necessary for the strategy's implementation.

After the positive approach of Cardiff European Council to the communication on the European strategy, Turkish authorities this time took a positive approach to EU. They sent the Commission a document containing their reactions to the proposals contained in the European strategy on 22 July 1998. In general, the broad outlines of this document was carrying the parallel ideas with those of the European strategy.

Discussions have started between the Commission and the Turkish Authorities to decide on a work schedule and the arrangements for implementing the European strategy in September 1998. The Commission reported to the Cardiff European Council that they would submit at the end of 1998 its first regular reports on each candidate's progress towards accession. "In the case of Turkey, the European Council noted that "the report would be based on Article 28 of the Association Agreement [Article 28 states that "as soon as the operation of the Agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community"] and the conclusions of the Luxembourg European Council".⁴

In the progress report of 4 November 1998 prepared by the Commission, it is stated that Turkey has almost everything of a market economy. Turkey also has a well-developed institutional and legislative framework, a dynamic private sector and liberal trade rules. According to this report, Turkish economy has considerable potential for growth. Turkey showed especially in the context of customs union that they have great adaptability. Turkey has to be ready for more competition after becoming a member of EU. That's why it is concluded that these are the factors that enable Turkey to acquire a viable market economy able to withstand the pressure of competition.

In this report, it is stated that Turkey has the ability to respond to the obligations of the membership. Turkey has shown its ability to adopt and implement the bulk of the legislation stipulated in the customs union decision by the deadlines. According to the report, Turkey has undeniably shown that

⁴ <http://www.foreigntrade.gov.tr>

it has the administrative and legal capacity to apply the requirements of the customs union. Turkey has already begun the process of alignment to the Community laws in most of the areas identified in the European strategy. On the other hand, there are much remained to be done particularly in the field of the internal market (including public contracts), agriculture and the environment.

5. CHANGES IN TURKISH ECONOMY IN 2000

The role of stock market had taken an important place in Turkey's investment culture in recent years. According to the chairman and chief executive of the Istanbul Stock Exchange (İSE) Osman Birsen, İSE is one of the fastest growing markets in the world. 1999 was the best year for İSE. The index climbed 240% in dollar terms. This was the best performance in the world for 1999, and new domestic and foreign investors flooded into the market. Foreigners have held 40-60% of the floating shares on the İSE. That share has never fallen below 40% even in times of crisis like the emerging market crash in 1998 following the problems in Russia. However this picture dramatically changed after May of 2000. After May the index number and the volume of trade in the market has fallen sharply. When we came to the end of year 2000, İSE has started to cover its loss.

In 2000, Turkey has showing good signals when applying new economic program and preparing itself to EU. In OECD countries the ratio of private pension funds to GNP averages around 40%. In Turkey a similar ratio would represent an additional \$80 billion in institutional money, which would offer strong support for sustained growth of the equities market here. In 2000 and the following years of 2000 the new and long-delayed wave of major privatization projects are coming to market in Turkey as a factor that will bring in huge amounts of new capital. This general trend toward strengthening of the private sector is likely to lead to a new round of mergers and acquisitions among Turkish companies and banks, too, as they position themselves to meet more foreign competition. Two of the country's largest conglomerates, the Sabanci and Koc groups, are rumored to be considering a merger. And Garanti Bank is reportedly contemplating a takeover of Korfiz Bank, which specializes in corporate banking.⁵

6. WHAT EU THINKS FOR TURKEY'S SITUATION AND HOW TURKEY REACTS TO EU'S REQUIREMENTS

It may well be true that many West Europeans regard Turkey as unfit for EU membership. However I can say that they are approaching Turkey

⁵ McCrory, H. S., "Turkey Rises to the EU Challenge", *Global Finance*, Volume:14, Issue:6, New York, June 2000, p. A12.

subjectively because of its heritage from the Ottoman Empire, in this one-sided approach also Islam is the another problem whether European countries are saying this fact loudly or not. Among all the current members and candidates, only Germany has a bigger population at present. According to projections, if Turkey maintains its high birth rate, it will become number one by about 2020. First, let's look at the negative sides of Turkey on the road to Europe, it has more farmers than Belgium has people. Turkish economic numbers are not very good when we compare them with those of European countries. Income per head is only about a third of the EU average, even on a purchasing-power comparison that is relatively generous to Turkey. Inflation has put three or four more zeros on its currency notes than on most countries'. Turkey almost went to war with Greece four years ago, its human-rights record is not good. Now let's look at the positive lights coming from Turkey. Aging Europe needs eager and youthful workers. This can not be provided by Eastern Europe, but Turkey has plenty of. Two million of them are already in Western Europe. The big Turkish market already takes more imports from the EU than do several existing members. When we look at the trade side, we can see another advantage of Turkey, it has a successful customs union with the EU. When we look at the income per capita figures of Turkey and other candidates, we see that there is a clear discrimination against Turkey on this basis. Turkey's income per head may be low, but is not much lower than that of Estonia, a front-runner for entry. Up to now, the plan put by EU Commission and Turkey is working. Over the past year, Turkey's parliament has enacted various human rights reforms designed to appeal to European sentiment. "The government has booted military judges out of its civilian courts, lengthened prison terms for those found guilty of torture, and made it harder for Turkey's zealous prosecutors to shut down political parties, it has even agreed to stay the execution of Abdullah Öcalan, the captured leader of the PKK, until the European Court of Justice rules on his case."⁹

According to EU member countries, the American administration and the political circles in the United States, and business circles, understands what EU countries are doing as far as enlargement is concerned. EU means two basic strategic objectives for both EU and the USA. The first objective is to create a Europe that guarantees peace and stability. When establishing peace and stability guaranteeing democracy, rule of law, respect of human rights, and protection of minorities are the basic concerns. Because Europe has learned lessons from their dramatic history, they have to establish first these to live as a human. The second objective is to create a market that is open and competitive, in this second objective, the old communist countries

⁹ McBRIDE, E., "Survey: Turkey—Why Are We Waiting?", *The Economist*, Volume:355, Issue:8174, London, June 2000, p. 6-9.

in Eastern Europe are also concerned to give them a chance to catch up and provide their people with better opportunities to make at least a decent living, in this respect Europe is still looking to Turkey with a double. European countries are watching Turkey on the basis of human rights, and the living conditions of minorities, especially Kurds. "Turkey does not meet the political conditions for membership nor does it meet the conditions for beginning membership negotiations. We can only negotiate with a country that has a functioning and stable democracy that has the rule of law, that is respecting human rights and protecting minorities. Everybody knows that there are problems in Turkey, and therefore, for Turkey to begin the accession process, fundamental changes must take place in Turkey, in my view, we have to do that step by step. We cannot ask the Turkish government too much. Otherwise, it will not deliver, and the process fails."¹⁰

However, Turkey has always had problems when applying its decisions. If the new measures are to achieve anything, the government will have to enforce them. For example, Turkey has always had laws against torture, but torture is still a big problem in Turkish prisons. Turkish political people are trying to hide these negative sides instead of accepting and then solving these problems." When Turkish parliamentarians inspecting an Istanbul jail recently discovered a special beam used for suspending victims during torture, the governor asked why everyone was making such a fuss about an old stick. His remarks did not even earn a reprimand."¹⁰

Even Turkish citizens believe that the 'deep state' will reach to these developments and doubtless resist any interference. EU has clear political criteria for membership, including a government free from military influence, and complete freedom of expression. Turkey has to show that it is at least moving in that direction. On this road of course, Europe can make some aids to Turkey if Turkey shows that they are serious to make required arrangements. The EU could help by releasing long-promised aid, extending the customs union. However with so many other candidates competing for the Union's attention, Turkey will have to do most of the work.

"The European Union has offered Turkey the opportunity to apply for EU membership, with certain conditions, and Turkey has accepted. The action came as the latest European Union summit ended in December with seven countries being formally offered candidacies for membership. Six, Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia, had

GUTTMAN, R., and VERHUGEN, G., "European Commissioner for Enlargement", *Europe*, Issue:397, Washington, June 2000, p. 19-21.

¹⁰ McBRIDE, E., "Survey: Turkey—Why Are We Waiting?", *The Economist*, Volume:355, Issue:8174, London, June 2000, p. 6-9.

already let the EU know they would accept the offer and have been working hard to meet membership requirements, but Turkey's position was less certain. Any Turkish membership in the EU is probably years away, if not at least a decade."¹¹

7. FINAL WORDS

When we were preparing this paper, there were happening interesting and important developments in Turkey-EU relations. Turkey has unstable relations with some nations and people that are always behaving against Turkey unfriendly. The roots of these relations, or sometimes I am calling these relations as "cat-dog fights", are coming from the history of Ottoman Empire. One year ago, EU gave some homework to do for Turkey. In this last year, Turkey was preparing this homework and still working on it. However, EU in November 2000 was trying to add some new works that are not nice to Turkey to that homework.

After a lengthy meeting it was announced that EU foreign ministers delayed the endorsement of the Accession Partnership Document regarding Turkey until Dec. 4. At that time there will be another EU foreign ministers meeting. This delay means that uncertainty over Turkish-European Union relations will continue until December.

These new issues are political and in Turkish foreign relations very sensitive areas. One of the issues is the justice about the outlawed Kurdistan Workers' Party (PKK) leader, Abdullah Ocalan. He was sentenced to death penalty in Turkey and this problem is now in front of The European Court of Human Rights in Strasbourg. Turkish public opinion has indicated its desire for the court to uphold the death sentence that was passed on him. There is no surprise for Turkey about this issue. However there are two more issues that are creating headache for Turkey.

The first one is very crucial on the developments of Turkey-EU relations. "The European Parliament today accused Turks of conducting genocide against Armenians 85 years ago, prompting an angry reaction from Ankara, which said the decision would shake relations with the European Union."¹² Turkish government has reacted to this move very sharply. They said that the European Parliament or any other parliament or country has no right to call Turkish government on this issue. Turkish government called this kind of behavior as a big earthquake in Turkey-EU relations. This issue is very sensitive in Turkey and its anger can not be lessened easily. Turkey

¹¹ Anonymous, "Europe: Turkey is Invited to Apply to Join the EU Club", *World Trade*, Volume: 13, Issue:2, February 2000, p. 18-20.

¹² REUTERS, Thursday, November 16, 2000, p. A13.

denies accusations of genocide of Armenians between 1915 and 1923. Turkey says that death total is about the one fifth of what Armenians say. These deaths were caused by conditions during World War I and the collapse of the Ottoman Empire, and contend that they were part of general partisan fighting and that all sides suffered.

Another issue is Cyprus. Greece is almost always against whatever Turkey says. Turkey and Greece have unsolved issues about the Aegean Sea and Cyprus. Turkish forces invaded in 1974 in response to a short-lived coup that was backed by Greece. They remain deployed as security for a Turkish Cypriot state that has been recognized only by Turkey. In this month, EU is trying to push Turkey on these political issues. This movement is a surprise for Turkey. Because in the last year everything seems fine between Turkey and EU. Suddenly, something happened and the ropes between Turkey and EU became very tight.

The resolution, part of a series of European Parliament assessments of Turkish progress toward EU membership, also called for the withdrawal of Turkish troops from northern Cyprus. The addition of the Cyprus reference to the Accession Partnership Document was beyond decisions taken in Helsinki and Turkey would not accept any connection between reaching a solution in Cyprus and EU membership. There is no idea about the withdrawal of EU candidacy in the government. According to Turkish Foreign Ministry sources, Turkey was waiting positive steps from EU side.

REFERENCES

- ANONYMOUS, "Europe: Turkey is Invited to Apply to Join the EU Club", *World Trade*, Volume: 13, Issue:2, February 2000.
- CARBAUGH, R., J., *International Economics*, South-Western College Publishing, Cincinnati, Ohio, 1998.
- GUTTMAN, R., and VERHEUGEN, G., "European Commissioner for Enlargement", *Europe*, Issue:397, Washington, June 2000.
<http://www.ecb.int>.
<http://www.foreigntrade.gov.tr>
<http://www.mfa.gov.tr>
- McBRIDE, E., "Survey: Turkey — Why Are We Waiting?", *The Economist*, Volume:355, Issue:8174, London, June 2000.
- McCRARY, E., S., "Turkey Rises to the EU Challenge", *Global Finance*, Volume: 14, Issue:6, New York, June 2000.
- REUTERS, Thursday, November 16, 2000.