

EU-Turkey Relations: Changing Approaches

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Abstract: *The enlargement policy is important for the EU not only to extend its zone of peace, stability and prosperity, but also to increase its global competitiveness. Among the potential EU candidates, Turkey has a special place. As the only candidate that belongs to the group of newly emerging economic powers, Turkey may contribute significantly to the economic prosperity of Europe. Since its creation in 1923, Turkey showed an eager wish to belong to the European nations. Turkey adopted deep reforms in its constitutional, political and economic structure, and was finally able to start accession negotiations with the EU in 2005. Due to policies from both the Turkish and some EU countries' side, however, the accession process slowed down and came to a stalemate. Since neither the EU, nor Turkey is interested in a breakup of the accession process, they started negotiation on some key issues, to keep the accession process alive. In the study we examine some of the most important issues of mutual interest – common foreign policy challenges (such as Syria); energy transport issues; mobility and visa free travel, customs union and other trade issues – and try to analyze their effects on the dynamics of EU-Turkey relations.*

Keywords: *European Union, Turkey, accession, customs union, energy, foreign policy, visa*

Introduction

The relationship between Turkey and the European integration has a history of more than five decades: the Turkish association agreement was signed in 1963. And the 'journey' is not over yet. The accession negotiations started eight years ago, and while Croatia was able to finish the process and join the EU in this time period, in case of

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Turkey the process slowed down, and came to a stalemate. The idea of enlargement is not popular in Europe, especially not if it is concerning Turkey. The EU has to concentrate rather on its internal problems, and plays for time in enlargement, while Turkey becomes more and more frustrated.

In our study¹, we argue on the – partly existing, partly needed – changing attitude of the EU and Turkey in their relations. Since neither the EU, nor Turkey seems to be interested in a breakup of the accession process, they started negotiation on some key issues, to keep the accession process alive and put it back on track. This positive and cooperative attitude is what would be the most fruitful for both sides, in order to achieve a higher level of security and competitiveness in the future.

The EU enlargement process

The enlargement process of the European integration exists since the creation of the European Economic Community in 1957. New members wanted to join the six founding countries since the very beginning, and besides Greece, it was Turkey who asked first for an associate status in 1959. And the possibility of further enlargements remains as long as there are European countries outside the Union, although it remains a question what do we mean by European country, since it seems to be rather a political or cultural term, not a geographic one.

The enlargement policy has proven to be one of the EU's most powerful foreign policy tools, a core of its 'soft power'. The process of enlargement has helped transform many European states into functioning democracies and more affluent countries. Countries that have already acceded to the EU and those on the road to join have undergone impressive changes through democratic and economic reforms motivated by the accession process. (European Commission, 2011)

It was important, because in the case of all enlargements, except in 1995 when Sweden, Finland and Austria joined the Union, the average per capita income of new members was lower than the EU average, and a majority of the acceding countries were new democracies. As the Enlargement strategy of the EU puts it, 'through the enlargement policy, the EU extends its zone of peace, stability, democracy and prosperity.' (ibid.)

Despite the EU's official commitment to enlargement, some EU policymakers on national levels and more and more EU citizens are cautious about additional EU expansion. Worries about continued EU enlargement range from fears of unwanted migrant labour to the implications of an ever-expanding Union on the EU's institutions, finances, and overall identity.

Indeed, the last 'big bang' enlargement of 2004 by 10 new members, followed by the accession of Romania and Bulgaria in 2007, has profoundly impacted the way the

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European Union functions. But it turned out that none of the fears, and sometimes apocalyptic scenarios predicted before 2004 has materialised: neither has the EU budget collapsed, nor have the EU structures become paralysed, and no flood of migrants from the new member countries invaded Europe.

The further enlargement process definitely suffered a slowdown, due partly to intra-EU developments, but also to realities in (potential) candidate countries. Recently, the global financial and economic crisis, and problems in the Euro-zone turned away the attention of the EU from many other issues. As a consequence, the enlargement, a clear priority and a success story of the European integration in the last decades, slid back on the priority agenda of most member countries.

The enlargement process is going on, however. Croatia joined the EU as the 28th member in July 2013, and several other countries are conducting membership negotiations or are at various levels of the accession process. The direction of the enlargement is now clearly towards South East, especially after Iceland decided to put its EU-accession negotiations on hold in June, 2013.

The attractiveness and the 'soft power' of the European Union faded, however, and not only for countries like Iceland. While the EU meant for many years the expected prosperity for South East European countries, with the current recession the EU's activity in the region became a source of economic instability. The crisis affected both EU members and non-members in the Balkans severely, but this time the EU increased the Balkan countries' vulnerability, instead of reducing it. The more a country was integrated, the faster and more intense it felt the effects of the crisis. (Bechev, 2012)

Still, the EU-membership of the Balkan countries is a strategic goal for both sides. The Western Balkans states are surrounded totally by EU member countries, their integration in the European systems is obvious, even if for some of them it is a long term objective.

Turkey, however, is another issue. Being not clearly a European country, its inclusion to the integration process in the 1960's came rather from political motives influenced also by the U.S strategic interests under Cold War circumstances. The reluctance of Europe was visible in the 1990's, when Turkey was not accepted as a candidate, but also recently, since the beginning of accession negotiations. For a long time, the main arguments against Turkish accession were summarized with the words 'too big, too poor and too Muslim'.

If we go back 10 or 15 years in time, when the discussion on Turkey's candidacy began, we meet a different EU, and a different Turkey. The EU had the ambition to become the most competitive region in the world by 2010, had successfully introduced a common currency, and had just prepared the 'big bang' enlargement towards the East. Turkey, on the other hand, suffered from economic imbalances and periodically returning crises, its economy was heavily vulnerable, its political elite under change, while its position in the region was rather weak. Currently, the EU has to manage the consequences of the economic crisis, and find answers on how the integration will be able to face growing internal and global challenges. And it also has to meet a more and more self-confident Turkey, with an appreciated strategic position, and a dynamic economy.

A changing Turkey

When the new Turkey was created in 1923, it was opting for a European way of modernisation. The reforms in Turkey (the Latin script, European-type legal system, the radical secularisation process, etc) all showed an eager wish for Turkey to belong to the European nations. As Abdullah Cevdet, one of the Turkish intellectuals influencing Kemal Atatürk said 'there is only one *civilization*, and that is *European civilization*. It must be imported with its *roses* and its *thorns*' (Lewis, 1965, p. 231).

But Turkey's choice generated a kind of isolation for the country and was treated by the Muslim countries as a betrayal of its Islamic heritage. It was not accepted fully in the 'European family' either. The US strategic interests, however, helped Turkey to join different European systems. The Turkish participation in NATO, the Marshall Plan and later the OECD and even the association to the European Community, were all supported by the US administrations.

The European attitude towards Turkey, however, was not without ambiguity, especially after Greece joined the European integration. In 1987, the timing of the Turkish appeal for candidacy was not the best, as the integration was just preparing serious deepening steps. The 1995 customs union was considered in Turkey as a huge sacrifice needed for the membership. That is why the refusal of Turkish candidacy two years later was a shock for the country. In fact, the customs union had very important positive impacts on the Turkish economy. The trade with the EU increased rapidly, especially after 2001, the volume of Turkish exports tripled in 5 years and it was one of the driving forces of the Turkish economic boom in the last decade.

After 2000, profound changes started in Turkey. The 2001 economic crisis led to fundamental reforms in the economy. A successful macro-economic stabilisation policy, reducing government deficit from 10% to an under-3% level and inflation, which was sometimes over 100%, to a single-digit level was followed by a seemingly long-term and sustainable economic growth: the average growth rate was well over 5 per cent in the last 10 years.

With the victory of the moderate-Islamic AK Party in the elections in 2002, a strong one-party government was formed, after decades of weak coalition governments unable to perform any fundamental reforms. However, there were fears that the new government will stop the economic reforms started, and turn to a more populist-style economic policy, and also that the country may turn away from Europe.

The AKP, however, needed the European Union for the reforms they wanted to do in order to remain in power. They had to change the political system in the country, and EU conditions and requirements gave an excellent reference. To fulfil the political criteria of the EU, Turkey had to decrease the influence of the army on politics. It was a principal interest of the AKP government, since military intervention against the government based on the constitution was not without precedent in Turkey. In the same time, the economic

background of AKP, the mainly export-oriented Anatolian small and medium enterprises were also for a more open economy, and stronger European ties.

On the other hand, the traditional Kemalist elite was less and less enthusiastic with European obligations, their nationalist policy was partly outdated by European standards and also its economic clientele was less interested in opening up the economy. So as a paradox, the party with an Islamic background was much more supportive of the European approachment than the traditionally Europe-oriented forces in these years.

What kind of changes happened in the last years in the Turkish position towards Europe? What we can see is a strengthening position of Turkey both in political and in economic terms.

“Zero problem” became the new principle of Turkish foreign policy in the early 2000’s. As a consequence of its new foreign policy, Turkey started to build up relations with neighbouring countries and regions. As Ahmet Davutoğlu, a key figure of new Turkish foreign policy and foreign minister of Turkey since 2009, used to say, Turkey is a regional power forgetting its neighbors for too long (Davutoğlu, 2010).

In the Balkans, beside strong relations with “natural allies” such as Albania or Kosovo, and the Bosnians, Turkey was working hard to improve its relations with other, not as friendly countries, like Serbia. With its mediation efforts Turkey had a positive role in the stability of the Balkans.

Turkey becomes more active in the Middle East, as well. It wanted to mediate between Syria and Israel, but after the Gaza-conflict the relations with Israel deteriorated substantially. On the other hand, the reputation of Turkey among Arab countries came to its peak. Turkey, once treated as a traitor of Islam, is now a new hero of the Muslim/Arab world, and the Turkish Prime Minister Erdoğan is the most popular politician among Arabs, according to Pew Research (2011). Some like to put Turkey as a model of a democracy lead by moderate Islam forces, a model to be followed by the new Arab democracies – although there are quite a lot of counter-arguments to this idea.

But Turkey also has the intention to strengthen its role of being the bridge between the West and the East. As Turks like to say: they are in the unique position of being able to understand the West and the East at the same time, so they are the natural mediators between the two civilisations. As the EU Affairs Minister of Turkey Eğemen Bağış said: “The EU is the grandest peace project in the history of mankind ... Turkey, being the most eastern part of the West, and the most Western part of the East, can turn this continental project into a global peace project”. (Abbas, 2013)

The strengthening of Turkey’s position towards the neighbouring regions is also visible in its economic relations. In the early years of 2000, the EU’s share in Turkish export was well over 50 per cent, now it is under 38%. After 2008-2009 the demand for Turkish products dropped in the EU suffering from global crisis. In 2009, it implicated a fall of Turkish GDP. The next year, however, in 2010, the GDP growth was near 10% again. One of the reasons behind the boom was the export – but this time not towards still suffering European markets, but to other, rapidly growing markets like the Middle East

(especially Gulf countries and also Iraq), Russia and other post-soviet republics. And Turkish investors and companies are also present in a growing number in the Balkan countries or in Central Asia.

Of course the Turkish economy is still very much depending on the European engine, but with its diversified export structure (both concerning goods and partners) and its increasing domestic demand, the dependency on Europe is decreasing, which gives Turkey a greater manoeuvring room vis-a-vis Europe. The participation of Turkey in the G-20 meetings means that the country's regional and global profile has grown since it first evinced a desire to join the EU, which gives Turkey a further impetus to negotiate on equal terms with the EU.

And there is a growing impatience in Turkey towards hesitating Europe. Turkish Prime Minister Recep Tayyip Erdoğan warned that his patience was wearing thin with the EU, the delay was "unforgivable", and the EU would lose Turkey, if it was not granted membership by 2023 (EurActiv, 2013). European leaders should only be surprised that Turkey has maintained its interest in the EU for so long. (Abbas, 2013)

But are there real alternatives for Turkey? One possible alternative that used to be mentioned is the Shanghai Cooperation Organisation (SCO). The SCO was founded in 2001 by Russia, China and four Central Asian post-Soviet republics.² The primary focus of SCO was security-related, to confront terrorism, separatism and extremism in the region, but crime and drug trafficking became also of major concern. Today SCO includes a much broader scope of issues, the members agree on large-scale projects related to transportation, energy and telecommunications and hold regular meetings on economic, cultural and banking issues as well.

In 2010, SCO approved the procedure of admitting new members, though no new members were admitted yet. Afghanistan, Iran, Mongolia, India and Pakistan have already an observer status in SCO, in most cases with the intention to join the organisation in the near future. Turkey was granted a 'dialogue partner' status³ in June 2012.

By praising this decision, Turkish Prime Minister Erdoğan said: "If we get into the SCO, we will say good-bye to the European Union. The Shanghai Five [former name of the SCO] is better — much more powerful." Erdoğan also noted that Turkey has more "common values" with the SCO member states. (Pantucci&Petersen, 2013)

While by combating terrorism, religious extremism and separatism, the SCO has a positive role in granting security in the region, it clearly has a definite stance against NATO, and more generally, against the spread of Western and universal democratic values throughout its "domain". Moreover, despite Russian and Central Asian support behind Turkey's bid, China is less enthusiastic over Turkey's potential application, so it will probably not be able to go beyond a 'superficial status' of dialogue partnership with this organization. (Sakaoglu, 2013)

² In 1996, Russia, China and three of the four Central Asian states formed the Shanghai Five, as a treaty for deepening military trust in border regions.

³ Dialogue Partner is a state or an organisation that shares the goals and principles of the SCO and wishes to establish relations of equal mutually beneficial partnership with the Organisation. Belarus and Sri Lanka were granted this status in 2009.

Turkey also started seeing the limits of its diversification policies. As aftermath of the EU crisis and decreasing demand, Turkish companies tried to find new markets in Africa and the Middle East. It turned out, however, that these are in most cases unstable and unpredictable, and neither their importance nor the purchasing power is reaching that of the EU markets. (Karasu, 2013). The self-confidence of Turkish politicians seems sometimes to be excessive. Despite global economic balance shifting east, the European Union is, and will remain for Turkey the most important economic partner, and will have far-reaching impact on its political and social sphere as well.

How to renew dynamics of EU-Turkey relations

The accession negotiation process with Turkey started in 2005, and came to a near stalemate situation by 2010: no new chapters have been opened since then. Until now, negotiations started in thirteen chapters, but only one was closed, while most of the others are blocked: eight by the EU Council in 2006, because of Turkey's rejection to open its ports and airports to traffic from Cyprus, five by France in 2007, while Cyprus froze six further chapters in 2009.

In 2012, the European Commission has launched a so called 'positive agenda' towards Turkey. In its framework "working groups" were created to accelerate the process of alignment of Turkey with EU policies and standards. As Enlargement Commissioner Stefan Füle said: „its aim is to keep the accession process alive and put it properly back on track after a period of stagnation, which has been a source of frustration on both sides.” (European Commission, 2012b) According to official explanation, this initiative will not replace the existing process but will provide a new momentum to Turkey's accession process. (ibid.)

In early 2013, there were positive signs to re-launch negotiations. With a new president in France, the French policy has started to change: in February, the veto on chapter 22 on regional policy was removed. The restart of EU-Turkey accession talks, however, scheduled to June, has been postponed until at least October 2013. The request came from Germany, after the use of excessive police force against anti-government protestors in Turkey.

Even if negotiations would be restarted in some chapters, the pace of the accession process will most probably remain slow. Several outstanding problems, like the Cyprus issue, remain, just as the negative attitude of some governments towards Turkey's accession. In the next years, the approach initiated by the positive agenda may be the most promising tool which ends up in positive results, strengthening both sides readiness for further cooperation.

In the accession process, the two sides deal fundamentally on an unequal base. The candidate country has to adopt the European „acquis”, and can negotiate only on temporary derogations. Maybe the most important change brought by the positive agenda is, that there are equal partners negotiating on issues of mutual interest.

The positive agenda launched in 2012 was mentioning several issues (such as trade, visa, mobility and migration, dialogue on foreign policy and energy) where an intensive dialogue may take place. The cooperation in these issues is of crucial importance for both sides. We are going to analyse these issues, to see what kind of interest there is, and what progress can be foreseen.

Trade issues and Customs Union

The Customs Union (CU) agreement between Turkey and the EU came into effect on 1st January 1996. The CU eliminated most of trade barriers between the EU and Turkey, but it also meant a harmonisation process, where Turkish technical standards, competition policy, intellectual property rights were brought closer to EU requirements. By adopting a more liberal trade and investment regime, the CU has been a major instrument of integration of the Turkish economy into the EU and global markets (Togan, 2012). However, as Akkemik (2011) states, while the customs union improved Turkey's competitiveness in some sectors (e.g. textile, iron and steel, automobile), in other, mainly technologically more advanced manufacturing sectors, the export position deteriorated.

The positive impacts of the Customs Union on Turkey are questioned by several Turkish businessmen and politicians, as well.⁴ Without doubt, the CU agreement is unique in its nature, since no other country established customs union with the EU before accession: it used to be connected to full-fledged membership. With the CU agreement, Turkey gave the European Union quite substantial influence over its trade policy, and limited its own sovereignty. Turkey should unconditionally accept and adapt any EU trade agreements on customs with third countries, while Turkey is not allowed to make decisions that are not in harmony with the EU regulations. The EU has been negotiating and signed such free trade agreements with third countries, and, according to the CU agreement, the countries signing a free trade agreement with the EU automatically gain a free access to Turkish markets. At the same time, Turkey cannot automatically export freely to these third countries, since the agreements allow a free access only for EU goods.

As long as the EU signed such agreements with smaller or weaker economies (such as the Mediterranean Arab countries, or the Western Balkan countries), the negative effects were negligible for Turkey. But more recently, the EU started to conclude agreements with stronger economies. Especially the free trade deals with such countries, as Mexico and South Korea, two major competitors of Turkey on the European and global markets, producing similar goods, are quite disadvantageous for Turkey.

And the latest plans on the Transatlantic Trade and Investment Partnership (TTIP), a free trade agreement between the EU and US may harm Turkey's interests even more.

⁴ One of the recent critics came from Turkish Economy Minister Zafer Çağlayan, who said: "I would like to express that if the current situation continues, we may have to put the customs union with the EU on the table for reassessment, as it is now working against Turkey," (See: „Minister says...“, 2013). And also "Let's dump the customs union in a thrash bin and instead conclude a free trade agreement with the EU." (Ozerkan, 2013)

According to model estimations, Turkey would be among the countries which would have the largest net losses as a consequence of TTIP (Felbermayr&al, 2013). It is interesting, on the other hand, that neither the TTIP impact report prepared by the European Commission (European Commission, 2013), nor the study prepared by CEPR for the EC (Francois, 2013) make a reference to Turkey or how TTIP would impact on the customs union.

The idea of including Turkey in the negotiation process would be clearly a positive signal towards Turkey (Kirisci, 2013). As a sign of changing European attitude, Council President Herman Van Rompuy reassured Turkey during an official visit to Ankara in May this year. „European Union is looking into the best way to keep Turkey involved in the process. In the end it will benefit all,” he said (Ozerkan, 2013).

Visa issues

Another key issue between the EU and Turkey, partly in relation with customs union, is the visa issue and the free movement of people. As the Turkish president Abdullah Gül claimed, Turkey is a member of the Customs Union, and while Turkish goods can freely circulate in the area, their producers and owners cannot (Turkish President, 2013). Turkey is currently the only EU candidate not on the list of the Schengen visa-free access countries, while residents of several non-European countries like Brazil, Honduras, Paraguay or Venezuela do not have to apply for a visa. Other, non candidate countries, like Russia, Ukraine, Moldova or Georgia are also negotiating on visa-free travel. Some argue that the right for a visa-free access is already granted for Turkey by the 1963 Ankara Agreement and its Additional Protocol and it was suspended only temporarily after the 1980 military coup. (Bozkurt, 2013).

In the framework of its “trading state” diplomacy, Turkey has signed in the last years visa waiver agreements with over 70 countries, in order to foster economic and trade relations with them. While Turkey is one of the largest importers of European goods, the same agreement with the EU is still missing. To exploit the positive effects of the customs union, the EU should be interested in a free movement of people. Turkish businessmen investing and purchasing goods abroad and burdened with EU visa may prefer, in certain cases, other countries with easier visa procedures. (ibid.).

Due partly to increasing Turkish discontent, and also to a new Turkish law on foreigners adopted recently in Ankara, the EU seems know ready to start dialogue on visa-liberalisation with Turkey. The signature of a readmission agreement is a key priority for the EU, however, because the land route from Turkey to Greece is one of the major migration routes used by migrants in their way to the EU. Turkey, on the other hand, sees the start of the negotiations on visa-free access as a pre-condition for signing the agreement. A recent report of ESI (2013) recommends Turkey a firm, but constructive standpoint in the dialogue, not accepting everything proposed by the EU in the roadmap, but taking voluntary steps (e.g. reducing illegal migration from Turkey) to build trust in the EU.

Foreign Policy

A further area of mutual interest might be foreign policy that was put into the spotlight by recent events in Syria. As the report on European Global Strategy (EGS) (Fagersten&al, 2013) puts it, the EU's global influence will increasingly be determined by its actions in its neighbourhood, and, due to its strategic position, Turkey can be a key partner here.

With the emergence of AKP, the Turkish foreign policy underwent substantial changes in recent times. In many respects, it meant a new type of strategic thinking, concentrating on countries in Turkey's neighbourhood. But as Terzi (2010) states, the European Union has also influenced Turkish foreign policy, by taking the place of the U.S. as agenda setter for Turkey, and also by shifting its security concerned approach to a soft power based one. Though the deepness of this transformation is in many cases questionable (see e.g. Kirval, 2012), the EU accession process has without doubt influenced the Turkish foreign policy making.

Cagatay (2013) argues that the Syrian war is a test of the new Turkish foreign policy doctrine. It turned out, that soft power is not enough to protect the country, as conflicts started to spill over its borders. The country needs the US and NATO for security. As a response to Cagatay's article, Legendijk (2013) asks the question, whether the Syrian war will bring Ankara and Brussels closer together as well? The current gap between Turkey and the EU might be bridged and Turkey will play a major role if the United Kingdom and France start using the possibility of delivering weapons to the Syrian rebels.

According to EGS, the EU and Turkey should agree an enhanced political partnership encompassing (but not limited to) deeper cooperation in the area of foreign and security policy, without waiting for accession negotiations to be completed. The cooperation could involve an agreement between Turkey and the European Defence Agency (EDA) and enhanced participation in EU civilian and military missions. (Fagersten&al, 2013, p. 11)

Energy issues

The area where the European Union is probably the most interested in bilateral cooperation is energy. The EU is and will be in the future increasingly dependent on imported energy resources. Even by a decreasing total energy consumption, and an increasing relative role of renewable energies, the share of traditional sources (coal, oil, natural gas) will remain high in total consumption. With global energy markets becoming more interdependent, the EU energy situation will be directly influenced by the situation of its neighbours and by global energy trends.

In the next two decades, natural gas will be critical for the transformation of the European energy system. Substitution of coal (and oil) with gas could help to reduce emissions with existing technologies (European Union, 2012, p. 12). Due to its dropping

domestic production, however, the dependency of Europe on imported natural gas will constantly increase.

There are several options how to achieve a decrease of dependence, at least in relative terms. In a growing international competition for resources, to secure the sources and the transit routes is of utmost importance.

Natural gas can be imported in liquid form (LNG), but the most common form will remain via pipelines. And current pipeline connections result in a high degree of dependence on Russia.

Turkey is one of the most important potential alternative transit routes for the EU's resource transportation. It is an alternative for transporting Russian gas through Ukraine, but also an alternative for import sources from the Middle East, the Caspian Basin and Central Asia. These regions are considered by the European Commission as the main alternative energy suppliers, which pave the way for Turkey to emerge as a key actor, as the hub of an East-West energy corridor.

Turkey is geographically located in close proximity to more than 70% of the world's proven oil and gas reserves. At the same time, Turkey is also a terminal country of resources, with an energy demand increase well over its GDP growth in the last decade. (Yildiz, 2010) So Turkey wants to be an energy hub, regardless whether it joins the EU or not, so it is doing what it sees best for itself. As stated by both sides, Turkey-EU energy cooperation has nothing to do with the EU accession process, they stem from the understanding that further cooperation is needed between the EU and Turkey in the field of energy. (Okumus, 2012)

Currently Turkey is not transiting gas to Europe or other places; however, it is ambitious to take part in the energy projects as transit country. There are a number of natural gas pipeline projects in the planning stage that would enable Turkey to become involved as a transit country and diversify its gas supply.

The Nabucco project characterises well the ambiguity of the European approach of the issue. But Turkey's position is already strong, even without Nabucco. The oil and gas pipelines from Azerbaijan are functioning⁵, with a possible Central Asian connection. The Iraq-Turkey and Arab Natural Gas Pipelines are partly realised or under construction. The Trans Anatolian Gas Pipeline (TANAP), currently owned by the Azeris⁶ will deliver gas through Turkey. On the other end the Turkey-Greece Pipeline (ITG) and the Trans Adriatic Pipeline (TAP) are possible routes for delivery towards Europe.⁷ And Turkey is also part of Russia's European energy transit. The Blue Stream pipeline transfers gas for Turkish domestic demand, while South Stream, under the Turkish part of the Black Sea, will deliver gas towards European markets.

⁵ Baku-Tbilisi-Erzurum (BTE) natural gas pipeline was launched in 2007.

⁶ At present, an 80% share in TANAP belongs to the State Oil Company of Azerbaijan (SOCAR), the remaining 20% share belongs to Turkish BOTAS.

⁷ The largest Azeri gas-supplier consortium made TAP a priority route for export of Azerbaijani gas to Italy, which questioned the feasibility of the Nabucco project.

Turkey is an observer of the Energy Community, an initiative of the EU to extend its internal energy market towards third countries in its Eastern and South Eastern neighbourhood. Turkey currently insists on keeping its observer position. The EU argues that Turkey would benefit from full membership through a more open and predictable investment climate in its energy sector; by gaining access to EU expertise and new funding options; and by giving Turkey a say in the EU's external energy policy, thus allowing the two to co-operate in the Caucasus and Central Asia. Turkey, however, has concerns regarding some of the ECT's provisions, and stresses that energy *acquis* is an integral part of the accession negotiations. But, more fundamentally, it does not like the idea of unilaterally signing up to a big chunk of the *acquis* without being able to ask for anything in return. (Barysch, 2007)

It is clear for both sides, that cooperation in the energy field is a mutual interest. Turkey may help the EU diversify and secure its energy supply. On the other hand, the rapidly growing Turkish economy needs a functioning and reliable domestic energy market, which can be established with the integration of Turkey into the EU's internal energy market.

Conclusion

The European Union needs answers on how to increase its security and global competitiveness. It became especially important now when as aftermath of the global crisis Europe's position has become more insecure. Enlargement was one of the traditional answers of Europe. And, one of the accession countries, Turkey belongs to the group of newly emerging economic powers. Turkey may contribute significantly to the economic prosperity of Europe, and also may contribute to security in the European neighbourhood.

Today, however, the EU is facing a more and more self-confident Turkey. With its diversified export structure (both concerning goods and partners) and its increasing domestic demand, the dependency on Europe is decreasing, which gives Turkey greater manoeuvring room vis-a-vis Europe. But the Turkish economy is still very much hanging on the European engine.

Since neither the EU, nor Turkey are interested in a breakup of the accession process, they started negotiation on some key issues, to keep the accession process alive and put it properly back on track after stagnation. The issues they want to deal with – trade, migration, foreign policy and energy – are all of key importance for both sides. Cooperation in any of these fields would increase the security and prosperity of both.

The question remains, however, how the relations between the EU and Turkey will be institutionalized. What kind of European integration will we have in the future: a strong, federal system or a looser, differentiated one, with 'variable geometry'? And what will be the place of Turkey in this Europe? Is there any acceptable alternative of full-fledged membership for Turkey? A privileged partnership, as recommended by Germans, or a new type of associate membership, as Duff (2013) proposes, 'something other than

privileged partnership outside the Union, something more than the EEA, yet something less than full membership.'

Although these are open questions we are not able to answer yet, the Turks were very pleased with a recent statement of the European Energy Commissioner Günther Oettinger: 'One day in the next decade a German chancellor and his or her counterpart in Paris will have to crawl to Ankara on their knees to beg the Turks, 'Friends, come to us'. (Gottschlich, 2013)

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