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Danışman: Yard. Doç. Dr. Yonca Özer

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ONAY SAYFASI

Enstitümüz AB Siyaseti ve Uluslararası İlişkiler Anabilim Dalı Yüksek Lisans öğrencisi Gülşah TUZA'nın ***"WHY THE EU NEEDS TO ENLARGE WITH SPECIAL REFERENCES TO TURKEY'S POSSIBLE MEMBERSHIP AND ITS BENEFITS FOR THE EU"*** konulu tez çalışması 05.08.2010 tarihinde yapılan tez savunma sınavında aşağıda isimleri yazılı jüri üyeleri tarafından oybirliği / ~~oyçokluğu~~ ile başarılı bulunmuştur.

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ABSTRACT

The EU has evolved considerably throughout its history from being an economic entity to a political union with major powers. The EU is today the most prosperous entity of the world and has a great impact on international relations. Nevertheless, the EU's influence on major global events is not comparable with its economic power. The discourse that the EU is 'an economic giant, political dwarf and military worm' is still expressed commonly. It appears that the EU itself is aware of its shortcomings on global issues. Especially the European Commission underlines this on several occasions and stresses that the EU has to become more strategic and more effective and visible around the world. In this context, Turkey's membership would provide major benefits for the EU, in both economic and security terms. This, however, depends on how influential the EU will become on world affairs. Thus, if the EU is aiming to become an actor that is able to counter the challenges and threats of the 21st century and be influential in international relations, Turkey's contribution would be of enormous importance. Moreover, if the EU wants to counter long-term problems that it will face in economic issues, Turkey has obviously the potential to contribute.

ÖZET

Kurulduğu günden itibaren AB'nin amacı ekonomik bir birlikten önemli güçleri olan siyasi bir oluşuma dönüşmekti. Günümüzde AB dünya'nın en zengin oluşumlarından biri ve uluslararası ilişkiler üzerinde de etki sahibidir. Fakat yine de önemli küresel olaylar üzerindeki etkisi ekonomik gücü ile karşılaştırılamaz. Bunun için de AB çoğunlukla 'ekonomik bir dev, siyasi bir cüce' diye tanımlanır. AB'nin kendisi de küresel boyuttaki etkisinin eksikliğinin farkında. Özellikle Avrupa Komisyonu birçok fırsatta bu durumu vurgulamıştır ve AB'nin dünya'da daha stratejik, daha etkili ve daha görünür olması gerektiğinin altını çizmiştir. Bu bağlamda, Türkiye'nin, gerek ekonomik gerekse güvenlik bakımından, Birliğe birçok fayda sağlayabileceği görüşü giderek daha fazla vurgulanmaya başlamıştır. Bu bağlamda, eğer AB 21. yüzyılın getirdiği yeni tehditlerle mücadele edebilen bir aktör olmak ve uluslararası ilişkilerde etkili olmak istiyorsa, Türkiye'nin Birliğe sağlayacağı katkılar çok önemlidir. Ayrıca AB ekonomik anlamda karşılaşacağı uzun vadeli problemlere karşı mücadele etmek istiyorsa Türkiye'nin sağlayacağı katkılar daha da önem kazanmaktadır.

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ABBREVIATIONS

AKP	Justice and Development Party
CCP	Common Commercial Policy
CEECs	Central and Eastern European Countries
CET	Common External Tariff
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
EC	European Community
ECSC	European Coal and Steel Community
EDC	European Defence Community
EEC	European Economic Community
EFTA	European Free Trade Association
EMU	Economic and Monetary Union
ENP	European Neighbourhood Policy
EP	European Parliament
EPC	European Political Cooperation
ESDI	European Security and Defence Identity
ESDP	European Security and Defence Policy
EU	European Union
EURATOM	European Atomic Energy Community
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IEA	International Energy Agency
IGC	Intergovernmental Conference
IMF	International Monetary Fund
JHA	Justice and Home Affairs
MEPs	Members of the European Parliament
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OIC	Organisation of the Islamic Conference
PJCCM	Police and Judicial Cooperation in Criminal Matters
PPEWU	Policy Planning and Early Warning Unit
PPP	Purchasing Power Parity
QMV	Qualified Majority Voting
SEA	Single European Act
TEU	Treaty on European Union
TESEV	Turkish Economic and Social Studies Foundation
TUSIAD	Turkish Industrialists' and Businessmen's Association
UN	United Nations
WEU	Western European Union
WMD	Weapons of Mass Destruction
WTO	World Trade Organization

INTRODUCTION

The relationship between the European Union (EU) and Turkey dates back to 1959, when Turkey had officially applied to the European Economic Community (EEC) to become an associate member. Turkey's full membership application was submitted to the then European Community (EC) in 1987 by Turkey's Prime Minister Turgut Özal. Turkey was recognized as a candidate country at the 1999 Helsinki Summit. It was not until 2005 that the official membership negotiations had started. As a candidate for full membership, Turkey has also an associate partnership with the EU since 51 years. Turkey is waiting to become a full member to the Union since 23 years. This is a long time considering that the longest period between an application and full membership was 14 years, as in the case of Cyprus[1] and Malta, followed by Bulgaria and Romania with 12 years.

The relationship between the EU and Turkey in these five decades was never linear or stable but rather full of ups and downs. At some occasions it was the EU that lost its interest on Turkey, on others it was Turkey that moved away, at least to some extent, from its full membership bid. The relationship faced serious crisis that affected the whole process negatively. But surprisingly both parties never tend to break off the relations totally. On the part of Turkey this seems not surprising because since its foundation, and even before, the country had a clear foreign policy objective of Westernization. Being a member of all European institutions was considered as the confirmation of its European identity. Consequently, membership to the EU is also considered as a necessity for the country's economic development and prosperity. On the part of the EU, however, the issue seems more confusing. Although the EU had economic and security incentives to establish a relationship with Turkey, it did grant Turkey neither full membership status nor did broke off the relations totally.

The EU is today one of the most prosperous entities with an influential role in international relations. In this regard the general discourse about the EU and Turkey is that Turkey is the actor that would gain significant benefits from accession whereas the

[1] By Cyprus this thesis refers to the Greek Cypriot Administration of Southern Cyprus but in the sake of simplicity we will refer to it as Cyprus.

Union would have to pay high costs. Thus, the issue is generally conceptualized as Turkey seeking membership in the EU. This, however, appears to understate the whole process. If this would be a proper argument than the question should be asked why the EU has never broke off the relations with Turkey although enough reasons occurred. Moreover, despite the popular opinion that Turkey should be granted a 'privileged partnership' status, officially introduced by the former Austrian Minister of Foreign Affairs Ursula Plassnik, Turkey was accepted as a candidate for full membership. It is obvious that both parts have to gain benefits from a relationship based on full membership. Otherwise both the EU and Turkey would have entered new paths in their foreign policies.

In the light of this argument, the thesis aims to provide an insight in the relations between the EU and Turkey by providing plausible grounds that support the argument that the EU would gain significant benefits from a possible Turkish membership. These arguments are based on the notion of the EU as a global actor. Since its beginning the EU aimed to become an effective player on the world scene. However, this goal became even more visible in the post-Cold War era. The European Commission and important European political actors are underlining this on every occasion. It is generally accepted that the EU has become a global actor that is able and has the power to influence third parties. However, the amount of this power and its effectiveness is still a disputed issue. Especially, the EU's inability to intervene in the Middle Eastern region intensifies these kinds of debates. In this regard, this thesis argues that if the EU wants to become an even more influential and effective power, both, in its near neighbourhood and also at the world stage, Turkey has the potential to contribute to this aim.

In the first chapter, the European integration process is evaluated through classical rationalist approaches. The reason why rationalist theories are chosen as the basis is that the evolution of the EU as a global power can be best evaluated through rationalist approaches. The chapter is divided into two parts. The first part evaluates the European integration process through realism and liberalism, the two main strands of international relations theory. Since it is accepted that all other international theories have evolved around realism and liberalism, both theories have special importance. The second part focuses on integration theories to explain the European integration process. Functionalism and intergovernmentalism, the mainstream theories of European

integration, are selected among many other integration theories since they have a clear focus on the EU and its integration process. However, the thesis does not aim to find the 'best' theory that explains European integration. Rather it tends to underline, through rationalist theoretical approaches, the reason why the EU is not able to act in common on all policies, in particular on security and defence policies. More importantly, rationalist approaches will provide the necessary assumption that the EU member states are rational entities with an incentive for material cost-benefit calculations.

In the second chapter, the EU and its power as a global actor are evaluated. This part will be discussed in detail. However, it has to be noted that the concept of the EU's actorness is a major field of study and is not the main argument of this thesis. The core argument of this thesis is to analyse how Turkey's membership can contribute to the EU. This contribution, however, appears to be on the role the EU plays on the global stage. Consequently, the concept of actorness here is used only as a complementary analyse. In this context, the main focus in this chapter will be on the evolution of the EU from an economic entity to a global actor with foreign policy instruments. Thus, in the first part of the chapter the EU's evolution from an economic entity to a political union is discussed in detail. This section is divided into two main periods, the Cold War and the post-Cold War era because the EU gained formally a political dimension after the end of the Cold War with the signing of the Maastricht Treaty.

In the second part of the chapter, the EU's role as a global actor is evaluated. Since foreign policy is accepted as the most important element that defines an actor's power and influence, this chapter mainly focuses on European foreign policy. By European foreign policy we will refer to Brian White's (2001, p. 24) definition which broadly explains European foreign policy as the sum of member states national foreign policies, the EU's foreign economic policies (foreign policies that fall under the first pillar) and the political dimension of European foreign policy, in other words the Common Foreign and Security Policy (CFSP). The thesis, however, does not evaluate the member states national foreign policies since such an evaluation would constitute a major field of study. Thus, the chapter focuses on the EU's role as a global actor by evaluating its economic and political powers separately. In the last part of Chapter II, European foreign policy will be evaluated through theoretical approaches which were used in the first chapter.

In the first part of Chapter III, the relations between the EU and Turkey, from its very beginning, will be discussed. The main focus of this part will be on the motivations of both parties for establishing a relationship rather than providing a detailed analyse of the history of EU-Turkey relations. This part provides an insight to the unstable but still continuing EU-Turkey process. The motivations of both parties for establishing an association partnership till the EU's decision to accept Turkey as an official candidate country at the 1999 Helsinki Summit are discussed in detail.

The second part of the chapter evaluates the benefits the EU would gain from including Turkey to the Union. This part constitutes the main argument of the thesis. The benefits that Turkey has to contribute to the EU are divided into two main sections, the economic benefits, in terms of the EU's trade policy, and security related benefits. Under the economic benefits, transportation routes and systems and demographic structures are also included, since both issues are important elements of any economy. The main concern of security related benefits will be on the EU's role as an effective global actor. The main focus in this section will be on Turkey's geo-strategic importance but also its relations with the Middle Eastern region. The energy issue is dealt with separately since it includes both, economic and security related benefits. Although the energy issue is not totally related to the EU's role as a global actor, but more to its internal security, this section is also included due to the fact that Turkey's geo-strategic location and cultural ties with the main energy producing regions of the world are considerably important.

Finally, in the third part of Chapter III, the EU-Turkey relations will be evaluated through rationalist theoretical approaches which were used in the first chapter. The main focus in this part will be liberal intergovernmentalism which considers member states preferences in economic and security fields as the most important parameter that affect the membership status of a candidate country.

CHAPTER I.
THEORETICAL APPROACHES TO THE EUROPEAN INTEGRATION PROCESS

The aim of this chapter is to provide definitions and different contemplations about the European integration process, by using rationalist international relations theories and integration theories. The reason why also international relations theories are included to explain the European integration process is that the EU cannot be explained solely by using integration theories, since the EU, as an actor, is part of the international system, due to its supranational decision-making nature. In other words, whereas integration theories will provide a necessary basis in evaluating the European integration process, international relations theories will provide important grounds to evaluate the EU as an actor within the international system.

The theories that will be evaluated in this chapter are divided into three sections, first international relations theories, secondly integration theories and finally constructivism. Under international relations theories we will evaluate realism and liberalism, the two main strands in what has been called the classical tradition of international relations theory (Nye, 2005, p. 23). Realism and neo-realism will be helpful to understand the EU as a political formation, since the EU is not just an economic union but has also become a political one, with the 1993 Treaty on European Union, and has even gained a legal status with the Lisbon Treaty. Secondly, liberal and neo-liberal theories will be helpful in understanding the EU as an economic union, a term the EU was called until the signing of the Maastricht Treaty. Liberalism is also an important theory since it recognizes cooperation among states as rational. Moreover liberal principles such as political freedom, democracy and constitutionally guaranteed rights match directly with the Union's fundamental principles. This makes it necessary to include liberal theories in the evaluation of European integration.

In the context of integration theories we will first evaluate functionalism which will be useful in explaining the European integration process, since functionalism is a central component of the study of international and non-governmental organisations. Neo-functionalism, on the other hand, is useful to understand how Western European

countries could initiate a supranational cooperation method after the Second World War. The intergovernmentalist and liberal-intergovernmentalist theories will be described and evaluated deeply because both are accepted as the most prominent and promising rationalist account of the major turning points in the history of European integration. Intergovernmentalism constitutes an important theory of this thesis because, different than functionalism, intergovernmentalism gives importance to nation states and their role in the European integration process. Finally, the social constructivist approach, which will provide a clearer strand for the rationalist theories, will be evaluated. Constructivism is an important component in understanding rationalist theories and their connection with European integration and eventually the formation of European foreign policy.

I. 1. Classical International Relations Theories

The word theory means different things to different people and could even mean different things to the same person. Nevertheless, the common view among international relations scholars is that theory is important in understanding the world and necessary and unavoidable in explaining the future of international relations (Viotti and Kauppi, 1998, p. 3). Since we are dealing with the EU, theories will be important in understanding the EU and its integration process. But before we move further with integration theories, first we will evaluate the EU by using international relations theories. According to Filippo Andreatta (2005, p. 19), international relations theory is 'divided along paradigmatic lines between realism, liberalism and various alternative approaches, which reject realist and liberal traditional views about the centrality of states in international affairs'. Thus, it could be argued that all other theories have evolved around realism and liberalism. As a consequence the next section will focus solely on realist and liberal theories.

I. 1. 1. The EU from a Realist and Neo-Realist Perspective

With a span of nearly 2.500 years, classical realism is the oldest and one of the most debated theories in international relations. Thucydides, Niccoló Machiavelli and Thomas Hobbes are frequently cited as the intellectual ancestors of the theory. Realism is widely regarded as the most influential theoretical tradition in international relations,

even by its harshest critics. Its ancient philosophical heritage, its powerful critique to idealism and its influence on the practice of international diplomacy have secured it an important position (Burchill, 2001b, p. 70). Although realism had lost its ground after World War I, World War II had effectively undermined the idealist approach to world politics. Thus, realism had regained its popularity. Modern realists such as Max Weber, Edward H. Carr and Hans Morgenthau discussed the failure of idealism and developed realism as the dominant theory to the study of international relations (Lebow, 2007, p. 53). Kenneth Waltz's interpretation of the realist tradition became known as neo-realism. However before evaluating neo-realism we will first focus on classical realism.

As its name implies, realism seeks to describe and explain the world of international politics *as it is,* rather than how it should be (Burchill, 2001b, p. 70) (emphasis in original). The basic features of realism can be summarized as state-centricity, anarchic world order and evil human nature. Realism has its roots in the rational choice theory, which is built on the assumption that actors try to maximize their interests in their relationships with others. This selfish attitude of actors forms the basic element of realism. The actors in the international system are nation states. Realism also focuses on high politic issues which are national security and the relationship between great powers. World politics is a struggle for power and the behaviour and actions of states could be rationally calculated. Moreover, according to realism, in a state of continuous lust for power, war at any time between states is inevitable (Geyer, 2003, pp. 16–17).

Since nation states are the fundamental actors in the international system and actors try to maximize their interests in realist theories, realists are in general sceptical about the possibility of international cooperation. Realist approaches assume that the most basic motive of states is the lust for power and states have to maintain their sovereignty for obtaining power. For these reasons, many scholars argue that 'realism is not well designed to explain the political integration of Western Europe' since realists have rejected the assumption that 'there is a world interest in peace which is identifiable with the interest of each individual nation' (Andreatta, 2005, p. 25). For realists, international politics like all politics, 'is a struggle for power' (Luif, 1995, p. 11). Therefore realist ideas about international organisations are quite pessimistic. In this context, realists argue, for instance, that the United Nations (UN) has no enforceable

authority over nations because there cannot be such a kind of entity which has authority over nation states. States pursue their national interests in the international arena by their own. Therefore war is unavoidable and accepted as a foundation of the international order. Although the same arguments are accepted generally by neo-realists, there are also distinctions between classic realism and neo-realism.

In his books '*Man, the State and War*' (1959) and '*Theory of International Politics*' (1979), Kenneth Waltz, the father of neo-realism, views war as an effect of the international system. Thus, in the international system, wars are to be expected "because there is nothing to prevent them" (Waltz, 1979, p. 113). Neo-realists argue that the international system is anarchic too. However differently than realist theory, neo-realists argue that the main reason of anarchy in the international system is the absence of any world government or arbitrator in world policy, not because of pervasive chaos or evil human nature. Classical realists like Thomas Hobbes define anarchy as chaos and disorder, as a war of all against all. Neo-realists are not that pessimistic. For a neo-realist, anarchy means the absence of a government, or a defective government unable to fulfil its functions (Baldwin, 1993, p. 11). So we can easily say that classical realists had a pessimistic view of human nature and assumed that people and states were bound to become evil with a continuous lust for obtaining more power. In contrast, Waltz builds his realism on the assumption that survival is the goal of states and that power is one of the means to that end. On the other hand, also neo-realists accept, like realists, that within this system, states are the dominant and principal actors because they are best suited to survive in an international system (Wexler, 2006, p. 399).

Another difference between neo-realism and realism is about the concept of security. For neo-realism, like realism, the security concept is priority in the state system. In Kenneth Waltz's definition, in an anarchic world order, security is the basic goal of states. However differently than realism, neo-realism connects security with freedom. For Waltz, "states are covered by insecurity in proportion with their freedom, so insecurity should be accepted when freedom was wanted" (Waltz, 1979, p. 112). This condition is called the '*security dilemma*', a term introduced by John Herz. The term emphasizes that, the increase of a states own security leads to the decrease of the relative security of competitors. In turn, this state will pursue more security. So a

vicious circle occurs between them which is called the security dilemma (Waltz, 1979, p. 186).

A final difference between realism and neo-realism is about international cooperation. As mentioned before, whereas realists even do not think about the possibility of cooperation, neo-realism argues that some kind of cooperation is possible. However for neo-realists the impact of international organizations on states is temporary and not of crucial importance because they would disintegrate after they have fulfilled their functions. Under an anarchic setting and fixed interests, organizations are interpreted as short lived creations formed to serve state interests for a certain period. Neo-realists argue that anarchy can produce order, but it hinders effective and long-standing cooperation amongst states because of the essentially competitive and rational nature of the interstate game (Rosamond, 2000, p. 132). In other words, according to neo-realism, cooperation is possible but only if it would be the best option and for everybody's interest. Nevertheless, neo-realism gives two reasons why cooperation among states is difficult to achieve. First, the possibility of cooperation makes states worry about cheating and this is seen similar to a '*prisoner's dilemma*' in which the dominant strategy will be to betray. The second one is that thinking about the distribution of gains could hinder inter-state cooperation. Thus neo-realists argue that 'absolute gains are more important to concern than relative gains and the fruits of cooperation will be forfeited by states if they worry that their partner profits much more than them' (Wexler, 2006, p. 400).

Since realism does not even think about the possibility of cooperation, the European integration process should be evaluated with neo-realism. Neo-realism argues that security and welfare are primary objectives of states in international politics and European integration is seen as a result of politics aiming at the balance of power that depends on the anarchic state system. In contrast to realism, neo-realist theory emphasizes that both the anarchic international system and the lack of guarantee for surviving of states caused that states needed to cooperate with each other. Thus, from a neo-realist perspective it could be argued that the birth of the EU is a result of the anarchic international system. Nevertheless, neo-realism gives little or even no importance to actors in the international system other than powerful nation states.

On the other hand, if we try to associate neo-realism's pessimistic outlook with the European integration process, we see that some of the qualities that Waltz attributed to an international system are too much. The neo-realist argument, that institutions have a minimal effect on their members, is hardly true in the case of the EU, since the institutional mechanisms have been structured in such ways that they have direct applicability and implementing power over member states. Nevertheless, the main problem of the EU is that integration in foreign affairs and security policies is low while economic integration is high, which again suits to neo-realist assumptions. The lack of integration in the field of security and foreign affairs depends on some hypotheses. According to realist theory, one reason of this is based on the balance of power hypothesis; European foreign and security policy is not integrated because security and defence issues were handled through the North Atlantic Treaty Organisation (NATO) solution during the Cold War era. A stronger European foreign policy would have disrupted the fine balance achieved by the two superpowers. It would presumably have created tension and increased Soviet hostility because of the fear of Germany's intensions (Medrano, 1999, pp. 156-157).

It has to be noted that, although realist theories do even not mention the possibility of cooperation, the success of European integration has let some realist theorists and scholars to find an explanation for the ongoing process. For instance, Robert Gilpin (1981) stated that international cooperation is possible when a state is capable of imposing order in the international system through its superior power. When there is a clear hierarchy of power, there are few or no clashes of interests, as the stronger state can impose its will and the weaker ones have to conform to its wishes (cited in Andreatta, 2005, p. 26). According to Joseph Grieco (1997, p. 185), cooperation is possible among states because if states share a common interest the weaker but still influential partners will seek to ensure that the rules set up by negotiation will provide sufficient opportunities for them to voice their concerns and interests. This would also prevent them to be dominated by stronger powers. Grieco defines this as '*voice opportunities*'. Moreover, according to Paul Schroeder, integration represents a loss of autonomy justified by an increase in common capabilities and the capacity for mutual control (cited in Andreatta, 2005, pp. 25-27).

As seen, an important link between realist theories and European integration is that realists consider military capability and alliances as the very foundation of security. All the above mentioned arguments are about power and security and the desire to gain some sort of power against powerful states. In this regard, the formation of the European Coal and Steel Community (ECSC) in 1951 reflects this argument since the reason that gave birth for the ECSC was to hinder any possible war between Western European states, in particular France and Germany. Although the ECSC was the first step to create a common market for the European continent, as will be discussed in detail in the next chapter, the reason for its foundation was mainly security oriented. Given the fact that traditional realist thinking does even not mention the possibility of cooperation, the developments in military technology in the first half of the 20th century led to changes in thinking, which are called 'the new definition of security-realism in the post-Cold War world'. Edward H. Carr, one of the main realist thinkers of the 20th century, observed that states could no longer assure the military security or economic well-being of its citizens. As a solution to this problem, Carr suggested to 'divorce international security from its association with national frontiers and national sovereignty' and to create a kind of world security organisation equipped with 'pooled' or 'common' security concerns and interests (cited in Tickner, 1996, p. 175).

The most common critic against realist theories is that it neglects the existence of the logic of change (Burchill, 2001b, p. 85). On the other hand, modern realists differentiate systems on the basis of their polarity (uni-, bi-, and multi-polar). According to that, system change occurs when the numbers of poles change. The current international environment can be described as a uni-polar one, since after the demise of the Soviet bloc the US is the only remaining superpower. However it is also widely accepted that some other powers, such as Japan, the EU, India, etc, are emerging. The world is entering a new phase of multi-polarity and as will be discussed later, the EU has an important place in this changing international environment.

A final point that has to be mentioned is that the failure of the EU to integrate foreign, security and defence policy, is one of the main strands of neo-realists, such as Kenneth Waltz, to prove that international cooperation is difficult to gain and even more difficult to maintain. However, again in 1979 Waltz had stated that, "the political clout of nation's correlates closely with their economic power and their military might"

(quoted in Lebow, 2007, p. 58). It is obvious that this argument was made as a neo-realist explanation for the two superpowers, the US and the Soviet Union, during the Cold War era. However it also helps to explain the current situation of the EU. The creation of the European Union, in 1993, appears to have proven this argument right. In the Treaty on European Union, signed shortly after the breakup of the Soviet Union, the word 'defence' was used for the first time (Luif, 1995, p. 92). So it can be argued that, with the Maastricht Treaty the EU had entered a new stage under the label of 'Political Union', after economic integration was established successfully. Thus, it could be argued that, the EU that is commonly labelled as 'an economic giant but political dwarf" has entered a new path to become an economic giant and a political power.

I. 1. 2. The EU from a Liberal and Neo-Liberal Perspective

According to Immanuel Kant, the founder of liberal thinking, "liberal states, founded on individual rights such as equality before the law, free speech and civil liberty, respect for private property and representative government, would not have the same appetite for conflict and war". In general, liberal theory advocates liberal democratic principles such as political freedom, democracy and constitutionally guaranteed rights, liberty of the individual and equality before the law. According to liberalism these principles provide the best prospect for a peaceful world order because a world made up of liberal democracies should have much less incentive for war, since all nations would reciprocally recognise one another's legitimacy (Burchill, 2001a, pp. 31-33). Moreover, according to Kant, peace can be perpetual. Thus, differently than realism, peace is the normal state of affairs for liberal theory since the laws of nature dictate harmony and cooperation between people. War is therefore both unnatural and irrational and not a product of human nature. In contrast to realism, liberals think that 'wars are created by militaristic and undemocratic governments for their own vest interests' (Burchill, 2001a, p. 33).

Another feature of liberalism is that it is an '*inside-out*' approach, not an '*outside-in*' approach like realism, because unlike realism, liberalism argues that domestic actors strongly influence the foreign policy identities and interests of states as well as their actual behaviour in international relations. This comes from the idea that in liberal republics, elected decision makers are held responsible for all decisions by their

constituencies. So the shadow of electoral sanctions would prevent republican governments from going to war too easily (Panke and Risse, 2007, p. 90). In this context, democracy and self-determination are the main principles for liberalism. In addition, different than realism, liberal theories focus on peace and cooperation instead of conflict. For liberals, 'security' is not the only subject of international affairs. Besides security, factors such as trade, money, immigration, health and the environment have an essential influence in the foreign policy making processes of states. However, the liberal belief that the gains from commercial transactions would overcome the problems inherent in the security dilemma and that war would be too expensive in that context turned out to be wrong when the First World War broke out (Nye, 2005, p. 23). As a consequence, realist theory had regained its dominance. The liberal tradition and school of thought, however, started to reassert itself in the post World War II era, when cooperation was the only viable solution to revitalize a devastated Europe.

An important similarity between realism and liberalism, that has to be noted, is that classical realism itself does not completely reject the importance of economic power. Although there is an absence of economic concerns in the work of many realist scholars, in history, realist thinkers had focused on the economic dimensions of statecraft as well. For instance, Thucydides' '*History of the Peloponnesian War*' can be read as an examination of the impact of a commercial revolution. According to him, "the expansion of trade, the monetization of traditional agrarian economies and the rise of new commercial powers, transformed the Greek international politics and laid the basis for the Great War". The interaction of international economics and politics can also be found in more current works of Jacob Viner (1948), who tells that the pursuit of power and the pursuit of wealth were indistinguishable, Alexander Hamilton, who identified national power with industrialization and economic self-sufficiency and Edward H. Carr, who lays great stress on economic power (Gilpin, 1986, pp. 308-309).

The traditional liberals of the 18th century are remembered by the famous motto '*laissez faire*, *laissez passer*'.[2] The application of this economic principle to the field of political science allows for greater flexibility to explain why cooperation among states is easier than realists would argue. Institutions increase the possibility of cooperation by

[2] "Let do and let pass", an economic term that means broadly allowing industry to be free of state intervention.

eliminating the risk of conflict and cheating between states. So, as opposed to realism, the liberal tradition attributes a great deal of importance to institutions, due to their ability to provide a platform for states to cooperate. Nevertheless liberalism, like realism, is a state-centric approach which does not challenge the individual power of states. The main difference between liberalism and neo-liberalism, however, is that whereas liberalism focuses mainly on states like realism, neo-liberalism focuses also on international organisations. The roots of neo-liberalism can be traced to the early 1980s. Prior to this time the role of international organisations in international theories was lacking. However, this situation changed with the publication of Robert O. Keohane's book '*After Hegemony*' in 1984 (Martin, 2007, p. 110).

According to neo-liberalism, the existence of institutions and international organisations explains the persistence of economic cooperation whereas neo-realists, such as Waltz, see the international distribution of power as the dominant explanatory factor of international cooperation. The main difference between them is that neo-liberalism rejects the realist and liberal assumption that states were the sole important actors on the international stage, suggesting that actors such as 'non-governmental organisations might also have systematic effects on patterns of international behaviour' (Martin, 2007, p. 111). On the other hand, there is also a similarity between realism and neo-liberalism. The neo-liberal perspective relies also on the assumption of rationality like realism. That is, a core assumption of neo-liberal theory is that cooperation is a result of seeking interests. Consequently, states calculate the costs and benefits of different courses of action and choose the course of action that gives them the highest net pay-off (Martin, 2007, p. 112).

In terms of explaining the European integration process, neo-liberalism is more easily adapted to explain it. Whereas realist theory does not believe even in the possibility of cooperation, neo-liberals adopt a more flexible approach than realists on the question of the actors in international politics, allowing also for the role of supranational organisations (Andreatta, 2005, p. 28). Moreover, since neo-liberals are more optimistic for interstate cooperation, they are more willing to acknowledge the success of the EC/EU. However, in the case of the EU, liberalism is also able to explain how war could be prevented in a region that was historically always involved in national conflicts. The reason is given as democracy and free trade. Democratic

processes and institutions would break the power of the ruling elites and curb their tendency for violence (Burchill, 2001a, p. 33). The removal of barriers to commerce would create a common interest in trade among members of the same geographical region. Thus, form a liberal perspective, even France and Germany, who traditionally resolved their conflicts through military instruments, begun to cooperate for their mutual benefit (Burchill, 2001a, p. 39). Moreover, according to liberal theorists, not only the EU but, for instance, also Japan has certainly done far better with its strategy as a trading state after 1945, than it did with its military strategy to create a Greater East Asian Co-Prosperity sphere in the 1930s (Nye, 2005, p. 24).

Nevertheless, although liberalism and neo-liberalism are successful in explaining the international world after 1945, both are not sufficient. Although the EU and Japan are successful in trade, both are still in need of military power. As will be later discusses, whereas the EU is determined to strengthen its European Security and Defence Policy (ESDP), Japan's security vis-à-vis its large military neighbours, namely China and the Soviet Union, depends heavily on US protection (ibid). Thus, although liberalism is successful in explaining the economic dimension of the post-World War II era, military aspects still play an important role in the international world. Therefore it would not be wrong to argue that realist and liberal theories are complementary, not competing, theories in explaining the contemporary world.

I. 2. Integration Theories

Integration theories have been useful in explaining the initial stages of integration, with an effort to evaluate the changing role of the nation-state in Western Europe, and the establishment of a supranational institutional framework. Integration theories examine the consequences of the increased interaction of long established nation states within their regional environment. According to Ben Rosamond (2000, p. 1), "the emergence and development of the institutions of economic integration in Western Europe after the Second World War provided a valuable site for both the application of existing theories and the development of new perspectives". Rosamond (2000, p. 14) identifies four approaches in the study of European integration. The first approach understands the EU as an international organization. However the EU is institutionalized and it is more than a straightforward instance of an intergovernmental

organization. The second approach highlights the instance of regionalism in the global political economy in the study of European integration and underlines the notion of territoriality. The third approach aims to treat the EU as a useful location for the study of policy-making dynamics and underlines the notion of supranationalism. The fourth approach regards the EU as a sui generis phenomenon and states that European integration cannot be a theoretical testing site for the elaboration of broader generalizations. As will be seen in the next parts, this thesis is more inclined to the fourth approach.

I. 2. 1. Functionalism and Neo-Functionalism

The starting point of the functionalist view in the history of integration theories was the abandonment of the state-centric view towards international relations. Functionalist approaches have been central to the study of international integration. They also form a core element of the study of international relations in general. Specifically, functionalism is a central component of the study of international and non-governmental organisations. Differently than realism but similarly to liberalism, functionalist theory suggests that rational and peaceful progress is possible and that conflict and disharmony are not endemic to the human condition (Rosamond, 2000, p. 31). Moreover according to functionalism, the 'perception of an increasing number of problems, needs and trends outstripping national capacities is bound to result in pressure towards international cooperation' (Pentland, 1973, p. 77). In this respect, the functionalist theory of the 1940's, and the neo-functionalist version of the 1950's and 1960's are extensions of the liberal tradition, which has been the main challenger of the realist school of thought.

David Mitrany, the key figure of functionalist theory, sees nationalism and regional integration as a drawback for world peace. According to him, "some needs would be best served by ignoring the conventions of national territory and transnational institutions would be better and more efficient providers of welfare than national governments" (quoted in Rosamond, 2000, p. 33). Therefore he described the process of functional integration as changing attitudes and creating costs for disruption- the *enmeshment process*- which made war less likely. This is an indirect approach: "to make changes of frontiers unnecessary by making frontiers meaningless" (quoted in Luif,

1995, p. 13). On the other hand, Mitrany was against European integration and considered it as a widening of nationalism in the European scale. With a different expression he argued that the EU was not a new model, but only a widening of the nation state model (Çakır, 2001, p. 28).

Neo-functionalism as a theory emerged in 1958 with the publication by Ernst B. Haas' '*The Uniting of Europe: Political, Social and Economic Forces 1950-1957'*. In this book, Haas explained how six Western European countries came together to initiate a new form of supranational cooperation after the Second World War (Jensen, 2007, p. 86). Originally neo-functionalist theory emerged to formulate a grand theory of international relations, based on observations of regional integration processes. For instance, political and economic cooperation in Latin America was one of the cases investigated to that end. However, although it was not the original intention, most neo-functionalist writers have focused their attention on Europe and European integration because it was in Europe that political and economic integration was best developed (Jensen, 2007, p. 88).

According to Ernst Haas there are three characteristics that define neo-functionalist theory, which are *spill-over*, *elite socialization* and *the formation of supranational interest groups.* Haas described the *spill-over* concept as cooperation in one policy area would create pressures in a neighbouring policy area, placing it on the political agenda, and ultimately leading to further integration. In other words, spill-over refers to a situation where cooperation in one field necessitates cooperation in another. Thus neo-functionalism envisages, for instance, that the removal of internal tariff barriers would lead to demands for the removal of non-tariff barriers and other distorting measures and that monetary union would lead to full economic union and the harmonisation of tax policies (Preston, 1997, p. 137). The concept of spill-over is divided into three sections, *functional spill-over*, *political spill-over* and *cultivated spill-over*. Functional spill-over assumes that some sectors are intertwined in such a way that integration in one sector will bring or require some degree of integration in the other. Political spill-over stresses that the elites, which are bargaining on the behalf of the EU, gradually notice that their advantage lies on international scale which optimizes the sources and offers a large spectrum of options. Cultivated spill-over occurs when the previous two types of spill-over are expected to bring about a considerable degree of

integration, that is, the need for a third type in the form of an institution that occupies a central position. This institution became the European Commission which is acting as a kind of mediator that aims to upgrade the common interest by trying to interfere in the unproductive process of diplomatic negotiations.

Ernst Haas explained *elite socialization* as integration that is driven by functional and technocratic needs. According to this, over time, people who are involved on a regular basis in the supranational policy process will tend to develop European loyalties and preferences. The European integration process will lead to the establishment of elite groups loyal to the supranational institutions and holding pan-European norms and ideas.[3] The third characteristic of neo-functionalism, *the formation of supranational interest groups*, contained the idea that interest groups and political parties would be key actors in driving integration forward, because they would see it as in their interest to push for further integration.

An important feature of neo-functionalism is that it draws our attention to the distinction between 'high politics' (military and security matters) and 'low politics' (economics and trade) and concentrates on the role that low politics play in promoting cooperation among states. In this regard, neo-functionalists argue that international institutions can help states to cooperate. Like functionalists, neo-functionalists also believed in the priority of economic integration. In order for economic integration to result in political integration, there should be supranational institutions which are beyond the nation states and which demand the delegation of sovereignty. These supranational institutions should be in specific and crucial sectors.

Although neo-functionalist theory was very popular in the 1960's, by the mid-1970's it lost ground. Surprisingly, it was Ernst Haas, together with others, such as Andrew Moravcsik, Paul Taylor, and Robert Keohane, who criticized the neo-functionalist theory, that it could not fully explain European developments in regional cooperation. The reason for that was mainly that during the 1970's, up to the mid-1980's, political integration was absent. However, with the Single European Act (SEA)

[3] The European Parliament (EP) is an example for elite socialization. Members of the European Parliament (MEPs) are not divided into groups relating to their national origin. They are organized along political and ideological lines. For instance, social democrats from Germany work together with Labour members from the UK. According to neo-functionalist theory, MEPs tend to become more European in their outlook, as a consequence of these working practices. The fact that MEPs work together across borders makes it difficult for them to focus solely on national interests.

and the creation of the Single Market, a new phase of economic and political cooperation was marked, since these developments seemed very much in line with the sort of spill-over predicted by neo-functionalist theory. This led to a revival of interest in neo-functionalism. Nevertheless, neo-functionalist theory was accepted as a theory which would explain some but not all of the European integration process. Thus, neo-functionalism shifted from being the grand theory of European integration to a partial theory, that is, 'a theory which would explain some but not all of the European integration process' (Jensen, 2007, p. 96). Neo-functionalism was also criticized for its Eurocentric feature. In other words, neo-functionalist theory highlighted characteristics of the process of European integration which were not to be found in other regions of the world. Neo-functionalism appeared as a more 'local' theory trying to explain events in Western Europe rather than 'general models of behaviour in international politics' (Andreatta, 2005, p. 23).

I. 2. 2. Intergovernmentalism and Liberal Intergovernmentalism

The nearly federal cooperation model proposed by neo-functionalism was challenged by intergovernmentalism, developed by Stanley Hoffmann, which describes the process, in which member states that are part of an international organization, still retain their power, but come together at a governmental level to take decisions. According to intergovernmentalism, European integration is an ongoing process that is affected by various factors such as economics, foreign policy and security concerns, history, religion, culture and identity. Intergovernmentalism is an important concept in European integration since the EU is defined as a unique entity which is both supranational and intergovernmental in nature. The EU's intergovernmental feature makes rationalist assumptions indispensable in evaluating the Union. For intergovernmentalism, cooperation in economic fields are more easily made and maintained than cooperation in sensitive fields, namely security and foreign policies. In this regard, as will be evaluated later in detail, it would not wrong to argue that intergovernmentalism is one of the most suitable rationalist theories that explain European integration.

Due to the failure of supranationalism in the integration process during the 1960's, most notably with the nationalist resurgence led by the French President Charles de

Gaulle, the explanatory power of neo-functionalism began to decrease. Intergovernmentalism established itself as the main contender against neo-functionalism (Çakır, 2001, p. 19). Since then to the present day, intergovernmentalism has comprised the heart of European integration theory (Cini, 2007, p. 100). Whereas neo-functionalism explains integration in terms of functional and political spill-over and stresses the important role of independently acting supranational institutions, intergovernmentalism, by contrast, explains integration in terms of bargained agreements between sovereign nation states, with national governments using integration and common institutions to enhance their own power and capacity for action. Intergovernmentalists believe that supranational institutions play mainly a facilitative role and are not independent actors in their own rights (Baun, 2000, p. 15).

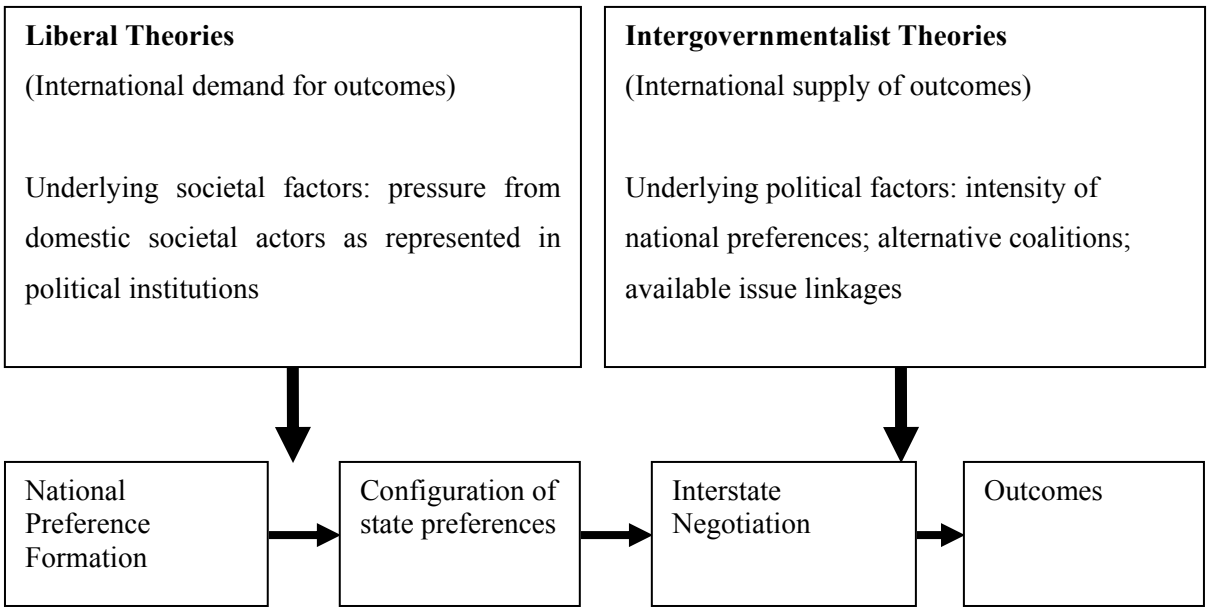
Intergovernmentalism is characterized by its state centrism. In other words, intergovernmentalism privileges the role of national states within European integration and places national governments at the centre of EU decision making (Ginsberg, 2001, p. 34). According to intergovernmentalist theory, European integration is driven by the interests and actions of nation states and consequently sovereignty is an important concept (Cini, 2007, p. 100). Accordingly, intergovernmentalism assumes that European cooperation implies at most a 'pooling' or 'sharing' of sovereignty, rather than any transfer of sovereignty from the national to the supranational level (Cini, 2007, p. 102). Moreover, according to intergovernmentalism, there are costs and benefit calculations attached in European integration. Participation in cooperation of this kind will rest on a weighing up of the pros and cons of membership and on the extent to which European integration improves the efficiency of bargains among its member states. The main aim in engaging in this qualitative cost-benefit analysis is that of protecting their national interests (Cini, 2007, p. 101). Thus, cooperation within the EU, then, rests on the premise that common solutions are often needed to resolve common problems. Here, cooperation has nothing to do with ideology or idealism, but is founded on the rational conduct of governments as they seek to deal with the policy issues that confront them in the modern world. In this regard, European integration is a normal or even 'mundane' behaviour on the part of state actors. There is nothing particularly special about it; other than it has taken a highly institutionalized form in Western Europe since the 1950's (Cini, 2007, p. 102).

As seen, intergovernmentalist theory has its roots from realism (Nugent, 2006, p. 565). Nevertheless, intergovernmentalism is not totally realist in the sense that economic interdependence and domestic power balances are more important than the link between state, power and security. Indeed, intergovernmentalism predicts that member states can consider pooling their sovereignty in security matters only when their respective national interests, shaped at the domestic level, converge to such a point that perceived gains of integration covers the loss of national sovereignty or when an external event shifts public focus on security issues so that public opinion becomes a factor in domestic preference formation. However, similar to realism, intergovernmentalism argues that high politics will remain unaffected by integration, given that the key actors in the integration of foreign and security policy are the member states and not the EU institutions. Because sovereignty is the central concern of the state, cooperation and integration in high politics is strictly limited to the areas in which there is an overlapping of defined national interests.

Although realists virtually ignore the EU as an international player, because it is not a state, intergovernmentalists acknowledge the EU's existence, but only as a forum in which governments meet periodically to negotiate new compacts that enhance their interests and power. Liberal intergovernmentalism, developed by Andrew Moravcsik in 1993, also affirms that the principal source of integration lies in the states and their preferences and power, however, differently than intergovernmentalism, liberal intergovernmentalism acknowledges the role of supranational bodies. Thus liberal intergovernmentalism incorporates both realist and neo-liberal elements (Cini, 2007, p. 110). Since the early 1990's, Moravcsik's theory of liberal intergovernmentalism has become one of the most influential accounts of the European integration process and according to Michelle Cini (2007, p. 109) it has become a touchstone against which all integration theory is judged. Moravcsik's liberal intergovernmentalism has three main components. First, there is an assumption of rational state behaviour which means that the actions of states are assumed to be based on utilizing the most appropriate means of achieving. Second, there is a liberal theory of national preference formation. This draws on domestic pressures and interactions which in turn are often conditioned by the constraints and opportunities that derive from economic interdependence. Finally, there is an intergovernmentalist interpretation of interstate relations which emphasized the

key role of governments in determining the relations between states and sees the outcomes of negotiations between governments as essentially being determined by their relative bargaining powers and the advantages that accrue to them by striking agreements *(see figure 1)* (Moravcsik, 1993, p. 480). The main element of liberal intergovernmentalism is the focus on state-society relations.

Figure 1: The Liberal Intergovernmentalist Framework of Analysis



Source: Moravcsik, 1993, p. 482

According to liberal intergovernmentalism, national politicians embody state interests that reflect domestic policy preferences. Consequently, all decisions made by the EU are ultimately the result of bargaining amongst nation states (Cini, 2007, p. 110). Liberal intergovernmentalism assumes also that the preferences of national governments in European integration are not fixed and may vary according to time and issues. The foreign policy goals of states are viewed as varying in response to the shifting pressure from domestic social groups (Moravcsik, 1993, p. 481). Insofar as European integration has been predominantly economic, so have state preferences. However, although Andrew Moravcsik asserted that 'economic interests have been the drivers of European integration', he also allows for the impact of geopolitical preferences. According to this, economic preferences are not enough and geopolitical preferences are also required to

explain the set-up of the Union and the extensive policies covered by European integration (Schimmelfennig, 2004, p. 79).

According to liberal intergovernmentalism there are two separate dimensions: the *supply* and the *demand* side. The argument is that both the demand for cooperation, which derives from the national polity, and the supply of integration, arising out of interstate negotiations, are important in understanding European integration outcomes (Cini, 2007, p. 110). Andrew Moravcsik (1993, p. 481) explains this as "governments first define a set of interests, then bargain among themselves in an effort to realize those interests. … A domestic preference formation process identifies the potential benefits of policy co-ordination perceived by national governments (demand), while a process of interstate strategic interaction defines the possible political responses of the EC political system to pressures from those governments (supply). The interaction of demand and supply, of preference and strategic opportunities, shapes the foreign policy behaviour of states." Thus, the theory departs from classical intergovernmentalism, and in particular from realism and neo-realism, which sees national interests arising in the context of the sovereign states perception of its position in the state system (Rosamond, 2000, p. 136). Moravcsik's liberal intergovernmentalism assumes that states do not act according to fixed preferences for wealth, security or power but rather act purposively in the international arena on the basis of goals that are defined domestically (Moravcsik, 1993, p. 481).

According to Andrew Moravcsik, policy preferences at national level are constrained by the interests of dominant, usually economic, groups within society. Thus, liberal intergovernmentalism is based on liberal theories which focus on state-society relations (Moravcsik, 1993, p. 481). Liberal intergovernmentalism considers individuals and national pressure groups as important actors in the international arena and domestic policy dynamics can determine national interests (Moravcsik, 1993, pp. 475-477). National governments end up representing these interests in international forums. Moravcsik (1998) explains this with the example of British membership: "the vital interest behind General de Gaulle's opposition to British membership…was not the pursuit of French grandeur but the price of French wheat" (quoted in Cini, 2007, p. 111). Thus, Moravcsik is arguing that 'European integration can be best explained as a series of rational choices made by national leaders' (cited in Cini, 2007, p. 112). In other

words, states benefit from and use the institutional environment of the EU for purposes of domestic legitimation and the pursuit of preferences (Rosamond, 2000, p. 143; Schimmelfennig, 2004, p. 78).

In recent years, the EU has become an economic actor in international relations after the successful creation of the common market and effective cooperation in commercial matters. But the EU has not developed into an effective political actor because it failed to cooperate in security matters. The European political system at the high policy level is still fragmented into nation state units which throughout history used intergovernmentalism[4] in bilateral cooperation. In this context, intergovernmentalist theory is a useful approach in understanding the EU's lack of cooperation in foreign, security and defence issues since it indicates less cooperation on a particular policy field than integrationalist approaches. The European Council and the Council of the European Union are accepted as intergovernmental in the literature, because they are composed of the executive officials of the states. Important policies such as security and defence are operated at the intergovernmental level. As will be evaluated later, the EU has managed to some extent to bring high politics issues on a supranational level and act more in common. Nevertheless, intergovernmentalism, as a decision-making method, is still dominating the content of such policies.

Intergovernmentalist theories explain security integration by means of focusing on the member state preferences and bargaining processes between them. According to this, as rational and instrumental actors, national governments face far less pressure from domestic actors to delegate and pool their sovereignty in foreign policy areas related to defence and security (as opposed to economic or trade policies). As a matter of fact, they are more reluctant in the deepening of integration in high politics. Following this logic, member states can consider pooling their sovereignty only when their respective national interests converge to such a point that perceived gains of integration compensate for the loss of national sovereignty. The lack of such a convergence prevents a complete transfer of sovereignty to the supranational institution, and any bargaining process represents national interests. The creation of the European Political Cooperation (EPC), in 1970, led to major critics on intergovernmentalism since

[4] The term intergovernmentalism here refers to the decision making method not to the theory.

it was a proof that nation states could pool sovereignty on high politics issues. However, intergovernmental decision-making was and is still central on these issues.

Economic integration is explained by intergovernmentalism as the natural outcome of the member states interests. European nations were devastated after the Second World War and their economies lay at ruins. Thus, economic reconstruction was the main preference of European nation states. Moreover, during the Cold War period, member states had no interest in developing a security and defence policy because this concern was solved by the US through the NATO framework. Consequently the only interest was about economic reconstruction. It is a matter of fact that the end of the Cold War triggered the need for security and defence policies. But this need derived also because economic integration was mainly fulfilled. At this point, Stanley Hoffmann's division between high and low politics is a useful explanation for economic integration and its success. Since low political issues such as finance, economy and trade are not perceived as sensitive issues, integration on these areas was easier to achieve.

To conclude, defining the EU and its integration process through theoretical approaches are difficult. All the above mentioned theories are both sufficient and insufficient in explaining the nature of the EU. As will be evaluated in the next chapter this fact derives from the EU's *sui generis* nature. Although it would not be wrong to argue that the above mentioned theories are all complementary not competing theories, the most suitable theory appears to be intergovernmentalism since it focuses on member states interests. As will be evaluated in the next chapter this provides sufficient explanation for the EU's difficulty in establishing a common policy on high politics issues which is the most important element of foreign policies. But before evaluating what European foreign policy and its shortcomings are, the next chapter will first focus on the founding philosophy of the EU and its evolution from an economic entity to a political union.

CHAPTER II.
THE EVOLUTION OF THE EU FROM AN ECONOMIC ENTITY TO A GLOBAL ACTOR

Throughout its evolution, the EU has aimed to gain an external dimension. The Treaty of Rome was the major step to achieve this, although the external dimension was limited only to economic considerations. From the beginning the EU has made some steps to complement its economic presence with a military and diplomatic dimension. Many attempts in this regard were made although some of them failed. Nevertheless by 1970 the EU had fulfilled this aim and acquired a military and diplomatic dimension through the European Political Cooperation (EPC). EPC was not a major step but opened the way for the establishment of a foreign policy which became known as the Common Foreign and Security Policy (CFSP) with the Treaty on European Union. CFSP provides the necessary political dimension to the Union's external action and is more than the sum of member states foreign policies. Thus, by 1993 the EU was no more only a major economic entity but also a political union with a foreign policy dimension. Nevertheless, the success in economic integration has not led to a spill-over, in political union, as expected by functionalism. The foreign policy dimension of the EU remained intergovernmental with national interests and preferences as the priority as assumed by intergovernmentalism. Treaty reforms that aimed to decrease the intergovernmental nature of policy-making in foreign policy and security issues proved to be unsuccessful. The final attempt in this regard was the Lisbon Treaty which abolished the pillar structure of the EU. This was an important step since the pillar structure provided the formal basis of intergovernmental and supranational decision-making. Nevertheless, although the formal division was abolished and additional transfers of competences to the Union on CFSP matters were introduced, foreign policies remained under intergovernmental decision-making.

The willingness and ability of member states to transfer sovereignty on low politics issues, namely economic policies, and their unwillingness to transfer sovereignty on high politics issues, such as security and defence, demonstrates that the EU cannot be evaluated as a single supranational actor but rather a unit that exists of

both, the EU institutions and its member states. This, on the other hand, creates a problem for both, theorizing the EU and its integration process and evaluating it as a global power. Evaluating the EU as a global power like other global actors, such as the US or China, is similarly difficult since traditionally in international relations the basic actors in world politics are states. The EU, however, is not a state but also not an international organisation. Nevertheless, due to its success in economic integration and partial success in creating common policies on high politics issues, the EU is widely accepted as an actor in the international arena. Nevertheless, although the EU is in general accepted as a major actor in the international arena, problems of defining the EU as an actor still exist. This derives from the fact that defining what the EU is seems similarly difficult. Charlotte Bretherton and John Vogler (2006, p. 24), for instance, define the EU's actorness as a process 'under construction' which is based on the notions of presence, opportunity and capability, which shape the EU's external activities.

Since foreign policy is accepted as the most important element that defines an actor's power and influence, the EU's role as a global actor is closely linked to its foreign policy. However, defining European foreign policy is as difficult as defining the concept of actorness. Nevertheless, studies made on this field focuses mainly on the EU's external economic activities, the CFSP and JHA. One major work on the EU's international presence and its foreign policy was made by Christopher Hill (1993), who introduced the idea of 'capability-expectations gap'. In this study Hill accepts that the EU has a foreign policy and is an actor on the world stage, but focuses on its effectiveness. He defines capabilities as traditional instruments of foreign policy such as the use of force, diplomacy, economic influence and underlying resources of population, wealth, technology, human capital and political stability. Given the fact that the EU has all these instruments, he underlines the importance that all these instruments have to exist together with the capacity to reach a collective decision and to stick to it. At this point the EU's ability to reach common decisions creates a dilemma. Hill defines expectations as the ambitions or demands of the EU's international behaviour which derives from both inside and outside the Union. The idea of the capability-expectations gap describes the hopes and demands of the EU as an international actor, and its relatively limited ability to deliver.

In the context of the above mentioned issues, the aim of this chapter is to evaluate the EU as a global actor on the world scene and the effectiveness of such a power. In this regard, this chapter evaluates first the creation of the EU from its very first beginning, namely the ECSC. By doing this, special importance will be given on the details that demonstrate how the EU has evolved from an economic entity into a political union with actor capabilities. The next section will focus on the EU as a global actor and European foreign policy, and its evolution in particular. In the last part, two evaluations will be made. First, the notion of what kind of power the EU exercises will be defined with special emphasis on the "civilian power" concept and secondly European foreign policy will be evaluated through rationalist approaches which were dealt with in the first chapter.

II. 1. The Founding Philosophy and Evolution of the EU

The Second World War had resulted in the death of more than 40 million people and caused widespread devastation in the European continent. The cost of the war had ruined European economies, especially German and the British ones, which were the great economic powers before the war. The war had also a negative impact on Europe's power and influence. This opened the way for the emergence of the United States and the Soviet Union as superpowers. Against this negative and troubled situation a number of European leaders revived the argument that European states should put away their differences and find a way to cooperate in order to remove the causes of the war (McCormick, 2005, p. 54). Economic reconstruction and maintaining peace was the primary objective because war amongst the European states seemed almost inevitable. The main argument was that nationalist movements were the cause of the war and had to be replaced by some kind of political union or federation that could increase cooperation and prevent possible wars in the continent. The most forcefully expression came from Italian federalist Alttiero Spinelli who proposed in 1940 a blueprint for a 'United States of Europe' as the overriding priority for post-war peace.

Although the story of European integration as it is understood today begins in 1945, the idea of uniting Europe already existed in the 1920's and even earlier. The Second World War was only a catalyst for a renewed interest in uniting Europe (Urwin, 2007, p. 14). Pierre Dubois' '*De recuperatione Terre Sancte*' (1306), Duc de Sully's

'*Grand Design*' (17th Century), William Penn's '*An Essay Towards the Present Peace of Europe*' (1693), Abbe de Saint-Pierre's '*Project for Settling an Everlasting Peace in Europe*' (1717) and Jean-Jacques Rousseau's '*A Lasting Peace through the Federation of Europe and The State of War*' (1917) are only some works that highlighted the necessity for a united Europe. Count Richard Coudenhove-Kalergi, who proposed a Pan-European Union in his book '*Pan Europa*' (1923), was the most influential one that led to the formation of the EU as it is known today.

Whereas the effects of such ideas were limited, the negative experiences during and after the Second World War had reopened the debate about uniting Europe. The idea had gained widespread support because the division of Europe between East and West and the Cold War caused alarm in Western Europe about its fragile defence against the territorial ambitions of the Soviet Union. The initial idea was a British-French alliance as the core of a European organisation. However, neither the UK nor France was interested in forming an alliance for a European organisation. Whereas France had deep interest in keeping West Germany under control, the UK was suspicious of anything beyond close cooperation that could threaten its sovereignty. The only formal relationship between the UK and France was the 1947 Treaty of Dunkirk, signed in order to prevent a resurgence of German militarism, and its 1948 extension, the Treaty of Brussels (formally the Treaty of Economic, Social and Cultural Collaboration and Collective Self-Defence), which later served as the basis of the Western European Union (WEU). Both treaties listed economic and cultural cooperation as objectives but they were first and foremost mutual security pacts with promises of reciprocal assistance (Urwin, 2007, p. 16).

II. 1. 1. The European Community during the Cold War Era

It was not until 1950 that the dream of uniting Europe could become true. On May 1950, French foreign minister Robert Schuman announced a plan under which the coal and steel industries of France and Germany would be brought together under the administration of a single joint authority. The Schuman Plan, which was a blueprint for the ECSC, was drafted by Jean Monnet who argued that economic development and prosperity could be best achieved at a European rather than a national level. Besides the previous ideas of a British-French alliance, Monnet also consistently argued that peace

and stability in Europe could be achieved only through rapprochement between the historical rivals, France and Germany, and that the two states had to form the core of any integration movement (Urwin, 2007, p. 19). The Schuman Declaration stated that:

> *"World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it. (...) Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity. The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany. (...) The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe (...). The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible."* (Declaration of 9 May 1950)

As seen, the Schuman Declaration represents the core idea of functionalism and neo-functionalism which emphasizes that close cooperation in a specific economic sector is the key to overcome national sovereignty and achieving European unity. The fundamental goal of uniting Europe, however, was mainly security oriented. That is to say, cooperation in economic issues would establish a relationship that would hinder war in the continent. Thus, the main aim of establishing the ECSC was more political than economic.

There are three main reasons why coal and steel were chosen as the basis for uniting Europe. First, the heavy industries of the Ruhr were the foundation of Germany's power. Creating a supranational coal and steel industry would contain German power. Moreover, integrating coal and steel would make sure that Germany became reliant on trade with the rest of Europe. Second, coal and steel were the two main sectors of the war industry. Preventing any domination over these resources would be the main basis of preventing war in Europe. Third, coal and steel were the building blocks of industry. Cooperation would break down cartels and boost industrial development which was important for Europe's economic reconstruction.

The ECSC came into force in August 1952, with the signing of the Paris Treaty on 18 April 1951, by the governments of 'the Six', namely Germany, France, Italy, the Netherlands, Belgium and Luxembourg. The ECSC was Western Europe's first

organisation which involved the transfer of state sovereignty to a supranational authority. The most innovative feature of the ECSC was the divided executive and decision-making structure; a High Authority with significant power to represent and uphold the supranational principle and a Council of Ministers to represent and protect the interests of the governments of the member states (Urwin, 2007, p. 19). Thus a blend of supranationalism and intergovernmentalism characterized the functioning of the Community from the beginning (Dinan, 2004, p. 57). The ECSC achieved both its immediate goal of resolving the problem of the Ruhr and its long-term objective of overcoming Franco-German enmity. The ECSC survived as a separate entity until the 1967 Merger Treaty which established the European Community.

After the successful creation of the ECSC, other cooperation efforts emerged. Soon after war broke out in Korea in 1950, the Pleven Plan was introduced for a 'common European army' with a European 'minister of defence'. The Pleven Plan became the basis of the proposal for a European Defence Community (EDC), and 'was an essentially federalist proposal which envisaged a fully integrated European army under supranational control' (Bretherton and Vogler, 2006, p. 3). The main reason behind the EDC proposal was the fear of a possible German army. On 12 September 1950, the US formally proposed the rearmament of West Germany within NATO against the Soviet threat. The possibility of West German rearmament threatened once again the core of French European policy. Consequently the French government proposed the EDC, modelled upon the ECSC, which would establish a Western European army that would include military units from all member states, including West Germany. The EDC was also created in response to the US desire for the rearmament of West Germany against the Soviet threat. The project failed, however, when the French National Assembly refused to ratify the Treaty in 1954. This was ironic because the Pleven Plan was proposed by France itself. The reasons why France did not ratify the proposal were the changes in the international environment. The end of the Korean War and the death of Stalin, in 1953, undermined the necessity of Germany's remilitarization.

After the failure of EDC, it was agreed that West German rearmament would be achieved, within the framework of NATO, but via an explicitly European institution, the WEU, created in 1954 by the amended Brussels Treaty, which was extended to include West Germany and Italy. However, the WEU was a strictly intergovernmental

organisation. Following the failure of EDC, attempts to submit security and defence issues to supranational decision-making were abandoned for the foreseeable future. As a result, the WEU obliged each member to provide 'all the military and other aid and assistance in their power' to any member state that was attacked. But this was no more than a symbolic gesture given the modest capacities of Western European fighting forces, and the scale of the threat posed by the Soviet Union (McCormick, 2007, p. 72).

Creating the WEU provided an alternative solution for German rearmament. The modified Brussels Treaty of October 1954 allowed West Germany and Italy to enter a six-year-old military assistance pact, which was originally elaborated against Germany, between France, Great Britain and the Benelux countries. The Treaty's Article IV stated that 'Recognizing the undesirability of duplicating the military staffs of NATO, the Council (of the WEU) and its Agency will rely on the appropriate military authorities of NATO for information and advice on military matters.' Responsibility for military affairs was de facto passed to NATO. With this the Europeans lost the opportunity to use their own military capabilities to pursue their own foreign policy choices (Keukeleire and MacNaughtan, 2008, p. 42). The creation of the WEU implied that from then on military security structures would be Atlantic not European.

After the fail of the EDC, the general view was that the ECSC had to move on with economic integration. The six members of the ECSC came together at the Messina Conference at the beginning of June 1955. The conference concentrated on two proposals, for a general common market, supported especially by Benelux, and for an atomic energy community, proposed by France (McAllister, 1997, p. 14). As a consequence of the EDC's failure, the treaties on the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM) did not dealt with foreign policy issues. At the end of the conference both proposals were accepted by the six member states and the EEC and EURATOM were established with the signing of the Treaties of Rome on March 25, 1957. Both organisations came into force on January 1, 1958.

The general objectives of the EEC were economic; to establish a Common Market within 12 years, defined as the free movement of goods, persons, services and capital, to approximate national economic policies and to develop common policies, most specifically in agriculture. The treaty included also provisions for a customs union, a

common commercial policy, a common transport policy, competition policy, limited monetary policy cooperation and coordination of macroeconomic policy. In general, the EEC was a successful operation. In 1959 Greece and Turkey already came to this conclusion, and applied for some form of association with it (Urwin, 2007, p. 22). The Treaty emphasized the principle that the problems of one member state would be the problem of all. The objective of EURATOM was to promote collaboration on the development of nuclear energy for peaceful economic purposes. The organisational structures of the EEC and EURATOM were merged with the signing of the Merger Treaty in Brussels on 8 April 1965, which came into force on 1 July 1967. The Merger Treaty brought the organizational structures of the three European Communities together (ECSC, EEC and EURATOM) and formed the EC.

The fail of the EDC had signalled that the ECSC had little chance of leading automatically to deeper integration. The ECSC was economically important but politically insignificant (Dinan, 2004, p. 64). It became clear that European integration had to continue in economic terms and that political integration could not be achieved without economic integration. The treaties of Rome made no mention of foreign policy and the EEC focused on domestic economic policy and in the creation of the single market. It was not until the summit in The Hague in 1969 that Community leaders decided to look again at foreign policy. A committee, led by Étienne Davignon, was established to explore ways of achieving closer political coordination which would be the preliminary step towards political unification (Urwin, 1995, p. 148). The 1970 Davignon Report (also known as the Luxembourg Report) recommended that it should be in the coordination of foreign policy 'that the first concrete efforts should be made to show the world that Europe has a political vocation'. The European Political Cooperation (EPC) was introduced informally, in 1970, in response to the Davignon Report.

The EPC was a process by which the six foreign ministers would meet to discuss and coordinate foreign policy positions. However the EPC was not incorporated into the founding treaties, rather, it remained a loose and voluntary arrangement outside the Community, no laws were adopted on foreign policy, each of the member states could still act independently, and most of the key decisions on foreign policy had to be taken unanimously (McCormick, 2005, p. 210). The EPC process was strictly

intergovernmental and did not have its own institutions. It was managed by a *troika*, which was led by the country holding the EU Presidency. This provided difficulties, as the Presidency changed every six months, with the result that there was limited scope for continuity and long-term planning, which hindered EU efforts to formulate common positions (Dover, 2007, p. 239). The EPC was given formal recognition with the SEA, which confirmed that the member states would 'endeavour jointly to formulate and implement a European foreign policy'.

The major issue of the Paris summit of 1974 was how political union could be achieved realistically. The issue was given to Leo Tindemans, the Prime Minister of Belgium, who issued the Tindemans report in 1976. The report included several proposals such as, a common foreign policy and defence system, economic and monetary union, European social and regional policies and joint industrial policies. Although the Tindemans report did not propose something new than the previous summits, a positive step was included. The report supported to strengthen the executive body independent of national governments. However the report was never formally adopted. Similar proposals were developed after, all pointing on the negative role of the Council of Ministers in decision-making. However none of them were welcomed by the European Council.

The final step came in the form of the SEA, which came into force in 1987. The agreements which formed the SEA covered the areas of the single market, EPC and institutional reform. The most significant element of the SEA was related to institutional reform, because it implied an important modification of the power structure of the EC. The most significant step in this regard was the extension of the practice of qualified majority voting (QMV) in the Council of Ministers. The criteria was that unanimity should be retained only for the accession of new applicants to the club. The aim was to speed up the decision-making process in the EC by removing in a wide number of areas the ability of a single state to block the process. The SEA also stated that where the Council of Ministers has decided upon an issue by QMV, the European Parliament (EP) would have the right to amend or reject the proposal, which in turn could be overridden by the Council only with unanimity. This was the most disappointing element for the Council of Ministers. In economic terms, the SEA had several goals, but most importantly, to complete all preparations for the single market by 31 December 1992.

This would create an area without internal frontiers in which the free movement of goods, persons, services and capital is assured. The single market went into force in January 1993. The final element of SEA referred to EPC. It proposed that the member states should jointly formulate and implement a European foreign policy and that they should collaborate more closely on defence and security issues. SEA made the Commission fully associated with EPC and the EP's views had also to be taken into consideration.

To conclude, as seen, although the formal objective of establishing the ECSC was 'to contribute, through the common market for coal and steel, to economic expansion, growth of employment and a rising standard of living' (Article 2), the main reason behind uniting Europe was mainly security oriented. The idea was that pooling coal and steel under a common authority would prevent war among the historical rivals Germany and France. Thus, it would not be wrong to say that in many ways the EU was always in the business of providing security (Bretherton and Vogler, 2006, p. 189). Nevertheless, during the Cold War, European integration has evolved on economic matters. The debate that integration would be incomplete without a defence dimension always existed but the fail of the EDC proved that integration in this field would be difficult. The idea of political union, however, did not disappear. In the words of Paul-Henri Spaak, "those who drew up the Rome Treaty…did not think of it as essentially economic; they thought of it as a stage on the way to political union" (quoted in Urwin, 1995, p. 76). Nevertheless, economy was at the core of European integration. In the 1960's, members of the EU became more and more integrated economies. Further integration in this field had been achieved through the SEA and the introduction of European Monetary Union (EMU). European economic integration is considered as a major success. Indeed, today the EU is one of the world's largest trading blocs. In the 1970's some developments led to the rethinking of European integration. Especially the détente in East-West relations created uncertainty about US involvement to European security. As a result, the EU began to focus again on political cooperation. The outcome was the EPC. In reality, however, the EPC had little contribution on the political dimension of European integration due to its purely intergovernmental character. It was not until the SEA that formal steps had been taken to convert the Union into an entity with a political dimension.

II. 1. 2. From Community to Union: The Post-Cold War Era

The idea of creating a European Union had long been the goal of states committed to European integration. The main factors, however, that led to the formation of the EU were international changes which took place in the 1990's. The collapse of communist regimes in Central and Eastern Europe in 1989, the end of the Cold War and the prospect of German reunification in 1990 led to the launch of two intergovernmental conferences (IGCs), one on EMU and a second one on political union. Out of these IGCs emerged the Treaty on European Union (TEU), also known as the Maastricht Treaty. The most important decision in regard to EMU was to create a single currency, the Euro, which was introduced on January 1, 2002. The Euro was a major step in European integration and is still described as a major success. However, whereas the agreement on EMU was obtained smoothly, the agreement on political union was still undecided as the conference came to and end. The most controversial issue was about what kind of entity the EU would be and whether to describe it as a federation. The main objection on this issue came from Britain. At the end it was agreed to drop the word federal from the treaty. It was also agreed that the EU should have a three pillar structure, the Rome Treaty (pillar one), the Common Foreign and Security Policy (CFSP, pillar two) and Justice and Home Affairs (JHA, pillar three). The Treaty came into force in November 1993.

The first pillar included a number of important revisions of the Rome Treaty in addition to its provision on EMU. The main institutional reform included the extension of QMV in the Council and an extension of the EP's legislative authority. The aim was to increase decision-making efficiency based on cooperation. The third pillar dealt with issues such as immigration, asylum and control of cross-border crime. The provisions of the single market program for the free movement of people and fears in Western Europe that the end of the Cold War would trigger a huge influx of migrants from Central and Eastern Europe were the main reasons for the establishment of JHA. But because of national sensitivities, justice and home affairs were brought under the intergovernmental pillar, with minimum Commission involvement.

At the time when the 'Twelve' were negotiating the political union part of the Maastricht treaty, a major international crisis, Iraq's invasion of Kuwait, took place. The Gulf Crisis highlighted the inability of European actions on matters of life and death.

Within weeks of the end of the Gulf War another crisis, in Yugoslavia, came out and reminded EC governments of the urgent need to integrate their foreign and security policies. This was a challenge the Community could not turn a blind eye, as Yugoslavia is on the Community's doorstep. Moreover, at the outset of the Balkan crisis, Washington made clear that it had no intention of playing policemen in the Balkans. This US attitude placed common European defence back on Europe's agenda for the first time since the early 1950's (Buchan, 1993, p. 31) and made the second pillar more important.

The second pillar was one of the most problematic issues. The EPC was transformed into the CFSP. However, foreign and security policy was at the core of national sovereignty. Whereas member states were willing to pool responsibility for monetary policy, they were not about to establish a truly *common* foreign and security policy. The most that they could aspire to achieve was a high degree of coordination. The gap between the EC's external economic policy and traditional foreign policy led to a formula which allowed for "the eventual framing of a common defence policy, which might in time lead to a common defence" (later used as the basis for developing ESDP). The treaty also recognized the WEU as "an integral part of the development" of the EU, which could ask the WEU "to elaborate and implement the EU's decisions and actions… that have defence implications." As seen, the section of the Maastricht Treaty dealing with foreign and security policy was relatively restrained (Dinan, 2004, pp. 245-257).

The Treaty of Amsterdam

That the TEU was not a final product but part of an ongoing process was clear at the very beginning. An IGC was scheduled for 1996, at Maastricht in 1991, in order to revise the TEU in line with its objectives. The outcome of the IGC was the Treaty of Amsterdam which was signed on 2 October 1997 and came into force in May 1999. The main focus of the IGC was the shortcomings of the TEU, especially in terms of the pillar structure. The Council, Commission and the EP argued that the pillar structure was not functioning well and that the intergovernmental nature of decision-making in the third pillar was a significant constraint on the development of JHA policy. For Pillar 2, its weaknesses were highlighted by the EU's ineffective foreign policy response to

the disintegration of Yugoslavia. Such shortcomings needed to be addressed, especially since enlargement was now firmly on the agenda. Three main areas for reform were identified, making the EU more relevant to its citizens, improving the EU's efficiency and accountability and improving the EU's ability to act internationally, by strengthening foreign and security policy (Dinan, 2005, p. 164).

The Treaty of Amsterdam added the establishment of 'an area of freedom, security and justice' to the EU's objectives and shifted much of JHA activity from Pillar 3 into the EC pillar. Also the name of the third pillar was changed to Police and Judicial Cooperation in Criminal Matters (PJCCM). In terms of addressing the shortcomings of Pillar 2, the IGC had resisted calls for a communitarization of the CFSP. The reforms made in this regard were, involving the European Council more in EU action, creating the post of a High Representative (which was filled by Javier Solana), establishing a Policy Planning and Early Warning Unit (PPEWU), seeking to develop long-term strategies, clarifying the nature of the different instruments available, defining more precisely the EU's concept of security and allowing for 'constructive abstention'[5] so that one or more member states would not block CFSP initiatives. Moreover, the Petersberg Tasks were incorporated into the TEU by the Amsterdam Treaty. Article 17.2 identifies these as "humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peace-making". The creation of the High Representative had a major importance because, for the first time, the CFSP would be supported by a permanent actor and would also have a face (McCormick, 2005, pp. 213-214).

Despite the expectations, the Amsterdam Treaty was a disappointment. It could not meet the challenge of enlargement. Giving more power to the EP and extending the range of QMV were important changes but were unlikely to increase the EU's efficiency, credibility and legitimacy. Also the Treaty's length and language was by no means citizen-friendly, although the Treaty aimed to bring the EU closer to citizens (Dinan, 2005, pp. 168-169).

[5] According to constructive abstention, less than one-third of member states can opt out of a joint action without vetoing it for other member states.

The Treaty of Nice

With enlargement on the way, to include countries from Central and Eastern Europe as well as Cyprus and Malta, the need to introduce institutional reform remained on the EU's agenda. As noted above, the key objective of the 1996 IGC was to prepare the EU institutionally for enlargement. However, the Amsterdam Treaty failed to achieve this objective. Consequently, in June 1999, it was agreed to hold an IGC in 2000 to address the key institutional questions left unresolved at Amsterdam such as the size and composition of the Commission, the weighting of votes in the Council and the possible extension of QMV in the Council. These issues became known as the 'Amsterdam leftovers' (Phinnemore, 2007, p. 39).

Signed in February 2001, the Nice Treaty succeeded only to a limited extent in preparing the EU institutionally for enlargement. Its most important provision was to relax the criteria under which flexibility[6] could be used. Governments agreed to remove the national veto on the use of flexibility and reduce the number of member states allowed to initiate the procedure. Nevertheless, the Treaty of Nice attracted much criticism. It did little in terms of furthering the goal of 'ever closer union' (Phinnemore, 2007, p. 41). On the other hand, the Nice Treaty empowered the Commission to ensure that the EU's actions are consistent, and designed to meet the objectives laid down by national governments. This strategy brought EU foreign and security policy closer to Brussels, however, with reaffirming once again the priority of the member governments on this policy field.

The Treaty of Lisbon

The Lisbon Treaty, which was signed on 13 December 2007 and came into force in 1 December 2009, was drafted as a replacement for the Constitutional Treaty which was rejected by French and Dutch voters in 2005. Nevertheless, it has retained most of the institutional changes of the Constitutional Treaty. The Lisbon Treaty has introduced major changes such as; reforming the system of Council presidencies from its current

[6] Flexibility allows some member states to adopt common policies in specific areas rather than wait until all member states are in favour of such a common policy.

six-month rotation to appointing a full-time Council President[7] for a period of two and a half years (Article 15(5)), reducing the number of Commissioners (Article 17), changing the weighting of votes by Member States, extending the scope of QMV to new policy areas, reducing the number of Members of the European Parliament (MEPs) (Article 14) and attributing legal personality to the Union as a whole (Article 47)

One of the most revolutionary changes of the Lisbon Treaty is the abolition of the pillar structure which was introduced with the Maastricht Treaty. This change led also to changes on competences. Whereas some competences remained exclusive (Article 3), such as the customs union and the common commercial policy, most common policies, such as the internal market, the CAP, social policy and environment policy became shared competences (Article 4). The exclusion of CFSP and Common Security and Defence Policy (CSDP),[8] from Article 352 of the TEU, allows the additional transfer of competences to the Union in order to reach common objectives. Nevertheless, although the Lisbon Treaty has abolished the pillar structure, CFSP largely remained intergovernmental. In this context, two new declarations have been added to the Treaty. The first declaration states that the CFSP does not affect "the responsibilities of the Member States (…) for the formulation and conduct of their foreign policy nor of their national representation in third countries and international organisations" and the second states that these provisions "do not prejudice the specific character of the security and defence policy of the Member States". In addition, the new Declaration No. 14 stresses that the CFSP provisions "do not give new powers to the Commission to initiate decisions nor do they increase the role of the EP". Most importantly, Article 24 stresses that "[t]he common foreign and security policy is subject to specific rules and procedures" (Wessels and Bopp, 2008, pp. 2-3). This is an obvious statement that although the Lisbon Treaty abolishes the pillar structure, the second pillar remains to operate *de facto* (Laursen, 2009, p. 13). The Union's competences in the areas of CFSP and CSDP are mentioned in Article 2 (4), which stresses that they neither fall within the area of exclusive competences nor within the area of shared competences (Wessels and Bopp, 2008, p. 10). Article 24 (1) states that CFSP "is subject to specific rules and

[7] The first and current President of the European Council is, since December 1, 2009, Herman Van Rompuy, former Prime Minister of Belgium.
[8] The ESDP was renamed as CSDP with the Lisbon Treaty.

procedures". Unanimity will remain the normal decision procedure. Wessels and Bopp define all these provisions as a 'continuing pillarisation' (ibid).

In regard to foreign policy, the Lisbon Treaty has also introduced a separate, new section on ESDP, now the CSDP, for the first time in the history of the EU (Articles 27-31). The general legal basis for ESDP, in the treaty, is provided in Article 2(4) and states that "The Union shall have competence to define and implement a common foreign and security policy, including the progressive framing of a common defence policy." According to Article 11(1), this competence covers all areas of foreign policy and all questions relating to the Union's security, including the progressive framing of a common defence policy, which might lead to a common defence. Moreover, for the tasks of the ESDP, namely the Petersberg Tasks, the Union can apply to "civilian and military means" (Article 28(1)). The tasks involve "joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilisation". The instruments for operations remain, however, under national control as it states that "member states shall make civilian and military capabilities available to the Union" (Article 27(3)) and also expenditure arising form operations having military or defence implications will not be charged to the Union budget (Article 26(3)) (Savaşan, 2007, p. 18). Nevertheless, the Petersberg Tasks originally included only humanitarian and rescue tasks, peacekeeping and tasks of combat forces in crisis management. This amendment demonstrates that military capabilities for the implementation of these tasks are increased (Wessels and Bopp, 2008, p. 8).

Finally, another important change, introduced by the Lisbon Treaty, is Article 47 which attributes legal personality to the Union as a whole. In the past, only the Community had legal personality. With the attribution of legal personality to the Union as a whole, the Union will be able to enter into international agreements also under CFSP. The new High Representative of the Union for Foreign Affairs and Security Policy[9] will deal with both external economic relations of the Union, in his capacity of Vice-President of the Commission, as well as CFSP, in his capacity of High

[9] The current High Representative of the Union for Foreign Affairs and Security Policy is, since December 1, 2009, Catherine Ashton, former European Commissioner for Trade.

Representative and as Chairman of the Foreign Affairs Council (Article 27(1)) (Laursen, 2009, p. 9). Thus, the distinction between the European Union and the European Community is abolished. On the other hand, Declaration No. 24 states that the Union's "legal personality" will not authorise it to act beyond its competences. This demonstrates that whereas the Union has the power to enter international agreements under CFSP, member states will not loose too much power in this regard (Wessels & Bopp, 2008, p. 10).

To conclude, as seen, the end of the Cold War led to a new process in Europe in security and defence matters. The WEU became the defence arm of the EU and the CFSP was introduced. In order to help Europe to develop the CFSP, and to provide a balanced partnership between the US and the European member countries of the Alliance, NATO initiated the concept of European Security and Defence Identity (ESDI). The Kosovo crisis led to the establishment of the ESDP. Reform on political integration was further undertaken by the Amsterdam, Nice and Lisbon treaties. Although all of them aimed to strengthen the political dimension of European integration, none of them could achieve this in real terms. Political issues on security and defence are still considered as sensitive national issues. On the other hand, the EU is continuing to make process in this area, in order to become a global actor that is able to speak with one voice, not only on economic but also security issues. This was formally laid down by the 2003 European Security Strategy. Former High Representative of the CFSP, Javier Solana, stated that:

> "*The European Union has made progress towards a coherent foreign policy and effective crisis management. We have instruments in place that can be used effectively, as we have demonstrated in the Balkans and beyond. But if we are to make a contribution that matches our potential, we need to be more active, more coherent and more capable*" (European Security Strategy, 2003, p. 11).

Although the EU's aim is clearly underlined in the European Security Strategy, the debate about the 'capability-expectation gap' continues. In 2006, Solana has described the EU's position in crisis management operations as:

> "*From Bosnia to Moldova and soon Kosovo in Europe, from Darfur to Congo in Africa, from Gaza to Iraq in the Middle East and in Aceh in Asia…being present on the ground has helped to address our Achilles Heel: our inability to translate our large sums of money into political influence*" (quoted in Louis, 2007, p. 8).

Building a common foreign policy is one of the most problematic issues of European integration. Whereas it is clear that the EU will have more power and influence in the world when its member states act as a group rather than independently, there is also the fear that coordination will interfere with the freedom of member states to address matters of national rather than of European interests (McCormick, 2005, p. 209). This contradiction has dominated the European integration process from the very beginning and is still unresolved. The EU still presents a confusing image to the outside world (McCormick, 2005, p. 208). This derives from its *sui generis* nature; the EU is more than an international organization but less than a state. The Lisbon treaty has abolished the pillar structure of the EU and has given the EU a legal status as a whole. The new High Representative deals with external economic relations as well as foreign, security and defence issues as the Chairman of the Foreign Affairs Council. However, a *de facto* CFSP remained because member states are still not willing in granting the Commission exclusive competence on these sensitive issues. As a consequence, whereas the EU is unquestionably a leading world actor in the economic sphere, the same is not valid for being an effective actor in political matters. In this context, the next part will focus on the EU's power, that is its influence and effectiveness, both in economic and political terms and

II. 2. The EU as a Global Actor

International Law describes actorness in terms of the notion of legal personality. In international relations this description is essentially the same, which is the legal personality of a state. Realism defines actorness in state-centric terms and focuses on the power differentials between states. Intergovernmental and transnational organisations were included in this definition but their functions were seen as essentially secondary to those of states. Also liberalism, a state-centric theory like realism, defines actorness in terms of a state. In this context, defining the EU as a global actor is a

complex issue which derives from its *sui generis* nature. Since defining the EU as a state or an international organisation is not possible, identifying the EU as an international actor is equally difficult. Many works in this regard have been made. Basically, two concepts have been developed, *actorness* and *presence*. The former sees the EU as on its way towards a full-fledged, state-like international actor. The latter qualifies the Union as a growing and increasingly important presence in the international system, not an actor since actorness is generally associated to nation states. Despite these different concepts, most analysts agree that the EU is some kind of a global actor but there are different opinions about the quality of this actorness. Conceptualizing the EU as an actor is also difficult. Some describe it as a "superpower", "civilian power", "soft power", "peace-power" or "normative power". The basic assumption of all these concepts is that the EU is a *sui generis* entity, acting on the basis of other rationales than the modern state and thus trying to pursue its goals by cooperation and dialogue (Wessels and Bopp, 2008, p. 3).

Although the debate about defining the EU as an actor continues, since its creation in 1958, the EU has evolved considerably and has become a major new actor on the world stage. It has changed the lives of 495 million Europeans and everyone who trades with Europe. The EU has expanded through enlargements from six to 27 members and has three candidates waiting for membership.[10] The formation of the EU took place in the aftermath of the Second World War, a time when Cold War tensions were increasingly evident. Thus, Europe faced two challenges, the need to reconstruct their economies and the need to ensure a stable and secure external environment. The latter concern was largely met through the creation of NATO which linked US military capabilities to the defence of Western Europe. This gave the EU the opportunity to focus solely on economic construction and integration in this field.

The end of the Cold War, however, changed the international environment. The usual security perception, which was the Soviet threat, had been replaced with new crisis. This caused also a change in the traditional US approach towards the EU. The US began to focus more on the new crisis that emerged mainly in the Balkans and the Middle East. With the removal of the Soviet threat on European territories, the US lost

[10] Turkey, Croatia and the Former Yugoslav Republic of Macedonia.

its interest in European security. These developments made it clear that the EU had to take responsibility in regard to its own security and defence. The outcome was the creation of the European Union in 1993, which had importance for the development of the Union's role as a global actor and with which the Union was formally declared to be more than just a commercial enterprise. The word 'economic' was deleted from its name and the EU gained additional dimensions in terms of foreign policy, security, defence and immigration. This shift in terminology also demonstrated the change in the understanding and preferences for the EU's role in the world. However the change in the international scene made it also clear that new instruments were required to meet challenges. EU responses to the post-Cold War crisis proved that it was successful in financial support but that it had politically no impact, especially when compared to the US, the world superpower and most effective international actor. This weakness was underlined in a speech, in 1998, by Jacques Santer, former President of the European Commission, who stated that:

> "*We cannot rely on others ... No world power can, by itself, guarantee our security. And to be honest: our partners expect and want us to take our responsibilities ... In some conflicts, diplomacy can succeed only if there is a united political front backed up by military means*" (Santer, 1998).

The end of the Cold War raised hopes that Europe would regain its old greatness, the position before World War II, where European nations were global powers. Samuel Huntington for instance predicted that the emergence of the EU would produce a 'truly multi-polar' twenty-first century apart from American hegemony in the post-Cold War environment (cited in Kagan, 2003). However, the weakness of the EU to respond to international crisis and conflicts in its neighbourhood soon became evident. Although treaty reforms after Maastricht aimed to increase the effectiveness of EU foreign policy and to establish a truly 'common' foreign policy, they failed to reduce intergovernmentalism. On the other hand, the EU has become an undisputable world actor in the field of external economic relations. Due to this fact the EU is described as an 'economic giant but political dwarf'. Nevertheless the EU is still keen to become an

effective global power in the international arena. The words of Javier Solana (2000) support this argument:

> "*It is my belief that in this global age a Union of our size, with our interest, history and values, has an obligation to assume its share of responsibilities… The question therefore is not whether we play a global role, but how we play that role*." (quoted in Bretherton and Vogler, 2006, p. 162) (emphasis in original).

In terms of actorness, foreign policy is the most important element that defines an actor's power and influence. Traditionally, foreign policy is considered to be one of the central tasks, prerogatives and even *raisons d'être* of sovereign states. Through their foreign policy, states define and manage their relationships with each other, defend their security and territorial integrity and promote their national interests (Keukeleire and MacNaughtan, 2008, p. 8). European foreign policy, on the other hand, is a more complex issue. There are different views on what European foreign policy is. For some analysts, European foreign policy is synonymous with CFSP and should be differentiated from the European Community external relations which fell under Community competences, namely low politics. On the other hand, Christopher Hill (1998, p. 18) defines European foreign policy as the sum of what the EU and its member states do in international relations, not only CFSP activities but also outputs from the other two EU pillars. Another view, mainly supported by Brian White (2001, pp. 40-41), is that European foreign policy has three different types, namely member states foreign policies, EU economic policies and the Union's CFSP. He points out that the policy process is affected by the actors, issues and instruments of each of these foreign policy types. By this argument he rejects the view of the EU as a single actor and defines the link between the EU and its member states as a two-way process, a "reciprocal partnership" (cited in Louis, 2007, p. 11).[11]

The instruments that are used to implement foreign policy actions are multiple. Karen Smith defines foreign policy instruments as means used by policy-makers to get other international actors to do what they would not otherwise do. David Baldwin has

[11] As emphasized before, this thesis is based on Brian White's European foreign policy definition. As a matter of fact, both the EU's economic policies and foreign and security policy are evaluated.

specified four types of instruments used in national foreign policy: propaganda, diplomacy, economy and military (cited in Karen Smith, 2003, p. 52). The EU uses mainly diplomatic and economic instruments for its foreign policy implementation. The most powerful foreign policy instruments fall under the EC pillar, that is the capacity to enter into international agreements and the provision of financial assistance to third countries. These primarily economic instruments give the EU the potential to exercise considerable influence in international affairs (Karen Smith, 2003, p. 53). In terms of military instruments the EU is developing since 1999 the capacity to undertake peace-keeping, humanitarian and crisis management operations. Also the provisions of the Lisbon Treaty demonstrate that the EU is increasing its military capabilities for foreign policy implementations. Thus, in consideration of David Baldwin's foreign policy instruments, the EU today possesses many of the major instruments of a state (Michael Smith, 2005, p. 162). In this regard, the next section will evaluate the EU's economic and political power in terms of its role as a global actor.

II. 2. 1. The EU as an Economic Power

From the very beginning, the EU had the aim to become an effective actor which is able to intervene in world affairs. In the words of Walter Hallstein:

> "*One reason for creating the European Community [was] to enable Europe to play its full part in world affairs … [It is] vital for the Community to be able to speak with one voice and to act as one in economic relations with the rest of the world*" (quoted in Bindi, 2010, p. 13).

The EU has become an uncontested power in the international system in the field of trade policy. The priority which was given to economic integration was also underlined in the three primary goals of the Treaty of Rome which were creating a customs union, a European single market and a common agricultural policy (McCormick, 2005, p. 157). The EEC, set up with the 1957 Treaty of Rome, was created to facilitate trade between its six member states through the establishment of a common market. Within its borders trade in goods was to be free; there would be no tariffs, no restrictions and no quotas. A Common Commercial Policy (CCP) together with a Common External Tariff (CET)

was also established by the Rome Treaty in order to create a common external frontier to trade (White, 2001, p. 49). The CCP is the core of EU external economic relations by which the EU manages the complex range of partnerships, negotiations, agreements and disputes that emerge through the operation of the Customs Union (Michael Smith, 2007, p. 227).

In legal terms, the EU has exclusive competence in economic issues. The customs union granted this exclusive competence to the Commission to negotiate tariff levels with third parties under the CCP, effective since 1961. This provides the most powerful basis for the EU as an international actor. It negotiates as one, through the European Commission, with a single voice. This legal personality makes the EU highly influential on global economic issues such as World Trade Organisation (WTO) negotiations (Bretherton and Vogler, 2006, pp. 65-66). The instruments that are used for economic relations are referred by Christopher Hill as *framework*, *coercive* and *regulatory* instruments. Framework instruments include cooperation, association and partnership agreements that provide frameworks through which the EU can respond through aid, economic concessions and privileged relationships. Those states and organisations whose partnership is valued are given priority. Coercive instruments are applied to those states which Hill defines as 'delinquents'. These states' behaviour can only be punished by coercion in the form of the removal of economic favours. Finally, regulatory instruments refer to a powerful set of trade policy instruments in order to hinder unfair trading with third parties (cited in White, 2001, p. 56).

The EU is unquestionably one of the largest economic entities together with the US. It is the largest exporter and second largest importer of the world, with a higher share in global trade than the US. The EU today constitutes the largest integrated market in the world and consequently is often portrayed as 'the purveyor of neo-liberalism', which emphasizes the benefits of the free market and limited government interference (Peterson, 2008, p. 208). The single market contains 495 million consumers with a gross domestic product (GDP) of over 12 million euro (Haas, 2009).[12] Equally, in trade the EU is now a global superpower as the largest trading group in the world accounting for 40 per cent of world trade. It has also the biggest mergers and acquisitions market in the

[12] The US GDP is close to 12 million euro followed by China with a GDP of 6 million euro. https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html

world. Moreover the EU is the world's biggest exporter of goods and services and many countries which not have close political ties to Europe, other than its neighbours or former colonies, are also heavily dependent on the European market, as it constitutes a large pool of nearly 500 million consumers. Thus, in economic terms, Europe has a significant global capability and global presence (White, 2001, p. 28). In the words of an American commentator, the EU has become the world's regulatory superpower in economic terms:

> "*... because of the sheer size of its market and because the Europeans are more philosophically inclined to regulate than their counterparts in Washington and Tokyo ... In the twenty-first century the rules that run the global economy are largely Brussels' rules*" (quoted in Bretherton and Vogler, 2006, p. 71).

In terms of its representation, the EU's trade policy and security policies are inevitably linked. As one of the most prosperous markets in the world, with nearly 500 million consumers, EU trade policy provides the essential instruments for security policy, implemented through sanctions, embargoes and support measures, an instrument referred as 'trade defence'. Through its trade policy the EU affects not only the economies of third countries, but also indirectly their political systems, societies and welfares of individuals. Thus, trade is not 'just' an external policy (Keukeleire and MacNaughtan, 2008, p. 200). The EU's approach has been characterized as "speak softly and carry a big carrot". The interruption of trade and the political use of aid were and still are the essential instruments available to the Union (Bretherton and Vogler, 2006, p. 74). According to Mario Telo (2007, p. 201), this underlines the fact that the traditional boundary between the economic and political aspects of an international presence does not longer exist.

For years, trade and aid provided the only hard instruments available to the CFSP and they are still superior. Trade inducements and penalties are available through the manipulation of agreements, quotas and preferential arrangements. Sanctions are executed through Article 188 K of the Lisbon Treaty. Previous exercises of the use of sanctions have been imposed on imports from the Former Republic of Yugoslavia, Saddam Huseyin's Iraq and Liberia. The granting or withholding of trade relations is

another instrument and they continue to provide the backbone of the Union's relations with most thirds parties (Bretherton and Vogler, 2006, pp. 74-75). Trade policy is also the main element of the EU's civilian power due to its non-military character. The fear of being excluded from the sheer size of the European single market is an essential element of EU power.

The creation of the Euro was another element that empowered the EU on the international stage and increased its importance in global economic diplomacy. Currently, around 329 million EU citizens are using the Euro.[13] The Euro soon became the alternative reserve and international currency that could compete directly with the US dollar in international financial markets. This means that it is increasingly perceived as an anchor of stability. The Euro also enables the EU to eliminate fluctuation risks and exchange costs and to strengthen the single market. The adoption of the Euro in early 2002 was a major step the EU had taken since money is one of the main elements of national security. Currency has always been a key symbol of nationhood. The creation of the Euro is therefore a major success of the EU. But it is also important because currency is an essential part of global political influence (McCormick, 2007, p. 91).

Enlargement is another foreign policy instrument in the field of economy. With each enlargement the EU has increased its consumer market and has become one of the most prosperous markets of the world and will increase its market with each other enlargement. This will make the EU stronger in relation to its trade partners. A larger single market is both an attractive prize to outside economic players and a more costly loss when being cut out (Meunier and Nicolaidis, 2005, p. 258). Although enlargement is highly costly for the EU in the short-term, the long-term benefits overlap the costs. Although, in regard to enlargement, the fears of huge flows of immigrants appear, Loukas Tsoukalis (2005, p. 241) points out that 'Europe is crowded, rich, and ageing'. In this context, the membership of a country like Turkey, with a major young population, could prove to be a major contribution to Europe's aging population, and in this respect, to its economy.

To conclude, the EU is today the world's leading economic power together with the US. The EU is not only the world's biggest trading bloc but also the world's biggest

[13] Countries that are using the Euro are Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Greece, Slovenia, Cyprus Malta and Slovakia.

aid donor. Thus, the EU's power as a global actor in terms of economy is undisputable. However, the EU's economic power is not limited only to trade or finance. In contrary, the EU's economic power is a major component of the EU's CFSP. Through economic sanctions, embargoes but also financial aids, the EU is able to influence third parties and their policies on behalf of the EU. The EU's economic power and its importance became also obvious during the last world financial crisis when Greece was saved from declaring bankruptcy thanks to the EU. Moreover, Iceland, the first nation that did go bankrupt in the credit crunch crisis, has applied for full membership to the EU on 16 July 2009. Also Switzerland and Norway have begun to show interest in EU membership (Moravcsik, 2009). These developments demonstrate that the EU's success in overcoming the financial crisis has been noticed even by those countries that were always reluctant about EU membership. Thus, it can be argued that the EU has passed a major test and has consolidated its power as an economic actor on the world stage.

II. 2. 2. The EU as a Political Power

Economic relations are the most coherent part of European foreign policy, i.e. where a truly common foreign policy is possible, and where the EU can speak with one voice. Foreign policy on CFSP, on the other hand, is a more complex issue. This derives from the fact that CFSP deals with traditional high politics issues, the most sensible area where member states desire to keep their sovereignty, as envisaged by intergovernmentalist theory. This makes the CFSP the weakest instrument of European foreign policy because a common policy can not be agreed on all matters. Security and defence policies remain at the core of national interests. This situation is underlined with the famous definition of the EU as an 'economic giant but political dwarf and military worm'. Nevertheless, the general view among scholars is that the EU has a foreign policy on security and defence issues, not a single one, but common, at least on some occasions (Peterson, 2008, p. 204). This, on the other hand, causes a big problem in identifying the EU as a global actor because security and defence policies are the most visible areas of an actor's power. To provide a better understanding on the EU's political power and its shortcomings in particular, the next part will evaluate the CFSP part of European foreign policy.

II. 2. 2. 1. The Cold War Era

The evolution of European foreign and security policy has occurred in parallel to the sensibility on security and defence issues. Although providing security for Europe was the main reason for the creation of the ECSC, the failure of the EDC project in 1954 let the EC to use economic and diplomatic instruments to fulfil its foreign policy interests. In the 1970's this attitude began to change to some degree. The creation of the EPC was the first step for foreign and security policy cooperation, although the achievements of EPC were modest due to its intergovernmental character and the absent of a legal basis. With the end of the Cold War, however, the environment in which the EPC had operated changed significantly. The US commitment to the EU's security and defence was in question. Moreover, fears of political instability in Eastern Europe and the Balkans led to expectations that the EU should play an active role in maintaining peace and stability in the continent. It was in this context that an IGC on Political Union was held in 1990, with the aim to transform EPC into a foreign policy system capable of meeting the new challenges. But before evaluating post-Cold War European foreign policy, the Cold War era will be dealt with first. Michael Smith (2009) evaluates European foreign and security policy in the Cold War era in three periods:

<u>The Pre-history of European Foreign Policy: the 1950's-60's</u>

In this period, European integration provided the answer to the security dilemma that occurred with the end of the Second World War. Member states found a way to define and manage their mutual relationships and to defend and promote national interests in form of economic integration, a less threatening way for nation states. Thus, the EU was given no other external powers than the ability to conduct international trade negotiations (Peterson, 2008, p. 202). The security and defence aspect of the EU was undertaken by the US through NATO and was the primary security guarantee for European integration. This condition was confirmed by the failure of the EDC in 1954, which prevented to bring defence within the scope of European integration. Attempts to develop a European foreign and security policy seemed irrelevant during this period since it was NATO that dealt with the main foreign security concern, namely the Cold War. Thus, foreign policy implications evolved solely around economic integration. The works of Ernst Haas and Stanley Hoffman are reflections of this period. Whereas Haas

explicitly excluded foreign and security policy from his neo-functional logic of integration,[14] Hoffman's intergovernmentalism emphasizes that concerns over national sovereignty would hinder foreign and security policy cooperation among member states (Michael Smith, 2009, p. 7).

The Advent of European Foreign Policy: the 1970's-80's

The most influential factor in this period was the French desire for a greater European role in world affairs. These efforts resulted in the creation of the EPC in 1970, which had two features. The first was the idea of intergovernmental cooperation which signified no explicit involvement of EU institutions. Secondly, 'high politics' issues were brought under EPC and were separated from 'low politics' issues, which were handled by the EC. Theoretically these features were defined by Stanley Hoffman as intergovernmentalism, a process dominated by national governments rather than EC actors. Although exclusively intergovernmental, the Euro-Arab Dialogue and the Middle East peace process confirmed that the EPC was effective to produce common views and that European foreign and security policy emerged as a new field. However shortcomings such as the ability of a single member state to hinder the process still existed (Michael Smith, 2009, pp. 8-9).

European Foreign Policy in the 1980's

Well aware of the shortcomings of the EPC, member states made efforts to reform the system. The London report, adopted in October 1981, outlined the functions of the EPC domestically but also abroad. The most effective outcome, however, was the SEA which linked the EPC to the EC by granting it a legal basis. In this period the EU attempt to involve itself more in crisis (Michael Smith, 2009, p. 12). Nevertheless setbacks continued to exist. For instance, although the SEA linked EPC to the EC Treaties, the EPC lacked common institutions and instruments. Thus, the EPC needed the EC's economic instruments for sanctions.

[14] For Ernst Haas, spill-over processes would occur on socio-economic affairs. Although his theory emphasized that European foreign policy in the form of trade or development policy was possible, there was no explicit functional linkage to encourage the growth of the political and security aspects of European foreign policy, or greater delegation of authority to institutions such as the Commission.

II. 2. 2. 2. The Post-Cold War Era

During the Cold War, European security policy was under American leadership, through NATO. The end of the Cold War, however, led to significant changes in this regard. The end of the Cold War triggered inter- and intra-state armed conflicts in the periphery of the EU. Although these conflicts did not threaten the EU directly, they had the potential to produce negative spill-over effects such as refugee flows and disruption of trade. Moreover, the traditional security perception was replaced by new security threats such as organized crime, illegal immigration, social and economic underdevelopment, lack of democratic institutions and respect for human rights, failed States, ecological problems etc. These threats were more diversified and non-military in nature and difficult to predict and manage, compared to the Soviet threat (Cebeci, 2004, p. 301). This new order had also shifted US attention, from protecting Europe against the Soviet threat, to other regions such as Asia, the Gulf and the Middle East. In this new international order, the EU was attributed with new responsibilities both to provide its own security and defence and to create an order in its near neighbourhood, in Central and Eastern Europe, but also in other regions of the world through its own resources.

The conflict which occurred in former Yugoslavia, during the 1990-1991 IGC on Political Union, was a major turning point for European foreign and security policy (Bretherton and Vogler, 2006, p. 195). Whereas the Union was enthusiastic to take action on a crisis which had occurred on its borders, it soon became evident that an exclusively civilian approach could not solve the problem. Another crisis that took place in this period and highlighted the weakness of European involvement was Iraq's invasion of Kuwait. Although the EU was able to take a 'common' position on the banning of Iraqi oil imports, suspending trade agreements and giving emergency aid to frontline states, in terms of hard military action, member states took a different position. This response reflected the EU's position as 'an economic giant, political dwarf and military worm' (McCormick, 2005, p. 212). It became evident that the EU had to develop a military capacity that would allow the Union to assume greater responsibilities (Howorth, 2007, p. 98). The tasks for the management of the new crisis were outlined in the Petersberg Tasks in 1992. The formation of the ESDP in 1998 was a formal attempt towards improving European military capacity and is accepted as a military revolution (Bretherton and Vogler, 2006).

The Kosovo crisis increased frustration over Europe's military impotence and dependence on the US. Most European countries, especially the UK and France, recognized that Europe had to take more responsibility for security in Europe and that the EU had to become more than solely a civilian power. Thus, a military dimension, which was for decades a taboo in the European integration process, was added to European foreign policy. Traditionally, the French had promoted the idea of a European military capability autonomous of the US and NATO. The UK, on the other hand, focussed on the primacy of the US and NATO in European security. This debate came to an end due to the EU's inability to respond to the Kosovo crisis. In the 'Joint Declaration on European Defence', adopted during the Saint Malo summit of 1998, France and Britain agreed that 'the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises'. Thus, the political basis to establish the ESDP was provided. The Cologne European Council of June 1999 adopted the goal to establish the ESDP, repeating the elements of the Franco-British Saint Malo Declaration. Half a year after the Cologne summit, the European Council in Helsinki took two major decisions. It adopted a commitment to being able to deploy military forces, the so-called Helsinki Headline Goal, and agreed to create a standing Political and Security Committee, a Military Committee and a Military Staff within the framework of the Council.

The need to take responsibility in the post-Cold War era led to the establishment of a military dimension in European foreign policy. However, the intergovernmental nature of this policy area created major obstacles for the EU to become an effective actor in the international arena. The treaty reforms that aimed to improve the effectiveness of the CFSP and give the EU a single voice on security and defence matters could also not achieve this. Nevertheless the process of reform did not come to a halt, due to major events. The September 11 terrorist attack on the US forced the EU to reconsider its foreign policy. The outcome was the European Security Strategy, drawn up by the EU's then High Representative Javier Solana, and adopted by the European Council in December 2003. The European Security Strategy is considered as a step forward for the Union as a global player and a reference point for the EU's role as an international actor. Richard Whitman states that the Security Strategy is "a roadmap for a route-march to

greater global impact" and "a declared framework intended to inform the development of the EU's global aspirations" (quoted in Cebeci, 2004, p. 303). The Security Strategy was revised in 2008 in order to address new threats and challenges. But it did not introduce major changes.

In light of these major developments and efforts to make European foreign policy more effective in order to become a global player, not only in economic terms but on all fields, the EU is still far away of fulfilling this aim. European foreign and security policy has experienced major failures in defining a truly common foreign policy towards international crisis such as Rwanda, Darfur, Sierra Leone, Bosnia Kosovo, Chechnya, Iraq and many others. The main problem, alongside institutional factors, is the difficulty among member states to agree on a common action. For instance, during the Iraq crisis in 2002-03, one group of member states had actively participated in the military invasion and occupation of Iraq, whereas another group opposed to participate and considered the war as illegitimate and harmful for global and European security. A more current example of this kind of problem took place in 2008 over Kosovo's recognition as an independent state. Cyprus, Greece, Romania, Slovakia and Spain refused to recognize Kosovo. EU response was also mixed when Russia and Georgia went on war in August 2008. Whereas member states such as Germany and Italy considered Georgia as the provocateur, the Central and Eastern European Countries (CEECs), due to their history, considered it as Russian aggression. All these responses reflect the fact that national considerations and historical backgrounds are the priority of member states towards crisis. On the other hand, the EU responded quickly, and in common, when the number of piracy acts on the Somali coasts increased. Piracy is a major threat to international shipping and thus a risk for the EU's material interests. Since the EU is able to conduct foreign policy matters on economic issues, it was able to act in common towards this threat (Karen Smith, 2009, p. 29).

To conclude, although the main aim for creating the ECSC was mainly security oriented, European integration has proceeded in economic matters due to the facts explained above. However, the idea of integrating on security and defence matters was never absent. Thus, the desire for granting the EC a political aspect, together with the opening of a new era after the collapse of the Soviet Union, the EU was formed. Nevertheless, although the EU became a political union with the Treaty of Maastricht,

foreign policy issues on security and defence became highly intergovernmental in nature. Thus, the success archived with economic integration was not followed by the same degree of success in political issues. Although the desire of becoming a major world actor on the international stage was especially widely expressed in the post-Cold War era by many EU officials and politicians, the EU remained 'an economic giant but political dwarf'. Nevertheless, EU efforts to establish a union that is able to influence and intervene global issues is considerable high. The establishment of the ESDP, the Helsinki Headline Goals, the European Security Strategy and the Lisbon Treaty are the major developments in this regard. If the EU will become a recognized global actor in the future is a debateable issue.[15] Nevertheless, it is obvious that this will depend mainly on what kind of union the member states will be part of. A union that has unquestionable economic power, with lesser political influence, or a union that has a major role in world affairs comparable to the US.

II. 3. Theorizing European Foreign Policy

Theorizing European foreign policy is a complex issue. The common view today is that the EU has a foreign policy but not a single one. This derives from the EU's *sui generis* nature. Whereas foreign policies in economic issues are successfully conducted in common, the same is not possible in security and defence issues. Therefore it is not possible to evaluate European foreign policy with a single theory. In contrary, each theory is able to explain a different foreign policy dimension of Europe. It has to be noted that, in addition to international relations and integration theories, various theories such as Foreign Policy Analysis (White, 2001) and structural foreign policy (Keukeleire and MacNaughtan, 2008), have been developed for theorizing European foreign policy. However these will not be evaluated in this thesis since they are generally accepted as complementary theories. Rather we will focus on classical theories of rationalist approaches, which are useful in explaining the intergovernmental dimension of European foreign policy decisions and the successful implementation of common foreign policy decisions.

[15] Although many scholars agree that the EU is today a major global actor that has equal powers comparable to states such as the US and Japan, the EU lacks wide recognition of this power since the notion of actorness is still linked to states.

At this point it has to be noted that theoretical approaches did not focus on European foreign policy until the Maastricht Treaty because foreign policy was not mentioned in any of the treaties. Until the TEU the core of European integration was economic. Thus, political integration was ignored. Today, however, even with the adoption of the CFSP it is still difficult to theorize European foreign policy. The development of a common European foreign policy has also been largely ignored by rationalist theorists. The focus was again on integration not foreign policy. According to Filippo Andreatta (2005, p. 19) the main reason for this is that since rational approaches deal with states and their relations amongst each other, European foreign policy evaluations were not relevant because the EU is not a state. Moreover, international relations theories are mainly about generalizations. Since the EU is a unique example of international cooperation at the supranational level, rationalist theorists did not tend to evaluate European foreign policy (Wallace cited in Andreatta, 2005, p. 19). With the end of the Cold War, however, these perceptions began to change. The emergence of new security challenges and the implementation of the CFSP have turned the attention of rationalist international relations theorists on foreign policy matters.

Rationalist state-centric approaches such as (neo) realism and (neo) liberalism evaluate European foreign policy as a form of international cooperation in which member states remain central entities. For realism the EU as an entity of 27 nation states with different strategic cultures has no chance of forging a common foreign policy since realists are in general sceptical about the possibility of international cooperation (Howorth, 2007, p. 184). Moreover, according to a 'state-centric realist' approach, European foreign policy does not exist, it never will and it never should, since the ability to control foreign and defence policy is a fundamental characteristic of the nation state (White, 2001, p. 37). In addition, realism does even not evaluate international organizations as entities, let alone their foreign policies. Kenneth Waltz's neo-realist theory, on the other hand, accepts the possibility of cooperation among states, but emphasizes that such cooperation can only be possible if state security is not at risk and if specific goals are more valuable than survival. However again the idea is that the new unit, made up of cooperating states, will not remove the basic characteristics of the international system, which is anarchy.

On the other hand, because realist and neo-realist approaches do not belief in the possibility of creating a common foreign policy among nation states, they are able to explain why the EU is weak and divided on matters of high politics and its inability to respond to crisis and wars that have occurred in the post-Cold War era. However, realism also provides ground for explaining why the EU has begun to develop a defence dimension. Robert Kagan (2003) indicates that realism might cast light on the success of European foreign and security policy as well as its failures (cited in Hill and Smith, 2005, p. 390). In this regard, it could be argued that the reason why member states tend to cooperate on security issues is the result of cost-benefit calculations. Liberalism and neo-liberalism are also rationalist state-centric approaches but are more easily to define European foreign policy because of two reasons. First, (neo) liberalism accepts supranational organisations as actors in international politics. Second, (neo) liberalism is more optimistic than realist theories about interstate cooperation. In this context, liberal theories are able to explain how the EU can act as a relatively autonomous force that influences the behaviour of third states and that has a substantial impact on the international environment (Keukeleire and MacNaughtan, 2008, p. 329). Nevertheless, due to the nature of liberal theories, European foreign policy is commonly linked to the EU's economic power. At this point, liberal intergovernmentalism, which is described as the realist form of liberalism, establishes a link between the possibility of cooperation (as emphasized by liberalism) and the importance of nation states in international relations (as emphasized by realism).

According to liberal intergovernmentalism, European foreign policy is essentially driven by the member states, by their national interests and by intergovernmental bargains. In the context of European foreign policy, liberal intergovernmentalism is useful in explaining the intergovernmental nature of foreign, security and defence policies. Moreover, liberal intergovernmentalism emphasizes that the EU has always evolved as a result of its members interstate bargains and that the EU will only adopt a true CFSP when a consensus exists among the EU member states that such a common action is in their interests (Ginsberg, 1999, p. 14). Neo-functionalism, however, appears to be a quite insufficient theory in evaluating European foreign policy since it emphasizes that integration in economic issues would automatically lead to integration in political issues. In this regard, neo-functionalism helps to define the Commissions

involvement in shaping foreign policy issues such as energy and the European Neighbourhood Policy (ENP), but it is not able to explain why spill-over is not possible on all areas.

To conclude, this chapter has focused on the evolution of the EU from being a community that was established by six Western European states to prevent war in Europe to a Union that has the power and ability to influence world politics. However, the chapter has also underlined the EU's desire but also weaknesses and shortcomings for becoming a global actor. In this context, the next chapter will evaluate Turkey's membership and in which ways it could contribute to the EU's role as a global actor. The main focus will be on the issues evaluated in the second chapter, i.e. Turkey's contribution to the EU's economic and political power.

CHAPTER III.
BENEFITS FOR THE EU SIDE FROM TURKEY'S MEMBERSHIP

Ever since its foundation in 1923 the Republic of Turkey has remained closely aligned with the West. In this respect, Turkey considered being a member of all the European institutions as the confirmation of its European identity. As a result, Turkey became a member of the Council of Europe in 1949 and the Organisation for Economic Co-operation and Development (OECD) in 1960, signed the European Convention on Human Rights in 1950, joined the North Atlantic Treaty Organisation (NATO) in 1952 and became an associate member of the Western European Union (WEU) in 1992. Becoming a member of the EU was another important step for Turkey's modernization and Westernization policies. Besides these political bonds, there existed also a strong economic integration between Turkey and the EEC. In fact, approximately a third of Turkish foreign trade was made with the EEC countries. According to the 1959 figures of foreign trade, with a total export of $ 353.8 million, Turkey's exports to the Community were about $ 139.9 million, which accounted for 39.5 per cent of Turkey's total export. $ 157 million of $ 470 million total imports of Turkey (33.4 per cent) came to Turkey from the Community (Çalış, 2004, p. 86).

Despite these political and economic ties, the relations between the EU and Turkey have always been problematic and unstable. There had been times when relations between the two parties were frozen because of several reasons. Nevertheless, both parties never broke off their relations completely. Even if problematic and unstable, the relations between the EU and Turkey continue since over 50 years. Turkey is the only country waiting so long for EU membership and is also the only country which has a customs union with the EU, without being a full member. As a matter of fact, there have been always concerns whether Turkey will ever become a full member of the EU or not. The answers to this question are diverse. Whereas some argue that Turkey will definitely become a member mainly because of political and geo-political reasons, others totally reject this idea on the grounds of cultural and religious differences. On the other hand, some propose a middle-way and assume that it should be neither given full membership nor kept out totally. This argument is based on the so-called privileged partnership status.

This thesis supports the argument that Turkey should become a full member of the EU due to several reasons that would benefit the EU. The aim of this chapter is to give the factors that will serve for Turkey's membership and why the EU should and would not give up on Turkey because of them. However before that, it is useful to make an overview of the history of the EU-Turkey relations, beginning from the application of Turkey to become an associate member, until the beginning of the accession negotiations on October 3, 2005. Such an overview would be helpful in understanding the long-lasting relationship between the two parties which appears to be quite unstable.

III. 1. Turkey-EU Relations: A Critical History

This section focuses on the turning points in the EU-Turkey relations and provides a general overview of the relations from the very beginning until the present. Thus this section deals with five major periods of the relations. The first period contains Turkey's association application to the EEC which culminated eventually with the signing of the Association Agreement in 1963. The main focus in this part will be on the motivations of both parts to conclude the Agreement. Secondly, the 1970's will be evaluated by focusing on the difficulties that Turkey was facing and which led to serious crisis in the relations. Next, the 1980's will be examined by focusing on the return to democracy in Turkey after the 1980 military *coup* and its full membership application in 1987 under the prime ministry of Turgut Özal. Finally, the post-Cold War period will be examined by focusing on the main events that led to significant changes in the relations. This part evaluates the 1997 Luxembourg Summit, the 1999 Helsinki Summit and the post-Helsinki developments.

The aim of this section is to provide a general overview of the relations between the EU and Turkey from the very beginning until the present. However, by doing this, it will not provide a detailed study about the history, but will rather focus on the events and conditions that caused important shifts in the relations. It discusses the main characteristics of each period and focuses on the fact that besides serious difficulties and ups and downs of each period, the relations continue. Moreover, it is argued that although the relations between the EU and Turkey have always been problematic and unstable, both parts never tend to broke off the relationship completely.

III. 1. 1. Turkey's Associate Membership Application to the EEC

Turkey's history with the EU dates back to 1959 when Turkey submitted an official application for associate membership to the EEC. In the second half of the 1950's, Turkey was facing economic and political crisis. Consequently, Turkey was unconcerned to the rising integration movement in Europe. Whereas in the previous years, membership to the OECD, the Council of Europe and NATO were almost at the top of Turkey's foreign policy agenda, these crises led Turkey to be inactive about the EEC at the beginning. Moreover, the EEC was newly established and had therefore an uncertain future. Nevertheless, besides these facts, Turkey had decided to apply to the EEC in 1959, only 16 days after Greece had applied (Erhan and Arat, 2004, p. 811). Interestingly, Turkey based its application to the EEC on Article 238 of the Rome Treaty[16], which envisages not full membership but an associate membership[17]. The reason for not applying directly for full membership to the EEC can be related to the fact that, at that time, Turkey was not interested in applying to the EEC because of the above listed reasons. Instead it was the Greek application which activated Turkey to become also a part of the EEC. However, Turkey was not prepared enough for an application and, except some bureaucrats, no one had enough knowledge about the mechanisms of the EEC. As a result, Turkey followed the same way as Greece did, who applied for an association partnership instead of full membership.

The initiative resulted in the signing of the Ankara Agreement in 1963, also known as the Association Treaty[18]. The Ankara Agreement envisaged a "stage by stage" integration process which would finalize in the establishment of a customs union after the successful completion of the preparatory and transitional stages. The agreement also envisaged the consideration of an eventual Turkish membership to the EEC. Article 28 of the agreement emphasized the possibility of an eventual Turkish membership to the EU, if and when Turkey was able to perform the necessary obligations. There was, however, no automatic accession to the EU foreseen even when the customs union

[16] Article 238 of the Rome Treaty states that, "The Community may conclude with one or more states or international organisations agreements establishing an association involving reciprocal rights and obligations, common action and special procedures".
[17] Whereas Article 238 of the Rome Treaty deals with associate membership to the EEC, Article 237 of the Rome Treaty deals with full membership.
[18] The Ankara Agreement was signed on 12 September 1963 and came into force on 1 December 1964.

would have been fully established. For this to happen, another decision by the institutions of the EU would be necessary (Arıkan, 2006, p. 1; Çakmak, 2005, p. 97).

Like all other association and even accession agreements, political, security and economic interests played an important part in both Turkey's and the EU's motivation for establishing an agreement with each other. On the EEC side, these motivations were mainly security and political based, whereas on the Turkish side they were mainly political and economic. The reason for Turkey's application can be based on three reasons. First of all, Turkey had a Westernization policy since it was established and even before. Westernization was always the main objective of Turkish foreign policy. Naturally, being part of the EEC was another element of Turkey's Westernization project. As mentioned before, for Turkey, being a member of all European institutions would be a proof for its European identity. As a member of all other European institutions, the only left organisation was the EEC (Karluk, 1996, p. 392). In fact, when the secretary general of the Turkish Chambers of Commerce, Dr. Cihad Iren, was asked why Turkey should join the Community, he replied: "For a hundred years we have been trying to be Europeans. That reason is enough" (quoted in Çalış, 2004, p. 82).

Secondly, Turkey's economic situation in the late 1950's was another reason for its application to the EEC. The Turkish rulers thought that being a member of the 'rich' club of Europe would facilitate receiving more credits and would change its financial balances in a positive way. Turkey was a relatively backward country and had socio-economic problems such as high rate of unemployment and a low GDP. Moreover, Europe would be a market for Turkey's exports so that it would improve its foreign trade (Erdoğdu, 2002, p. 41).

Finally, the Greek factor constituted an important political motive behind the Turkish application to the EU as an associate member; this was to a large extent, connected to the consciousness of long standing hostile relations with Greece. Indeed, Turkey's application to the EC was mainly a response to a similar application made by Greece. The timing of the Turkish application was related to Turkey's traditional concern about Greek diplomacy. Turkey was full of anxiety that Greece would use its association tie with the EEC against Turkey, in order to gain more concessions in regard to its bilateral disputes with Turkey. The tradition of Turkish foreign policy required that Turkey had to be represented on each and every platform where Greece was

represented, in order to prevent it from using the political and economic leverage resulting from the relationship (Arıkan, 2006, p. 53). The then Minister of Foreign Affairs of Turkey, Fatin Rüştü Zorlu, had expressed this as follows "If Greece is to jump into an empty pool, you should also jump in it without hesitation, in order not to leave this country alone" (quoted in Karluk, 1996, p. 392).

On the EEC side, security and political considerations were often considered to be more important than economic ones in establishing an association agreement with Turkey. Indeed, although at that time there were fears that Turkey's economic development level could negatively affect the integration of Europe, security concerns in the Cold War environment overcame these worries and Turkey's application was accepted. Moreover, Turkey was regarded as the Southern pillar of NATO. In this regard, Turkey's ties with the EEC were especially important for Western Europe's security as Turkey had a role to play as a barrier against a Soviet expansion towards Southern Europe (Arıkan, 2006, p. 54). Furthermore, the EEC's efforts to pursue a policy of balance, *vis-à-vis* Turkey and Greece, was also related to the security considerations of the EEC's policy towards Turkey. After concluding the Association Agreement with Greece, the EEC decided to respond positively to the Turkish application for associate membership. This was because the EEC was very careful to calculate the delicate balance between Turkey and Greece (Arıkan, 2006, p. 55). The EEC desired to keep the relations with the two rivals on an equal basis.

Another underlying reason for the acceptance of the Turkish application by the EEC was the motive of gaining support in the international arena. The EEC was just established at that time and Turkey, together with Greece, were the first countries who applied for closer relationship. This was an approval for political recognition of the newly established organisation. According to the EEC, Turkey and Greek applications provided a prestige for this newly established Community. The fact that Turkey and Greece did choose the EEC instead of the European Free Trade Association (EFTA) was an important motivation[19]. This was accepted as a victory by the EEC against EFTA.

[19] EFTA was established on 3 May 1960 as a trade bloc alternative for European states who were either unable to, or choose not to join the EEC.

III. 1. 2. The 1980's: Turkey's Full Membership Application to the EC

Although the then Commission President, Walter Hallstein, declared in 1963 that Turkey was part of Europe, the relations between the EC and Turkey throughout the 1970's were at best rocky (Müftüler-Baç, 2004, p. 31). The 1970's were years in which Turkey was facing political instabilities. In this period the relations between the EC and Turkey were highly affected. Besides internal political problems, Turkey was also facing problems with the Community. These problems were mainly economic. The EC had enlarged in 1973 to Denmark, Ireland and the UK, had signed Free Trade Agreements with EFTA in 1972-73, which harmed Turkey, and the Generalized System of Preferences was introduced in 1971 and Turkey could not take advantage from this. All these factors affected the Turkish exports negatively (Karluk, 1996, p. 395). Moreover, Turkey could not undertake its commitments envisaged by the Ankara Treaty due to the negative international economic climate accelerated by the two oil crisis of 1973 and 1979 and the world wide economic recession (Keyman and Öniş, 2007, p. 83).

In political terms, the 1974 military intervention in Cyprus led to significant tensions with the Community. 1974 proved to be a crucial year in Greek-Turkish bilateral relations as well as their mutual relations with the EC. Turkey's intervention in Cyprus in 1974 was followed by the collapse of the military regime and the return to democracy in Greece under the Premiership of Konstantinos Karamanlis. At the end, these events resulted in Greece's full membership to the EC by the beginning of 1981. Consequently, the positions of the two countries which had enjoyed broadly similar standings with respect to the Community up to that point experienced a drastic and dramatic change by the beginning of the 1980's (Öniş, 2000, p. 5). The full membership application of Greece, in 1975, led to crisis between the EC and Turkey. The Turkish government accused Greece for trying to create a new international platform against Turkey. With the establishment of the EPC this crisis deepened. The Turkish government requested for participating in the EPC meetings in order to prevent Greece from taking advantage against Turkey's interests. However this request was rejected by the EC. At the end, the problem was settled through the establishment of the 'Troika' formula. According to this, the EC Council Presidency would inform Turkey on all issues related to her (Müftüler-Baç, 2001, p. 36).

Because of the political instabilities Turkey was facing internally and the economic problems caused by the Community, Turkey had first delayed its obligations to the Community in 1976 and in 1978 the relations between the two parties were frozen bilaterally. The association agreement broke down economically (Erdoğdu, 2002). In 1980, the relations began to normalize again when the Justice Party (Adalet Partisi, AP) came to power. However, on September 12, 1980, the military once again intervened and banned the Justice Party from the country's politics. This marked a new era between the Community and Turkey. The relations between them were frozen again for another six years, however, this time not only economically but also politically (Karluk, 1996, p. 398). This was important because, whereas the relations did frozen before, this time the reason was not based on economic grounds but on political issues such as the commitment to democracy and human rights. Thus, whereas during the 1970's, the main problems in EC-Turkey relations were issues about the customs union and reciprocal lack of fulfilling obligations, during the 1980's, the main problem became the issue of human rights and democracy. The reason for this was that the EC began to give more importance on human rights issues and determined these issues as '*sine qua non*' for EC membership. In such an environment the 1980 *coup d'état* opened a new era in EC-Turkey relations.

The EC adopted a wait and see policy against the military coup and did not react immediately. However, when during the National Security Council all existing parties were suspended by decision, the attitude of the EC towards Turkey changed in negative ways. The financial protocol was delayed as a first act. After this the EP took a decision in January 1982, which envisaged suspending the association agreement. As a result, the Association institutions could not convene until 1986. It was ironic that, when Turkey 'preferred' an authoritarian regime, Greece, Spain and Portugal preferred to pass to democratic regimes. This was taken into consideration by the EC and the EC side decided to suspend the relations until Turkey would return to democracy.

With the transition to civilian rule in 1983, the new government took various steps towards economic and political liberalization. As a part of this process of change, the new civilian government under Prime Minister Turgut Özal applied for full membership to the Community on 14 April 1987, under the grounds of Article 237 of the EEC Treaty. This stipulated that any "European country" that wished to do so could submit

an application and the Council would ask the European Commission to issue an advice on the question. However, the application was rejected in 1989 on the basis of political and economic grounds (Brusse and Griffiths, 2004, p. 22). The main reason of the rejection was that in the 1980's, the EU itself was undergoing substantial economic and political transformations. The EC was totally concentrated on its internal problems arising from the implementation of the internal market and the slowing down of the decision making procedure which was by that time deadlocked and quite slow. The political rationale behind the decision to reject Turkey was also signifying the advent of a period when the European integration project was beginning to take a more political dimension. Having started as an organisation of economic integration, the Community was now starting to gain a political character which was formally achieved with the 1993 Maastricht Treaty. Another reason for the rejection of Turkey's application was the fall of communism. The EU gave priority to integrate the CEECs into Western Europe mainly through financial aid. Turkey's full membership would only create an additional economic burden to the Union. Moreover, with the end of the Cold War the threat of a Soviet aggression disappeared. Thus, Turkey's strategic importance appeared to decline.

Despite the rejection in 1989, Turkey's aspirations to join the EC did not wane. In the early 1990's, the focus of Turkish policy makers became the completion of the customs union with the EC as it was envisaged by the Ankara Treaty. Turkey's attempt can be regarded as a revitalization of the relationship with the EC after the EC proposed to intensify the relations on the basis of the customs union. As a result, the Customs Union Agreement, which was viewed as an important step towards full membership by the Turkish policy makers, was finally signed in 1995 and began to operate in 1996 (Keyman and Öniş, 2007, p. 86).

III. 1. 3. Turkey-EU Relations during the Post-Cold War Era

With the end of the Cold War, the international system had witnessed a period of change in which internal and external political balances rapidly disappeared. The fall of the Berlin wall and the collapse of the Soviet Union had led to political, economic and security changes in Europe, like other parts of the world. The EU itself reacted quickly to these radical changes that occurred in the continent. The EU saw further integration to the whole continent and bringing prosperity to the ex-communist countries as a

historical task. Moreover, with the collapse of the Soviet Union, the EU began to debate Turkey's strategic importance, since the threat from the East had disappeared (Baykal and Arat, 2005, p. 326). In the 1990's, the EU-Turkey relations were marked by six major developments (Baykal and Arat, 2005, pp. 326-327):

1) The Transformation in Eastern Europe

With the end of the Cold War, the Central and Eastern European countries had began to transform into western type democracies with free market economies. For the EU, these countries were not only important in terms of politics, economy and security, but also in terms of culture and history. Therefore, the EU member states had adopted the idea that the CEECs should take part in the European integration process. Consequently, the Europe Agreements were signed with each of the countries in order to support these countries in their transformation to democracies and open market economies. The final aim of these efforts was to make the CEECs full members of the EU in order to remove the ideological division and to integrate them into the European market. Naturally this development had affected the EU-Turkey relations since the EU began to shift its focus to another subject.

2) The Focus on Political Union

The above mentioned developments took place in a period when the EC focused to become also a political union, besides being solely a monetary and economic entity. The outcome of this opinion was the signing of the 1992 Maastricht Treaty, which gave the European integration idea a new character. The new entity, now called the 'European Union' began to make progress on political union. Consequently, the EU's focus began to shift to more internal issues.

3) The Rise of the Idea of Identity and Culture

In the 1960's, economic relations were the priority and the EC did not put much emphasize on ideological and historical issues. With the development of becoming a political union, however, issues about identity, culture and history and how to determine Europe's political boundaries inevitably began to be discussed. As a result, the issue of Turkey's identity and whether it belongs to Europe or not had began to be debated

harshly. Within the EU the opinion that Turkey does not belong to Europe widely gained support. This debate is still dominating EU-Turkey relations although it has no legal grounds since the EU identifies itself as a cultural and religious mosaic that recognizes and respects diversity, hence its motto is 'United in Diversity'.[20]

4) The Rise of Human Rights Issues

Like most parts of the world, in the 1990's, the issue of human rights gained large supporters also in Europe. In this period, human rights issues played an important part in the international relations of Western countries. As a result, the issue of human rights violation in Turkey, which had begun to be discussed in the EU with the 1980 *coup d'état*, began to be debated more intense. Consequently, this turned to be another obstacle in the improvement of EU-Turkey relations.

5) Instabilities Turkey was facing

In the 1990's, Turkey was facing political and economic instabilities because of the fight against PKK terror, disagreements with Greece and problems about Cyprus. These problems began to affect the EU-Turkey relations more than ever before. Turkey's fight against the PKK terror, which involved the widespread abuse of civil rights, increased the already existing humanitarian objections on the EC-side against Turkey. The membership application of Cyprus on behalf of the whole island, in 1980, deepened the tension between the EU and Turkey.[21]

6) Different Aims of Turkey and the EU

The EU and Turkey had different approaches about the future of the relations. This became more evident in the 1990's. Whereas Turkey's main aim was to become a full member, the EU was determined to keep the relations within the association framework,

[20] The preamble of the Charter of Fundamental Rights states that: "Conscious of its spiritual and moral heritage, the Union is founded on the indivisible, universal values of human dignity, freedom, equality and solidarity; it is based on the principles of democracy and the rule of law."

[21] According to the Turkish view the application was invalid as the Greek Cypriot administration has no legal authority to make its decisions on behalf of the whole island. Article 1 of the Treaty of Guarantee states that: "[The Republic of Cyprus] undertakes not to participate, in whole or in part, in any political or economic union with any State whatsoever. It accordingly declares prohibited any activity likely to promote, directly or indirectly, either union with any other State or partition of the Island."

namely the Customs Union. As a result, the relations proceeded in an environment of great tensions and disappointments.

The 1990's marked a period of important changes in the international system, which affected the EU-Turkey relations negatively. However, with the 1997 Luxembourg Summit and the 1999 Helsinki Summit, the relations began to enter a new period. Whereas the Luxembourg Summit still reflected the negative environment of the 1990's, at Helsinki this began to change, because of several reasons, but mainly because of Turkey's determined response to the decisions and outcomes of the Luxembourg Summit. Thus, it would not wrong to argue that, besides all the negative outcomes, the Luxembourg Summit marked the beginning of a new era in EU-Turkey relations, on behalf of Turkey.

III. 1. 3. 1. The 1997 Luxembourg Summit

While the end of the Cold War marked a new era in international relations, the entry into force of the Customs Union Agreement, in 1996, provided a further boost to Turkey's EU membership aspirations because Turkey regarded the Customs Union as the last step before its full membership (Kabaalioğlu, 1999, p. 134). However, the conclusions of the Luxembourg Summit of December 1997 caused a major disappointment for Turkey. The Heads of State and Government of the EU launched at the Summit "a new and comprehensive enlargement process" with the announcement that six countries[22] were going to start accession negotiations at the end of March 1998. There was also a second group of countries[23] which would have to wait somewhat longer, but they would benefit from closer economic ties through "accession partnerships" (ibid). The disappointment for Turkey was that it was not going to take part in this "comprehensive, inclusive and ongoing process of enlargement". Whereas ten CEECs together with the Greek Cypriot Administration and Malta were given candidate status, Turkey was mentioned as 'eligible' but was excluded from the enlargement process. Instead, Turkey was given a special status with a long perspective of full membership. The EU formulated a special "European strategy," which would

[22] Poland, Hungary, Czech Republic, Slovenia, Estonia and Cyprus.
[23] Bulgaria, Romania, Latvia, Lithuania and Slovakia.

prepare Turkey for accession by bringing it closer to the EU in every field (Rumford, 2000, p. 333).

Turkey's reaction to the Luxembourg decision was quite aggressive. She refused to attain the European Conference which was held in Cardiff, in March 1998, although she was invited. However, even the participation in the conference was made subject to some conditions. Turkey also broke off political dialogue with the EU. Political relations between Turkey and the EU were badly damaged during the two-year interval between the Luxembourg and Helsinki summits (ibid). The Luxembourg decisions threw a shadow over Turkey-EU relations, and prevailed for the following two years, during which the political dialogue with the EU remained suspended (Robins, 2003, p. 110).

The Luxembourg summit is generally described as a turning point in Turkey's relationship with the EU. Many Turks were incensed by the decision and they felt that the outcome for Turkey was unjustified. As Ziya Öniş points out, the message sent to Turkey at the Luxembourg summit resulted in a change in public opinion concerning Turkey's relationship with the EU (cited in Rumford, 2000, p. 333). He further argued that: "The period extending from the signing of the customs union agreement to the disappointments of the Luxembourg summit in December 1997 helped to portray to the Turkish public that the EU's real intention was to develop a deepening of economic relations with Turkey, with no explicit promise of full membership" (ibid). In this regard, Luxembourg had become a synonym for double standards (Robins, 2003, p. 109). However, it was not only the Turks who believed that the EU's decision was unfair. A range of European newspapers viewed the EU's rebuttal of Turkey to be an 'historic mistake' (Rumford, 2000, p. 333; Kabaalioğlu, 1999, pp. 135-137). Nevertheless, although the Turkish government decided to break off political dialogue with the EU, after the Luxembourg decision, the Turkish governments' evaluation of the Summit was well balanced. Every effort was made not to damage the existing association relations. In fact, whereas the Luxembourg Conclusions on Turkey was totally "irresponsible", Ankara reacted in a responsible manner. As a result, the Customs Union continued to function, despite the EU's default to fulfil its obligations and commitments towards Turkey in terms of financial support, which is, a *sine qua non* aspect of the customs union (Kabaalioğlu, 1999, p. 140).

III. 1. 3. 2. The 1999 Helsinki Summit: A New Era in Turkey-EU Relations

Turkey's relationship with the EU entered a new course after the Helsinki European Council of December 1999 (Karluk and Tonus, 2002, p. 19). The 1997 Luxembourg decision threw a shadow over Turkey-EU relations, which prevailed for the following two years, during which the political dialogue with the EU remained suspended. However, the negative environment of Luxembourg began to soften, at least temporarily, after the December 1999 Helsinki Summit (Robins, 2003, p. 110). The Helsinki European Council confirmed Turkey as a candidate for EU membership on an equal footing with the other candidate states (Keyman and Öniş, 2007, p. 87). Turkey was now subject to the same formal mechanisms used for the CEECs to guide and measure progress on the Copenhagen criteria. This was a major difference than Luxembourg, where Turkey had been treated separately from other candidate countries.

The change in the relationship between the EU and Turkey mainly emanated from the EU rather than from Turkey. In the aftermath of Luxembourg, there had been increasing criticisms of the Luxembourg framework on enlargement within the EU, including claims that it was narrow and discriminatory and would result in the creation of borders based on geographical and religious-cultural values (Eralp, 2004, p. 78). Surprisingly, the Helsinki Summit introduced major changes on behalf of Turkey. There was an obvious change between both summits. Considering that Turkey has not made great progress in these two years, it appears that other changes, mainly deriving from the EU itself, took place. The factors that paved the way to the shift from negative to positive approach towards Turkey are considered below.

1) Change in Social Democrat's Attitude Towards Turkey

The Social Democrat parties of Europe had developed a growing vision of a multi-ethnic and multi-cultural Europe to differentiate themselves from the right of centre, namely the conservative parties, whose vision was more in the direction of an ethnically homogenous Europe, a Europe conceived of as a Christian Club, hence, a Europe with fairly definitive natural boundaries (Öniş, 2000, pp. 9-10). This change had also affected the attitude of the member states that opposed Turkey's candidature at Luxembourg. Especially the 1998 change in the German government from Christian Democrat to a Social Democrat-Green coalition reflected the new, more open attitude towards the

enlargement process, as well as towards Turkey (Eralp, 2004, p. 78). Whereas the Christian Democrat government under Helmut Kohl had opposed Turkey's candidature on religious and cultural grounds at Luxembourg, the Social Democrat-Green coalition under Gerhard Schröder supported Turkey's candidature on geo-strategic grounds at Helsinki.

2) Change in Turkish-Greek Relations

A fascinating transformation, which has taken place in the term between Luxembourg and Helsinki, concerns the rather unexpected rapprochement between Turkey and Greece. The development of closer relations between Turkey and Greece during the course of 1999, leading to Greek support for Turkish candidacy during the Helsinki Summit, included both, a romantic and a realistic dimension. The romantic element was very much associated with the 1999 earthquakes in Turkey and shortly after in Greece. The realist dimension, however, was related with the realization by the Greek political elite that its own economic and strategic interests would not be properly served if Turkey was left isolated and pushed further away from the European sphere of influence (Öniş, 2000, pp. 11-12). According to Ziya Öniş (2003, p. 12), 'Greece's bargaining power with respect to Turkey depends critically on the intensity of Turkey's aspirations to become part of the EU. Greece's capacity to bargain with Turkey would decline dramatically if Turkey was left with no prospect for EU membership'.

3) Turkey's Importance as a Strategic Partner

With the end of the Cold War, the EU began to debate Turkey's strategic importance, as the Soviet Union threat for Europe had disappeared. However this started to change after the Kosovo crisis in 1999. EU officials began to realize that instability in the Balkans would have harmful outcomes for the European integration process. Moreover the EU member states realized that the EU's dependence on NATO, in military interventions outside its borders, was restricting its ambition to become a global actor. As a result, the EU became more determined to build its own military. It is no coincidence that Turkish candidacy was offered at a summit in which important decisions were taken in consolidating the ESDI. The Helsinki Summit decided to create military forces, up to 50,000 and 60,000 troops, to launch and conduct EU-led

operations in response to international crises. It would be increasingly difficult to overlook Turkey's role in the security field as the EU developed its common policy on security and defence (Eralp, 2004, pp. 78-79). The inclusion of Turkey, whose capability was clearly above the European average in terms of budget and amount of soldiers under arms, seemed as the only way to reach these ends.

4) The role of the US

The role that the US had performed in pressing and persuading the European political elites for Turkey's inclusion among the candidates prior to Helsinki also deserves a special emphasis. The American leadership had been particularly vocal in pushing for Turkey's full membership. The main underlying assumption was that its vital interests in the Middle East and Central Asia would be best served by having its strategic ally, Turkey, firmly anchored to the norms of the EU (Öniş, 2000, p. 13). As a matter of fact, since the beginning, the US has been regarded as the most influential supporter of Turkey's EU membership bid outside the EU zone.

Besides these factors that led to a change between the Luxembourg and Helsinki summits, Atila Eralp (2004, p. 75) puts in an additional argument. He states that 'the exclusion of Turkey from the EU was to the advantage of neither the EU nor Turkey. The increasing erosion of traditional distinctions between the European, Middle Eastern and Eurasian regions on security matters was evident. With the growing inter-relationship, the stability of Europe was linked to the situation in the Middle Eastern and Eurasian regions. It would be difficult for Europe to maintain a stable economic and political system if instability reigned in its adjacent areas. Turkey's role was crucial in the promotion of stability, primarily because it was one of the few countries with long-standing Western links and had remained relatively stable in comparison with the rest of the region. The exclusion of Turkey from the European security system could lead not only to instability in Turkey, but might also affect the whole region. In addition to the promotion of stability, Turkey had other crucial roles to play in the linkage of trade, transport and energy routes of the Middle East, Persian Gulf and Transcaucasia to Europe'.

The Aftermath of the Helsinki Decision

The Helsinki process has brought up a new dynamism in EU-Turkey relations with regard to the prospects of membership. The EU has not only restored its relations with Turkey, but has also increased the prospects of closer relations. The Helsinki decision generated positive developments in EU-Turkey relations, particularly in the sense that it has encouraged Turkish policy-makers to undertake some policy reforms in order to facilitate the convergence of Turkey's laws and Constitution towards EU standards (Arıkan, 2006, p. 70). Progress on political reform was made in Turkey with 34 constitutional amendments in October 2001 and three 'harmonization packages' adopted in the follow-up to the Copenhagen Summit of 2002. These legislative amendments involved significant reforms particularly in the fields of human rights and the protection of minorities, freedom of expression and freedom of association. However, in response to progress in political reform, the Copenhagen Summit of December 2002 stated that Turkey could not meet the Copenhagen political criteria, but concluded that 'if the European Council in December 2004, on the basis of a report and a recommendation from the Commission, decides that Turkey fulfils the Copenhagen political criteria, the EU will open negotiations without delay' (Keyman and Öniş, 2007, p. 88).

In the aftermath of these developments, four subsequent democratic reform packages and two sets of constitutional amendments were adopted by the Turkish parliament in addition to institutional efforts undertaken to implement the new regulations. The attempts to undertake political and legal reforms, especially in the areas of human rights and demonstrating a strong political will to upgrade and deepen the level of parliamentary democracy in the country, were found successful enough by the European Council in December 2004 to announce that Turkey sufficiently met the Copenhagen political criteria. It was decided that the accession negotiations would open on October 3, 2005 (Keyman and Öniş, 2007, p. 89).

Besides political reforms and constitutional amendments, the Helsinki decision had also led to a change in Turkish politics. The post-Helsinki dynamics clearly led to the development of a powerful 'pro-EU coalition' in Turkey. This coalition was not only committed to EU membership as a general ideal, but was also prepared to push for the reforms needed to satisfy the conditions specified by the EU. Business-based civil society organisations, notably the organisation that represented the community of big

business in Turkey, the Turkish Industrialists' and Businessmen's Association (TÜSİAD), the Economic Development Foundation (İKV) and the Turkish Economic and Social Studies Foundation (TESEV) emerged as the dominant components of this pro-EU coalition (Keyman and Öniş, 2004, p. 183). Undoubtedly, in her decade's long European journey and more than two hundred years of close relations with the West and the Westernization process, Turkey, for the first time, was officially included in the European integration project.

III. 2. The Benefits for the EU from Turkish Membership

In 1693, English philosopher William Penn published a book '*An essay Toward the Present and Future Peace of Europe*' where he proposed the assembly of a sovereign European 'Diet' or 'Imperial'. Penn noted that there would be 90 seats in this 'Common Assembly' and allocated them among the prospective member states as Germany 12, France and Spain 10, Italy 8, England 6, etc. Penn added that Turkey, if it wished, could join in this new organisation with 10 seats. The important notion of this project is that it was made in the heyday of the Ottoman Empire by a Christian religious leader underlying the fact that a European organisation cannot be envisaged without the participation of Turkey. Similarly, Count Richard Coudenhove-Kalergi, in his book '*Pan Europa*', and in other various articles published in the second half of the 1920's, noted that Europe should proceed to establish a federation. While he excluded the UK from his European project, Coudenhove-Kalergi noted that if so wished, Turkey could join this European organisation (Kabaalioğlu, 1999, p. 109). Thus, in history, major thinkers about uniting Europe did not have excluded Turkey from a European project.[24]

International relations are about change and the international system has changed profoundly since William Penn's book in 1693. Nevertheless, Turkey has acquired a place in every European organisation including the EU. On the other hand, the debate about Turkey's full membership to the EU is still continuing. Whereas one view is that Turkey has definitely a place in the EU and has to become a full member because of rational calculations, that is economic, political and cultural benefits, the other view is that Turkey, as a Middle Eastern country, has no place in Europe or the EU. This view is

[24] It has to be noted that these are only some examples that demonstrate Turkey's importance for Europe. There are also examples that support the idea that Turkey has no place in Europe.

mainly based on cultural and religious grounds, given the fact that Turkey is culturally not European and religiously not Christian. Nevertheless, despite debates about Turkey's 'Europeanness' the European Commission underlined the benefits the EU would gain from Turkey's full membership: "Turkey's accession would be different from previous enlargements because of the combined impact of Turkey's population, size, geographical location, economic, security and military potential, as well as cultural and religious characteristics. These factors give Turkey the capacity to contribute to regional and international stability" (European Commission, 2004, p. 4).

As discussed in the first chapter, from a rationalist perspective, international relations are about cost-benefit calculations and if a state will gain major benefits that overcome the costs, cooperation is possible. From this point of view, the next section will evaluate what benefits the EU would gain from a possible Turkish membership. The first part will focus on the economic benefits. Secondly security related benefits will be evaluated. The EU energy policy is evaluated separately in the last part because it has an economic and security dimension.

III. 2. 1. Economic Benefits

The relations between the EU and Turkey initially started economically under the Ankara Agreement. The Ankara Agreement aimed to promote the strengthening of trade and economic relations between the parties, to ensure accelerate development of the Turkish economy and to improve the level of employment and living conditions of the Turkish people. The agreement also aimed to establish a customs union between the parties. Trade liberalisation has been an important aspect of Turkey's economic policy since the early 1980's and it contributed to the formation of the Customs Union between Turkey and the EU. The Customs Union covers trade in industrial goods and processed agricultural products. However, the agreement with Turkey goes beyond a normal customs union. It also covers the harmonisation of technical legislation, the abolishment of monopolies and the protection of intellectual property (Lejour, 2004, p. 133). Although shortcomings, such as the continuation of protection (anti-dumping and countervailing duties) and safeguard, the continuation of various technical barriers to trade and the exclusion of agriculture, constitute an obstacle for deep trade integration under the Customs Union (Ülgen and Zahariadis, 2004, p. 1), the Customs Union

represents Turkey's first step towards full integration into the Single Market. The establishment of a Customs Union, however, has not led to a major shift in trade shares due to Turkey's close economic ties with the member states of the EU even prior to the customs union. The EU had already opened its market for Turkish exports under the Ankara Agreement. More than 50 per cent of Turkish external trade was conducted with the EU and more than 60 per cent of foreign investments in Turkey were made by EU member states (Müftüler-Bac, 1997, pp. 94-95).

From its foundation until 1980, the Turkish economy was characterized by central planning and inward-looking policies and left no room for an open, liberal market economy. However, from the 1980's on, Turkey had entered a major period of economic expansion.[25] The transformation of the economy from a state-dominated and import substitution-oriented economy to a free market economy was a long and difficult process that involved several crises, breakdowns, the development and implementation of economic stabilization programs and structural reforms as well as the building of institutions of an international market economy. The outcome of this difficult process was positive. Especially, since 2001, the Turkish economy has undergone a significant growth, considerably above EU averages. As indicated in *Table 1*, Turkey is one of the main trading partners of the EU. In 2008, Turkey's share of trade in exports with the EU was 48.3 per cent, making it the fifth main trading partner. The share of imports was 37.4 per cent (Eurostat, 2009a, pp. 46-47).

[25] In order to re-establish a rapid growth process in Turkish economy, a set of stabilizing measures were put into force on January 24, 1980 (the so-called January 24 decisions), which aimed primarily to decrease and to control the rate of inflation by a lower demand, to increase the domestic savings as well as export and stabilize the economy at a high level of price. For more information please see, The Central Bank of the Republic of Turkey, "The Impact of Globalisation on the Turkish Economy", May 2002. http://www.tcmb.gov.tr/

Table 1: Main EU-27 Trading Partners for 2007-2008

Partners in Exports	Value (Bn euro)		Partners in Imports	Value (Bn euro)	
	2007	2008		2007	2008
United States	261.3	249.6	China	232.5	247.7
Russia	89.1	105.1	United States	181.5	186.6
Switzerland	92.8	98.0	Russia	144.5	174.9
China	71.9	78.5	Norway	76.6	95.6
Turkey	**52.7**	**54.3**	Switzerland	76.9	80.1
			Japan	78.3	75.2
			Turkey	**47.0**	**45.9**

Source: Eurostat 2009
http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-AR-09-010/EN/KS-AR-09-010-EN.PDF

Turkey's economy has a long history of macroeconomic instabilities and much has to be done to overcome the existing shortcomings and imbalances. Nevertheless, Turkey's economic performance is not that pessimistic. In terms of GDP, Turkey is the sixth largest economy within the EU member states. Another study, by the Independent Commission on Turkey (2004, p. 41), demonstrates that Turkey's economy is similar or even more advanced compared to the starting conditions of Bulgaria, Romania and Poland *(see Table 2)*.

Table 2: Starting conditions of selected candidate countries

	Units	**Turkey**	Bulgaria	Romania	Poland
Start of accession negotiations		**2003**	1999	1999	1997
GDP per capita	Euro	**6256**	5120	4980	7410
GDP growth rate	%	**5.8**	2.3	-1.2	6.8
Rate of inflation	%	**18.4**	7.0	54.8	13.2
Rate of unemployment	%	**10.8**	15.7	6.8	11.2

Source: CIA, the World Factbook,
https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html?countryName=Estonia&countryCode=en&regionCode=eu&rank=112#en

This trend has not changed with the accession of these countries to the EU. The following table demonstrates the economic indicators of selected EU member states and the current candidate countries. According to this, Turkey's GDP is above Bulgaria and close to Romania (Eurostat, 2008a).

Table 3: Volume indices per capita for 2007-2008

Country	GDP (%)		Country	GDP (%)	
	2007	2008		2007	2008
UK	11.7	11.6	Poland	5.4	5.6
Germany	11.6	11.6	Romania	4.2	4.7
France	10.8	10.8	**Turkey***	**4.5**	**4.6**
Croatia*	6.0	6.3	Bulgaria	3.8	4.1
Latvia	5.6	5.7	Macedonia*	3.1	3.3

* Candidate Countries
Source: Eurostat 2008
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/GDP_per_capita,_consumption_per_capita_and_comparative_price_levels

Turkey's economic performance proved also positive during the world financial crisis, the so-called 'credit crunch', which started in the summer of 2007 due to the liquidity shortfall in the US banking system. Although the first period of the crisis had affected the Turkish economy negatively, Turkey has managed to overcome the major setbacks. Zafer Çağlayan, Turkey's Minister of Industry and Trade, stated that Turkey's exports have increased 36.9 per cent in the period of 1-8 April 2010, compared to the same period in 2009, which demonstrates a 50 per cent increase in total. In March, this number had increased 34.4 per cent, compared to the previous year. Çağlayan further stated that Turkey's growth in the last quarter of 2009 had been six per cent.[26] Moreover, despite the decrease in Turkey's export in goods, exports in services have increased. Another important economic indicator which displays Turkey's positive performance is in terms of credit ratings.[27] Whereas, the credit rating of 87 countries has downgraded, Turkey is one of the seventeen countries whose credit ratings have increased. Respective rating agencies have shown increasing confidence in the Turkish economy as follows (Toprak, 2010):

[26] Speech of Zafer Çağlayan, Minister of Industry and Trade, at the meeting of the Ankara Chamber of Industry, 9 April 2010. For the full text please see,
http://www.aso.org.tr/b2b/haber/haberoku.php?haber_no=1822
[27] The credit rating of a country indicates the risk level of the investing environment of a country and is used by investors looking to invest abroad.

- S&P: from grade BB- to BB, one grade increase between January 2010 and February 2010
- Moody's: from grade Ba3 to Ba2, one grade increase between December 2009 and January 2010
- Fitch: from grade BB- to BB+, two grade increase between December 2009 and January 2010
- JCR: from grade BB- to BB, one grade increase between January 2010 and February 2010

Economic growth indicators also demonstrate Turkey's positive economic performance. According to IMF statistics, Turkey's economic growth percentage will be more than that of the EU in 2010 *(see table 4)*. According to another study, made by OECD in 2008, Turkey was the 15th largest economy of the world and the 6th when compared to EU-27. The fact that the world financial crisis was at the peak in 2008 demonstrates Turkey's positive economic performance more obviously. The study of the OECD continues with a projection of the 2011-2017 periods. According to this, the GDP growth of Turkey is expected to be the highest among OECD countries *(see table 5)* (Toprak, 2010).

Table 4: Economic growth rates for 2009-2010, (%)

Country	2009	2010	Country	2009	2010
Germany	-5.0	1.2	Bulgaria	-5.9	1.1
France	-2.2	1.2	Romania	-8.0	0.5
Greece	-1.1	- 0.3	**EU 27**	**-4.5**	**0.3**
UK	-4.8	0.9	**Turkey**	**-6.5**	**3.7**

Source: IMF
http://www.imf.org/external/datamapper/index.php

Table 5: Estimated GDP growth rates for 2011-2017, (%)

Country	GDP growth	Country	GDP growth
Turkey	**6.7**	Poland	2.8
Luxembourg	5.0	Switzerland	2.8
Slovakia	4.9	US	2.6
Hungary	4.7	OECD	2.6
Korea	4.5	Austria	2.5
Czech Republic	4.1	New Zealand	2.3
Australia	3.9	Canada	2.2
Mexico	3.8	Denmark	2.1
Greece	3.6	Netherlands	2.0
Norway	3.5	Italy	1.9
Finland	3.2	Belgium	1.8
Ireland	3.1	France	1.8
United Kingdom	3.1	Germany	1.6
Spain	3.0	Portugal	1.4
Sweden	3.0	Japan	1.2
Iceland	2.9		

Source: IMF
http://www.imf.org/external/datamapper/index.php

In regard to the above given conditions it would not wrong to argue that Turkey's economy is in much better conditions than it was at the beginning of the 21st century. Especially the 2001 economic crisis, Turkey had faced, is accepted as an event that served for reforms which gave the country a new impetus. However, the opening of accession negotiations with Turkey was the major turning point which led to impressive economic growth rates and macroeconomic stabilization. This is also evident in the currently continuing world financial crisis. Turkey has managed to overcome the crisis without major losses. The fact that Greece, a member country of the EU since 1981, could not overcome the crisis, underlines Turkey's economic stability. However, in the context of Turkey's possible full membership to the Union, the general consensus is that the economic impact of Turkish accession to the EU is likely to be small. This was also expressed by the European Commission which related this to two factors. First, the modest size of the Turkish economy and secondly the degree of economic integration already existing before accession (cited in Güney, 2004, p 152). Mehmet Uğur (2008, p. 1) puts this further and explains this with three reasons. First, EU imports from Turkey account only about three per cent of total EU imports. Second, about 70 per cent of Turkish agricultural exports already enter the EU without any tariffs or quantitative

restrictions. Finally, Turkish accession does and will not affect the existing economic framework in the EU. Thus, Turkey's full membership will not imply a significant shock to the EU economy through the trade channel. A report of the Independent Commission on Turkey (2004, pp. 37-38), also stresses that Turkey's accession will have minimal impact on the EU economy, given the present conditions. However, the report also stresses that, according to estimates, full access to the internal market, including the agricultural products, which are not covered by the customs union, and the elimination of administrative and technical trade barriers, would lead to a bilateral trade increasing by around 40 per cent. Moreover, anchoring Turkey's economy to the EU, which has a stable economic system, would improve the investment climate in Turkey. This would give a strong impetus to both domestic and foreign investments, which in turn would result in job creation and a higher level of economic growth.

According to the Turkish Republic State Planning Organisation (2004) the improvement in Turkish economy through full membership would serve the EU market. Turkey is a large country which has a substantial young, well-trained and highly qualified work force. With its population of 80 million and its purchasing power, which is expected to increase steadily, Turkey's potential as a market for both EU goods and investments will gain importance (Independent Commission on Turkey, 2004, pp. 18-19). It is expected that Turkey's economic performance will increase with full membership. Previous enlargements support this estimate. For instance, Ireland's GDP at purchasing power parity (PPP), in 1973, was 61 per cent of EU average. In 1990 this rate became 73 per cent of EU average, and 115 per cent in 2003. It is estimated that this rate will be more in regard to Turkey due to its huge population, consumption demand and the expected increase in its purchasing power. Another study on Turkey's positive impact on the EU's economy, anticipates that Turkey's accession to the internal market would affect the economies of both Turkey and the EU via more intense trade relations. In this study, Arjan Lejour (2004, p. 135) argues that the accession to the internal market will increase trade between the parties for at least three reasons. First, the administrative barriers to trade will be eliminated or at lest reduced. This in turn would lead to less time delays, less formalities, etc. Secondly, accession to the internal market implies a reduction in technical barriers to trade. The Single Market reduces these by means of mutual recognition of technical regulations, minimum requirements

and the harmonisation of rules and regulations. Although the Customs Union Agreement between Turkey and the EU has eliminated some of these technical barriers, further eliminations have to be made. Finally, in regard to Turkey's economy, risks and uncertainties will be decreased. Especially, political risks and risks associated with macroeconomic instability would decline. This in turn would increase Turkey's credibility for domestic and foreign investments.

Foreign Direct Investment (FDI) is an important element that contributes to a country's economic growth. The increase of FDI flows in the 1990's was accepted as the evidence of globalisation. Studies show that the net contribution of FDI for a country is generally positive in economic terms. FDI is also seen as an important stimulus to the industrial growth and development for developing countries. Thus, it is important for a country to attract as much as FDI as possible. However, Turkey has always attracted very low inflows of FDI compared to other countries, despite its strategic location and its potential as a cheap export producer and a fast-growing consumer market (Barysch, 2005, p. 32). The reasons can be listed as structural barriers, heavy bureaucratic requirements, macroeconomic and political instability (TÜSİAD and YASED, 2004, p. 1).[28] However, since 2001, a comprehensive reform programme has been employed in order to create an investment friendly environment in Turkey and in 2003 a FDI law was adopted. Although FDI flows to Turkey have increased since, the amount is still low. Table 6 shows the FDI inflows to Turkey between 2004 and 2009. The increase of FDI inflows in 2005 and onward is accepted as the result of the opening of accession negotiations with Turkey which resulted in confidence building in the country.[29] As seen, there is a major increase in the amount, but compared to other EU member states, the amount is still low. On the other hand, the European Commission (2004, p. 15) underlines that it is evident that FDI flows to a country after full membership increase.[30] Kristy Hughes (2004) argues that the prospect of EU

[28] For full text please see, http://www.tusiad.us/Content/uploaded/TURKEY-FOREIGN-DIRECT-INVESTMENT-ATTRACTIVENESS.PDF

[29] Speech of Olli Rehn, European Commissioner for Enlargement, at the Conference on "Turkey and the EU Together for a European Energy Policy" held in Istanbul on 5 June 2007. For the full text please see, http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/362&format=HTML&aged=0&language=EN&guiLanguage=en

[30] For full text please see, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2004/issues_paper_en.pdf

membership, which would lead to increased political and economic stability, could result in an increase of FDI flows. This in turn would be a major contribution to Turkey's economy.

Table 6: FDI inflows to Turkey and selected EU member states* (billion $)

	2004	2005	2006	2007	2008
Turkey	**2.9**	**10.0**	**20.2**	**22.0**	**18.0**
Germany				56.0	25.0
France				104.0	97.0
UK				183.0	96.0

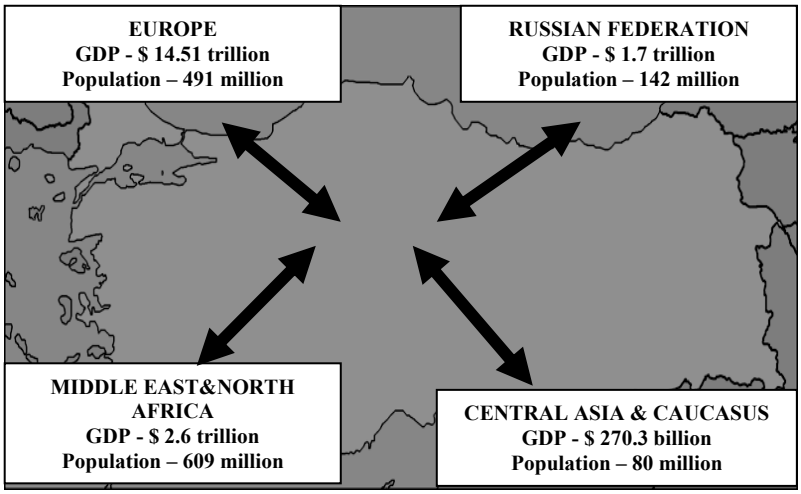
* EU member states with highest FDI inflows
Source: YASED 2009
http://www.yased.org.tr/webportal/English/Yayinlar/Documents/YASEDFDIReport2009Q3-nov09.pdf

Another issue related to the economic benefit, which Turkey could provide for the EU after gaining full membership, is related to competitiveness. The competitiveness of a product is related to its quality, reputation and price. To keep the price of a product low there is need for cheap but also trained work force. In this context the EU is facing significant challenges. It is becoming harder for the EU to compete with countries where salaries and service costs are lower. As a measure, the EU has moved its production to other regions such as East Asia. The EU is also facing difficulties with work force, which demonstrates a slow increase and even a decrease in some sectors. The accession of the CEECs in the post-Cold War era had served to overcome this problem for a while. EU investments into the Czech Republic, Poland, Hungary, Romania and Bulgaria helped to cut costs and to maintain competitiveness. However the EU could not hinder the rising of costs in these countries. On the other hand, Turkey with its steady population increase and its trained work force offers an advantage to the issue of competitiveness. With Turkey's full membership the flow of EU capital to East Asia and other distant lands could be stopped.

Another importance, for maintaining competitiveness, is the access to markets as easily and cheaply as possible. Turkey's connections to Central Asia, the Caucasus, Pakistan, Afghanistan, the Persian Gulf North Africa and the Middle East are particularly high. *Map 1* demonstrates that the total GDP of markets in proximity to Turkey accounts for 25 trillion $, with a market population of 1.5 billion people (Toprak, 2010). Turkish firms have close ties to the named markets. Many EU

companies prefer to enter these markets with a Turkish firm, through mergers, or with Turkish professionals due to cultural, historical, religious and linguistic similarities. In this context, Turkey has a major potential for great cooperation and easier access to those markets (Laçiner, 2005, pp. 75-76). With its current 80 million population and the connections with the work force in its proximity, Turkey can meet the EU's need for skilled but cheap workforce. Thus, investments would stay within the EU while capital would accumulate in the EU.

Map 1: Market's accessible through Turkey



Source: IMF World Economic Outlook April 2009

III. 2. 1. 1. Transportation Routes and Systems

Transport is one of the most important elements of economic cooperation. The lack of effective, secure and efficient transport would be a major challenge for conducting trade or international investment. The transportation policies of governments play an important role in maintaining and enhancing economic competitiveness. Geographically, the East Mediterranean region is on an important location. It constitutes not only a bridge between Eats and West but is also an intersection point between Asia, Europe and Africa and at a wider scale, between regions such as the Black Sea, the Balkans and the Middle East. Europe aims to reach Asian markets with an improved logistical infrastructure such as the Trans European Transport Network, the Transport Corridor Europe-Caucasus-Asia (TRACECA) and Pan Europe transport routes.

Transportation is an important policy area of Turkish governments. Turkey's natural bridge position, in the framework of the emerging markets of the Caucasus and Central Asia, makes infrastructure investments economically attractive. In the context of connections between Pan European Transport Corridors and Central Asia, Turkey's role as one of the most important countries in the Black Sea region and Mediterranean basin has grown for both East-West and North-South connections (UN Economic and Social Council, 2006, pp. 1-3).

Goods and services produced in Turkey, by EU companies, are already reaching the countries of the Black Sea region, the Caucasus, Central Asia and the Middle East. This economic advantage is possible because of the geographical proximity to these markets. But geographical advantages would not be effective without effective transportation systems which have been developed in recent years. Two of the main arteries for truck and train transportation systems to the Middle East and Central Asia start in Turkey. Reaching Northern Iraq and Syria is easiest through the Turkish ports of Mersin and Iskenderun. Turkey's highway and rail connection to European destinations makes Turkey also a bridge between the Middle East and the EU (Turan, 2007, pp. 10-11). For instance, a significant portion of Iranian and Syrian trade with Western European countries passes through Turkey. The Trans Turkey Highway (TTH) route has a vital importance in Turkey's main road systems. The TTH starts at the Bulgarian border and passes through Istanbul, Gerede and Ankara. Then the highway separates, one ending at the Syrian border, the other at the Iraqi border. Another branch starts at Gerede and ends at the Iranian border. The TTH is also connected to the road network of Europe and Central Asia. The Trans European South-North Motorway (TEM) is another important transportation route which starts from Poland and reaches Asia via Turkey. The international Road Network of Southern Europe (AGR) reaches Turkey through two arteries, one that starts from the Bulgarian border (Kapıkule) and the other starting from the Greek border (Ispala). These two main routes are connected with the International Road Network of the Middle East and Asia.[31]

Turkey's role as a transit route to the Middle East, the Caucasus and Central Asia is likely to grow in future years, particularly with the economic development of the

[31] For more information please see the web-site of the Republic of Turkey Ministry of Transport and Communication, http://www.mt.gov.tr/eubak/projects/international

Caucasus and Central Asian countries. Multiple transportation options are important for EU trade with these regions. Turkey's accession to the EU will facilitate the development and the expansion of these transportation links. As an EU member, Turkey's role as a corridor for road, rail, air, maritime and pipeline connections between Europe and its southern neighbourhood, but also wider regions, will increase considerably (European Commission, 2004, p. 9).

III. 2. 1. 2. Economic Benefits in Terms of Demography

The 20th century was the century of population growth with the world population increasing from 1.6 to 6.1 billion. The 21st century, however, will be that of global population decrease with the proportion of above age 60 increasing from currently 0.10 to 0.25-0.45 per cent by 2100. The speed of population ageing will increase over the coming decades (Lutz, 2008). Aging demography and the population decline constitutes a major challenge for the world but also for the EU. The European Commission is considerably dealing with the demographic problem. Since 2006, a European Demographic Forum is held every two years in order to address the challenges of ageing. As it has been announced in the Communication of October 2006, the Commission is organising every two years a 'Forum on Europe's Demographic Future'. The Forum offers the opportunity to Member States, stakeholders and experts from all over Europe and from a wide range of fields to exchange best practices and to reflect on how to prepare best for the consequences of the demographic transformation that is taking place in Europe.

The EU-27 population is projected to increase from 495 million in January 2008 to 521 million in 2035, and thereafter gradually decline to 506 million in 2060. From 2015 onwards, deaths would outnumber births, and hence population growth due to natural increase would cease. At this point, positive net migration would be the only population growth factor. However, from 2035 this positive net migration would no longer counterbalance the negative natural change, and the population is projected to begin to fall (Eurostat, 2008b). The EU-27 population is also projected to continue to grow older, with the share of the population aged 65 years and over, rising from 17.1 per cent in 2008 to 30 per cent in 2060, and those aged 80 and over, rising from 4.4 per cent to 12.1 per cent over the same period *(see Table 7)*. The EU-27 population is projected to

become older throughout the projected period, due to persistent low fertility and an increasing number of survivors to higher ages. It is estimated that this ageing process will occur in all member states (Eurostat, 2008b).

Table 7: Population projections for age groups in EU-27 for 2010-2060

(in thousand)	2010	2020	2030	2040	2050	2060
Total Population	499 389	513 838	519 942	520 103	515 304	505 719
0-14 age	77 624	78 898	75 533	72 610	72 414	70 952
15-64 age	334 987	331 887	321 944	307 848	294 442	283 293
65- over	86 778	103 052	122 465	139 644	147 448	151 474
80- over	23 255	29 281	36 022	46 085	56 640	61 352

Source: Eurostat 2008
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Population_projections

Turkey's young and growing population could have a positive impact on the EU in terms of demography. In comparison to most EU member states, Turkey's population is increasing steadily. According to Eurostat estimations, in 2060, the largest member state will be the UK with a population of 76,677 million followed by Germany with 70 million *(see table 8)*. According to a projection of the UN, Turkey's population will be close to 100 million in 2050. Thus, in terms of population, Turkey will be more dynamic in the next generations than other EU member states (Derviş *et al*, 2004, p. 201). Since aging is an important problem for the EU, the decline in the size of populations combined with a growing percentage in the category of aging will necessitate an adjustment process. If the inclusion of a new population, whether through enlargement or migration, could not be achieved, the natural outcome would be a drop in the level of economic welfare. Thus, expanding the labour pool and bringing about a different age distribution is needed. Turkey's accession to the Union would be an effective way to realize this. This would ensure the demographic structure for long-term economic prosperity of the EU (Turan, 2007, pp. 12-13).

The above mentioned estimates and arguments support the fact that Turkey's demographic indicators will be of crucial importance for the EU's future demographic challenges. However, Turkey's huge population is one of the main arguments for the supporters that are against Turkey's inclusion to the Union. If Turkey becomes a member of the Union it will be the second largest country, in terms of population, after

Germany. Size has implications for power and presence in the Union's political and economic system. It is a fact that, once a member, Turkey will affect the allocation of power and influence on decision-making and policy formulation. As a large member state, Turkey will have a powerful voice in the EP and the Council of Ministers, where most decisions are approved by QMV. However, since rational approaches of international relations and European integration assume that the relationship between parties is based on cost-benefit calculations, Turkey's huge population appears to constitute a major benefit. Indeed, whereas reforming the institutional structure of the EU is possible, interfering on demographic indicators seems not possible. Thus, Turkey's huge population will constitute a benefit that will outweigh the costs.

Table 8: Population projections for selected EU member states*

Country	Population (in thousand)			Growth since 2008 (%)	
	2008	2035	2060	2035	2060
Germany	82 179	79 150	70 759	-3.7	-13.9
France	61 876	69 021	71 800	11.5	16.0
UK	61 270	70685	76 677	15.4	25.1

*Member states with highest population
Source: Eurostat 2008
http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/08/119

III. 2. 2. Benefits for European Security

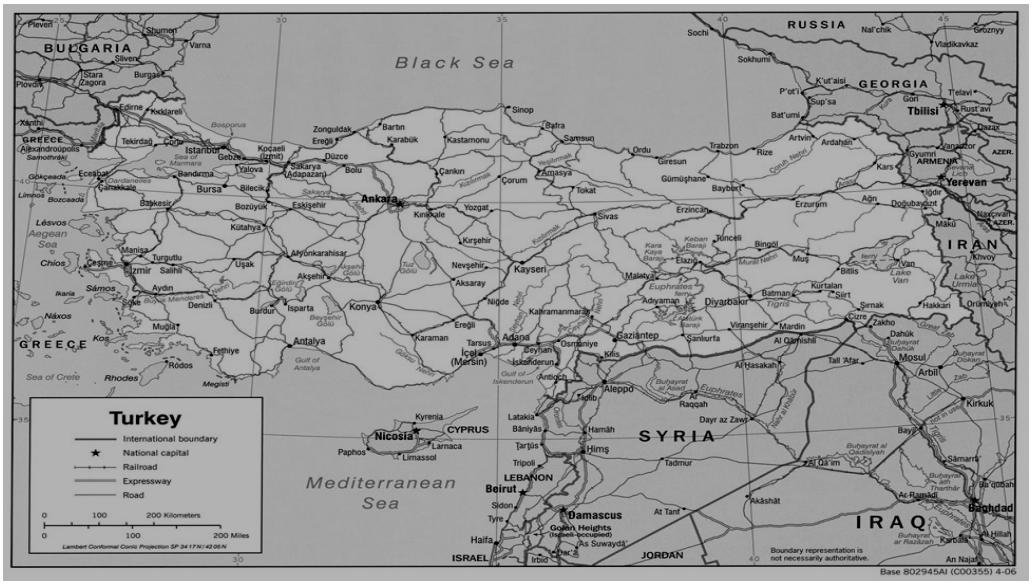
As mentioned in the previous sections, the end of the Cold War has changed the bi-polar order of the 20th century and the US became the dominant military actor of the world. The end of the Cold War has triggered conflicts in the periphery of the EU, namely the Middle East, the Balkans and the Caucasus, which all affected the EU directly. Two important examples in this regard are the Gulf War of 1990-1991 and the Balkan War of 1992-1995. Both wars have affected not only the security of the Middle Eastern and Balkan countries but also that of most Western European countries in various ways. Almost all countries felt the negative consequences of the rise of oil prices and the costs of war, during the Gulf War, as well as the negative impact of refugee influx, immigration and the fear of expansion of the wars to the borders of EU countries during the Balkan War (Gözen, 2003, p. 4). This situation was also underlined

by the 2003 European Security Strategy as "Europe still faces security threats and challenges. The outbreak of conflict in the Balkans was a reminder that war has not disappeared from our continent. Over the last decade, no region of the world has been untouched by armed conflict". The Security Strategy further states that Europe has to be ready to share the responsibility for global security and in building a better world. The key threats for security are listed as terrorism, proliferation of Weapons of Mass Destruction (WMD), regional conflicts, state failure and organised crime. The European Neighbourhood policy (ENP), developed in 2004, aims to address the strategic objectives set out in the 2003 European Security Strategy. It is a foreign policy tool the EU had adopted after its 2004 enlargement, to the CEECs, with the objective to share the benefits of enlargement with the neighbouring countries and to jointly handle the challenges resulting from enlargement. The ENP covers the EU's immediate neighbours which are Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Ukraine (European Neighbourhood Policy, 2004, p. 7). The EU has also an interest in the Middle East (the Middle East Peace Process) and the Gulf Cooperation Council countries which are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Turkey's location is important since it is surrounded by the above mentioned regions in which the EU has interest *(see map 2)*. With Turkey's full membership the EU will have direct borders with the Middle East, the South Caucasus and the Balkans. Turkey's membership would lead to several significant opportunities in the named regions through its geographical proximity and also through its historical, cultural and religious ties. According to Tom Casier (2010, pp. 102-103), each country on the international scene affects other countries and the first affected environments are the immediate neighbours. Thus, Turkey's full membership would constitute an advantage for the EU and its policies in these areas. In terms of objective advantages, Turkey would supply the EU with military capability. In subjective terms, Turkey would be a positive example for these regions. It would be a clear signal that concepts like democracy, human rights, the superiority of law and even laicism are not values of a certain religion or culture but universal concepts (Derviş *et al*, 2004, pp. 86-87). Moreover, Turkish membership would support the argument that the EU is a

multicultural community based on universal values and norms, not on religion. (Derviş *et al*, 2004, p. 87). In this context, the next part will deal with the objective and subjective advantages the EU would gain from Turkey's possible membership.

Map 2: Turkey and its neighbours:



Source: *e-Turkey*
http://e-turkey.net/images/maps/turkey_map_political.jpg

III. 2. 2. 1. The CFSP Dimension

Security is an important element for the EU in its decision to enlarge. For instance, Romania's location was considered important for the EU's security. The EP had expressed this as follows: "Romania's strongest asset lies in the field of the second pillar, the CFSP … The country's location is in a region which is of key sensitivity for security in Europe, bordering as it does the Ukraine, Moldova, on former Yugoslavia (Serbia), and on the Black Sea area" (quoted in Lundgren, 2006, p. 131). Thus, whereas Romania was worse than Turkey, in economic and democratic terms, security implications were important in considering its membership to the Union. In 1997, before Turkey's potential accession was on the agenda, Commissioner for relations with Central and Eastern Europe, Hans van den Broek stated that "All are aware of the important geopolitical and strategic factors which favour Turkey's integration into the European family" (ibid).

According to Meltem Müftüler-Bac (2006, p. 17), if Turkey is excluded from the EU the costs for the EU would be very high. An EU with Turkey as a full member would be a more effective actor in the global arena. According to her, Turkey's power in terms of security lies in two reasons, its military power and geostrategic location. Turkey's geographical location and its proximity to the Middle East, Caucasus, Eastern Mediterranean, Central Asia and the Balkans plays an important role for the EU's regional policies. At a time when the EU is set to assume greater responsibilities in world politics, Turkish accession would considerably strengthen the Union's capabilities as a global actor. Both the European Security Strategy (2003) and the ENP (2004) put great emphasis on the Southern periphery for European security. Both documents stress the need to project stability into the continents neighbourhood (Independent Commission on Turkey, 2004, p. 17). Turkey's geo-strategic importance was also approved by Javier Solana (1999), who stated that:

> *"Turkey as an active and valued member of the Alliance, has contributed to the shaping of our common security. Its proximity to the Balkans, the Caucasus, Central Asia, the Middle East and the Mediterranean puts Turkey in the epicentre of change. ... It is this new role of Turkey that makes this country a major asset in NATO's new co-operative approach to security. ... [And] in contributing significantly to the Alliance's outreach and co-operative activities with non-NATO countries, Turkey has a particular importance in developing the new co-operative security architecture in Europe"* (quoted in Gözen, 2003, pp. 18-19).

The document on Turkey, prepared by the European Commission, "Issues Arising from Turkey's Membership Perspective" (2004, pp. 7-8), also outlines Turkey's geopolitical and strategic importance. The document states that there is a large convergence of views between Turkey and the EU about the need for a stable, predictable and democratic Iraq. Turkey has an important role to play in the stabilization and reconstruction of Iraq. With Turkish membership relations between the EU and Iran can be expected to intensify as a result of a common border. Through Turkey the EU could have a stabilizing influence in the Southern Caucasus. EU relations with Azerbaijan, Georgia and the Caspian Sea countries could be enhanced and Turkey could provide a channel for the political influence of the EU in Central Asia. Following EU

accession and building on the strong historical, cultural and economic ties, Turkey could help to stabilize Central Asia and encourage the development of democratic values in a region which, after the collapse of the Soviet Union, has been subject to political instability (2004, p.8). Thus, Turkey's importance was affirmed by the European Commission in 2004.

With Turkey's accession, the EU's borders will extend to Turkey's neighbours, which are very important for European security. Especially the Middle East has an effect on the EU through oil supply, terrorism, migration, human trafficking, narcotics and arms proliferation. The EU lacks the means to tackle the problems originating in this region and has until present been unable to play an effective role in the Middle East. According to Özgür Ünal Eriş (2007, p. 210), should the EU fail to play its part as a guide, the Middle East might be reshaped adversely, perhaps in a way that could cause serious harm to the EU. As a country familiar with the reigon and having a significant role, Turkey could contribute to the EU's regional policies and increase the EU's potential role as an international actor in this region.

During the Cold War, Germany was the frontal state against a Soviet aggression. Turkey constituted the most important element of the Southern flank. However, with the end of the Cold War, not only the types of threats but also their locations have changed. The new threats have become soft security threats, such as terrorism, State failure and the proliferation of WMD. The locations of the threats have also been relocated. NATO sources indicate that there are 16 potential crisis points around Turkey (Gözen, 2003, p. 14).[32] Consequently, the location of the frontal state has shifted from Germany to Turkey. Today, Turkey's location is where the security threats are first encountered by the alliance. In this context, Turkey's importance for European defence has been enhanced (Turan, 2007, p. 15). In this regard, Turkey's considerable military capabilities and the country's potential as a frontal state would be an important and necessary asset.

The Commission document on Turkey "Issues Arising from Turkey's Membership Perspective" (2004, p. 10) states that "with its large military expenditure and manpower, Turkey has the capacity to contribute significantly to EU security and defence". Thus,

[32] These potential crisis points are listed as Bosnia and Herzegovina, Sandjak, Kosovo, Albania, Macedonia, Nagorno-Karabakh in Azerbaijan, Chechnya, Abkhazia in Georgia, Georgia-South Ossetia, Northern Iraq, Iran, Syria, Cyprus, Vojvodina, Privlaka and Belarus.

besides its strategically important location, Turkey has also considerable importance in military and defence issues. Turkey, as the sixth largest armed force of the world, has the second largest armed forces in NATO, following the US, and has the largest armed force in Europe and is the world wide biggest purchaser of conventional arms technology (Islam, 2008, p. 32). Moreover, the Turkish armed forces have had considerable experience in peacekeeping in several countries, ranging from Somalia to Bosnia. Unlike most European armies, the Turkish army has actively been engaged in war fighting for extended periods. As a European official said, "We rely more and more on Turkish peacekeeping troops … The airlifting of French troops to Congo was done by the Turkish air force because we couldn't do it. … We were begging them to send police to Kosovo" (quoted in International Crisis Group, 2007, p. 5). Turkey as an EU member country can therefore be expected to be a crucial contributor to European military efforts in terms of personnel, equipment and logistics. Turkey could also help to fill Europe's military and defence gap, which is increasingly perceived by US officials as a stumbling bloc for EU-US cooperation. The *Washington Post* points out that "The EU's declared goal of being able to deploy 60,000 soldiers (…) will require 200,000 soldiers because of rotation needs. Yet the European allies, with 2 million soldiers on paper, had trouble fielding 40,000 for peacekeeping in the Balkans" (quoted in Islam, 2008, p. 32). In this regard Turkey has to be considered as a huge asset for military capabilities.

Turkey's inclusion to the EU would provide further incentive to strengthen the EU's international role. In the post-Cold War era, Turkey's past contribution to NATO missions, such as those in Afghanistan and its participation in the EU-led mission in Macedonia, demonstrate that Turkey is a valuable security partner. Turkey's importance as a security partner was also underlined by Joschka Fischer who stated that "In order for the EU to be powerful and for our children and grandchildren to live in peace, Turkey needs to be a member in the EU" (quoted in Müftüler-Bac, 2004, p. 42). Nevertheless, there are also arguments that if Turkey becomes a full member of the EU, the Union will have direct borders to an unstable region made up of countries such as Syria, Iraq, Iran and the Caucasus states. However, it is also true that Europe has to increase its involvement in the Middle East partly because of the civilization issues that will be separating the West from the East. Stability in the Middle East in an age of

missile and WMD proliferation will demand that Europe's defence start far away from its own borders. The failure of the US in Iraq was explained by the US as Turkey's uninvolvement in the war. Thus this signals that the success of military operations in Middle East depends mainly on Turkish involvement (Müftüler-Bac, 2006 p. 19). Therefore Turkey's contribution could be of crucial impotance.

What role Turkey will play for the EU in security terms is directly related with what role the EU plays and will play in the future. As discussed in the previous chapter, the EU has difficulties in forming a truly common foreign policy. This, on the other hand, is a major obstacle to identify the EU as an effective global actor. So, if the EU has the objective to become a global actor that is able to influence and shape third parties, and as discussed before, it is obvious that it has this objective, than Turkey's membership would be a major contribution. An EU without Turkey, as a full member, would face major difficulties in regions that are not bound to Europe, historically or culturally. This in turn would be a major threat for Europe's own security.

III. 2. 2. 2. Turkey as a Bridge[33]

According to Stephan Keukeleire and Jennifer MacNaughtan (2008, p. 322), Islamism is a power which does not fit within conventional categories and conceptions of foreign policy. It is a competing power which is developing to a large extent both outside and against the dominant structures established and sustained by the West. The main challenge faced by the other global structural powers such as the EU, US, Russia and China, is whether Islamism will remain 'against' the West, leading to an escalation of tension, or whether Islamism and Western structural powers will grow closer and develop a peaceful coexistence. In the light of this argument, Turkey, as the only secular Muslim country, has a certain potential to serve to the latter argument.

Traditionally, Turkish foreign policy was based on the principle of non-involvement in Middle Eastern, particularly Arabian, affairs. This was largely the result

[33] Scholars are divided in the usage of the terms 'bridge' and 'model'. Whereas one view is that Turkey could be a model for the Muslim world by demonstrating that Western values can be applied to a Muslim country, the other view is that Turkey should be referred to as a bridge. This view is based on the argument that Turkey is the only secular and democratic Muslim country and that it would be impossible that other Muslim states would become secular democracies. This thesis refers to the notion of Turkey as a bridge since the main focus is on the benefits the EU will gain. Turkey as a model, however, would be more related to the benefits the concerned countries would gain.

of Atatürk's determination to end the link between the Turkish state and the East. During the 1980's, Turkey began to be more actively involved in Middle Eastern affairs through trade relations with Iraq and Iran.[34] However, the breakthrough in Turkey's foreign policy towards the Middle East came with the Gulf crisis of 1990-1991. Turkey became actively involved in the coalition against Iraq since the power balances in the region were very important to Turkey (Müftüler-Bac, 1997, pp. 38-40). The Gulf crisis demonstrated how vulnerable Europe is to turmoil in the Middle East and the extent to which Europe depends on stability in this region. Turkey's active role in the crisis proved its solidarity with the West and demonstrated that Turkish cooperation in achieving stability, order and peace in the Middle Eastern region is of vital importance in the new post-Cold War European order (Müftüler-Bac, 1997, p. 42).

Turkey has improved its relations with the Islamic world in the last 15 years. Especially under the Justice and Development Party (Adalet ve Kalkınma Partisi, AKP) government, Turkey has forged new ties with Iran, Syria and the Arab world, departing from a traditional policy of siding with the West. Turkey's policies towards the Iraq War have led to great sympathy from the countries in the region (Laçiner, 2005, p. 24).[35] Public statements by Egyptian and Iranian leaders from the region made it clear that they support Turkey's membership bid and regard it as a test for the EU's reputation in the Muslim world (Everts, 2004, p. 4). According to a survey of the non-governmental think-tank, Turkish Economic and Social Studies Foundation (TESEV), titled 'The Perception of Turkey in the Middle East',[36] respondents argued that Turkey has taken a more active policy in the Middle East, particularly since 1990, and that the change has become more visible than ever under the rule of the JDP government, and that the Davos incident[37] has helped to boost this image. According to the survey, with 75 per cent, Turkey is the most highly regarded country in economic terms among Arabs, following Saudi Arabia (80 per cent) and Egypt (80 per cent). Turkey's role in playing an influential role in the Middle East is supported by 77 per cent of the respondents. The

[34] The military coup in 1980 left Turkey isolated from the Western system. The EC and the Council of Europe had expressed their disappointment over the political situation in Turkey. The undemocratic situation had hindered relations with Europe. Consequently Turkey began to look for alternative markets.
[35] On 1 March 2003 the Turkish Parliament had rejected the request for US troops to be based in Turkey.
[36] For full text please see, http://setavakfi.org/ups/dosya/6467.pdf
[37] A dispute between Turkey and Israel which took place at the panel discussion of the Davos World Economic Forum between Turkey's Prime Minister Erdoğan and Israeli President Shimon Peres.

question ‘could Turkey be a model for the Arab world?’ was answered affirmatively by 61 per cent of respondents, which is considered as important by researchers, considering Turkey’s secular political structure. 64 per cent of participants believe that EU full membership will strengthen Turkey’s role in the Arab world.

Turkey’s foreign policy orientation has also changed profoundly in the past few years. Formerly Turkey’s relationship with the US was the priority for Turkish foreign policy. Relations with Europe and the EU mattered but were always of secondary importance (Everts, 2004, p. 3). At present, however, the priorities have changed. Whereas Turkey’s pro-US stance remains solid, Turkish foreign policy gained a more diverse character. The rejection of the US request to base troops in Turkey was the most obvious proof of this. Traditionally, Turkish political leaders abstained from speaking about the need for greater accountability, wider political participation and more respect for human rights in the Muslim world. These were recognized as ultra-sensitive issues. Recently, however, politicians mainly from the AKP have started to call for a gradual democratisation of Islamic countries. For instance at the Organisation of the Islamic Conference (OIC) meeting, in March 2003 in Tehran, the then Turkish Foreign Minister Abdullah Gül stated that “Turkey is in a position to be an intermediary that can promote universal values shared with the West, such as democracy, human rights, the supremacy of the law and a market economy in the region” (quoted in Everts, 2004, p. 7). According to Kemal Kirişçi, Gül’s speech “…may well be the first occasion when Turkey has openly attempted to live up to the frequent calls of becoming a model for other Muslim countries with some credibility” (ibid).

After the September 11 terrorist attacks, terrorism started to be seen as the major international threat of the 21st century. The fact that many terrorists turn out to be of Middle Eastern origin is especially important in this context. A widely accepted opinion is that Turkey’s exclusion will send the message that European values are not compatible with Islam (Müfütler-bac 2006 p. 18). On the other hand, Turkey’s inclusion to the EU as an equal, free and strong member of the Western world will send a strong message to the Muslim world. This message would declare that Muslims can interact with the West economically, politically and through other peaceful ways following Turkey’s example. Thus, the feeling of victimization that radicalizes Muslims and leads them to marginal groups would be weakened (Laçiner, 2005, p. 31). Moreover, the

presence of Turkey within the EU would facilitate the EU's efforts to reach and engage in mutually beneficial relations with the countries of the Middle East, Central Asia and the Caucasus since it would have a better image in those regions (Everts, 2004, p. 4, Turan, 2007, p. 14). In the words of Jan Zielonka (2008) "I believe that Turkey is our key to addressing problems of countries surrounding Turkey: Iran, Iraq and Syria in particular. And Turkey can also become our means to influencing other Islamic countries. If Turkey can be a stable democracy with a prosperous market economy as part of the EU, this would send a strong signal to other countries".

The relations between Turkey and the Arab Middle East have improved especially with the AKP government. More and more Arab officials have openly welcomed Turkey's relations with the EU and have made statements to the effect that they consider this to be something positive in terms of their own economic and political development (Kirişçi, 2006 p. 90). For instance, the leader of the influential *Al-Ahram* daily in Cairo argued that with the decision to open negotiations with Turkey, the advocates of those who sought to brand the EU as simply a 'Christian Club' had lost. This, the leader argued, would increase the prospects of dialogue between the two worlds (cited in Kirişçi, 2006, p. 92).

Turkey's importance to act as a bridge between the EU and the Islamic world is also underlined by various EU officials. Commissioner Olli Rehn, for instance, calls Turkey a Muslim pioneer with the soft power to project EU values eastward. Leon Brittan, former Vice-President of the European Commission similarly stated in 1994 that "In an increasingly interdependent world, Turkey draws increasing strength from its position as a bridge between developed and developing neighbours, a bridge between Asia and Europe, a bridge between the religions of Islam and Western Europe" (quoted in Lundgren, 2006, p. 136). Similarly Hans van den Broek, former Commissioner for External Relations and ENP stated in 1994 that "Turkey's Islamic culture is an asset in a continent which has always sought unity in diversity and which wishes to improve relations with the Muslim world" (ibid). In 2004, Commissioner Olli Rehn stated that "as a large Muslim country firmly embedded in the European Union, Turkey could play a significant role in Europe's relations with the Islamic world" He further stated that "A Turkey where the rule of law is firmly rooted in its society and state will prove that, contrary to prejudices, European values can successfully coexist with a predominantly

Muslim population" (quoted in Lundgren, 2006, p. 137). He continued "[the] defining issue of the 21st century … the greatest challenge of our time is the relationship between Europe and Islam, or more widely between the West and Islam … Turkey is an anchor of stability in the most unstable region of the world, in the wider Middle East. It is a benchmark for democracy for the Muslim world from Morocco to Malaysia … Turkey is, not only in rhetoric but in reality, a bridge between civilisations. With the accession process, and with a successful accession process, of Turkey to the EU, she can become a sturdier bridge of civilisations" (quoted in International Crisis Group, 2007, p. p.16). Turkey's importance as a bridge was also affirmed by the European Commission. The Commission document "Issues Arising from Turkey's Membership Perspective" (2004, p. 9) states that Turkey would be an important model of a country with a majority Muslim population adhering to such fundamental principles as liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law. This is particularly relevant given the debate and perceptions which have arisen in the aftermath of the 11 September 2001 attacks.

The clash between civilisations, as predicted by Samuel Huntington, turned out to come true especially with the 9/11 terrorist attacks on the US. The division between the West and East is becoming more and more evident. In such an international order, Turkey's membership would be an important contribution for establishing harmless and even friendly relations with the 'other'. Turkey as a predominantly Muslim country could be the actor in ending the sharp division. On the other hand, Turkey's exclusion from the Union, which is totally made up of Christian members, would deepen the division and would be accepted as the obvious proof that the 'other' cannot exist together. Thus, the rhetoric would become formality.

III. 2. 2. 3. The EU's Image: Old Europe or New Europe?

Nationalism and the idea of superior race led to two world wars which resulted in the devastation of the European continent. According to Sedat Laçiner (2005, p. 12) this led to a *more self-questioning* and the construction of a 'New Europe' built on different values than nationalism, racism and culture. Thus, the EU was not formed to revive old Europe, but to raise a much better one from its ashes (Laçiner, 2005, p. 13). However, Turkey's membership bid opened the way for the 'Old Europe vs. New Europe' debate.

Fuat Keyman and Ziya Öniş (2007) define New Europe as Europe that has a political identity, defined in terms of the universal norms of democracy and modernity. This political vision of New Europe requires the candidate countries to transform their political system into a consolidated democracy. More concretely, New Europe entails what has come to be known as the "Copenhagen Criteria" as a basic requirement of full membership, that requires the candidate countries to adopt their democratic regimes to the level of democratization in Europe. In this sense, the Copenhagen criteria for New Europe constitute the "sufficient condition" for European political identity. The other vision is about Old Europe, which Keyman and Öniş (2007, pp. 93-94) refer to as Cultural Europe. This view supports that, Europe should be drawn on the basis of the cultural and geographical understanding of European identity. For those, the Copenhagen criteria are not a sufficient condition for full membership. It is only a necessary condition. For Cultural Europe Turkey should not become a member because of its Muslim religion. New Europe, however, should view Turkey's membership as a contribution to its democratic and multicultural identity. In that sense, Turkey's full membership status will not only determine the future place of Turkey in Europe, but will also determine which of these competing visions of Europe will shape both, the formation of European identity and the role of Europe in today's global relations (Keyman and Öniş, 2007, pp. 94-95).

For many Arabs and Iranians, the EU is a white, "Christian Club" with suspicious legacies. There is a deep sense that the 'West' is a hostile force to Muslims worldwide. If the EU would accept Turkey as a full member, it would send an immensely powerful signal to the contrary (Everts, 2004, p. 4). Turkey's full membership would justify the fact that the process of European integration and its enlargement operates on the basis of universal norms rather than on religion or geography. With such a political identity, Europe has the potential to reshape international relations as a democratic space of world governance which the extremely dangerous post-9/11 world needs today (Keyman and Öniş, 2007, p. 100). Especially in the age of the 'clash of civilizations', which became especially evident with the September 11 terrorist attacks, Turkey's full membership would send the right message to the world and would be the proof of the EU's political identity. With the inclusion of Turkey, the definition of Europeanness

would not be based on the 'other', but on more constructive values such as human rights, welfare, freedom, democracy and liberal economy (Laçiner, 2005, p. 18).

Turkey's inclusion to the Union would provide undeniable proof that Europe is not a closed "Christian Club". It would confirm the Union's nature as an inclusive and tolerant society, drawing strength from its diversity and which is bound together by common values of liberty, democracy, the rule of law and respect for human rights. Europe would send a powerful message to the rest of the world that the "Clash of Civilizations" is not the inevitable destiny of mankind. Europe would also gain wide respect and credibility in the Islamic world, enhancing its 'soft power' in many parts of the globe (Independent Commission on Turkey, 2004, p. 16). This appears to be especially important since significant politicians such as Helmut Kohl, Angela Merkel and Nicolas Sarkozy do not abstain from underlining Turkey's religion as a hinder for its membership.

III. 2. 3. Benefits for EU's Energy Supply Security

Energy is central to human lives. From primary production, to transportation and heating and light, energy is the basis of any economy and an important component for economic development. The supply of energy has to be cheap, reliable and sustainable for any international power. Energy trade for the producer side is about selling energy for own profits and for the consumer side to secure the own energy supply. In economic terms, energy trade can be seen as a normal commercial transaction. However, since it is impossible to live without energy and since it is necessary for economic development, energy is measured as a strategic good, and the control over energy supplies has always been an issue of worry for governments. For realist theory, energy security occupies an important space as a component of state power, in terms of defence (fuel for ships, tanks, armaments production). According to realism, when states must import a resource necessary to state survival, this vulnerability creates a weakness for that state. In such a situation, a state must do all it can to limit this vulnerability.

Energy is directly related with the European integration process since the first two European Communities, the ECSC and Euratom, have dealt with coal and nuclear energy policies (Oktay and Çamkıran, 2005, pp. 73-74). However, energy resources have always been seen as national resources by the member states of the EU and

therefore perceived as national security subjects. As a consequence, there has never existed a separate chapter on energy in the treaties of the EC or EU. Energy policy was rather included in the list of objectives in both, EC and EU treaties (Aydın, 2004, p. 383). The general long-term European energy policy objectives were first set out in the 'White Paper on Energy Policy for the EU', published by the Commission in 1995. However, high oil prices, Europe's increasing dependency on few external suppliers, and the decrease of fossil fuels resources had restarted a debate on the need for a common European energy policy. The outcomes were the Green Paper 'Towards an European Strategy for the security of energy supply' (2000), the Green Paper on 'Energy Efficiency- Doing more with less' (2005) and the 'Green Paper: A European Strategy for Sustainable, Competitive and Secure Energy' (2006), which laid down the energy policy objectives as, securing affordable energy supplies, respecting market mechanisms, promoting energy efficiency and protecting the environment. The Lisbon Treaty contains a separate chapter on energy (Title XX, Article 176A), which puts some areas of energy policy under shared competence. This signals a clear move towards a common energy policy. Nevertheless, member states still maintain their right to "determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply" (Article 176A).[38]

III. 2. 3. 1. Challenges for the EU:

Today the EU is the world's second largest energy market, with over 450 million consumers.[39] The energy sector makes up an important part of EU imports. The EU has imported € 335.2 billion of energy products[40] in 2007, with a total share of 23 per cent of total imported products, whereas only € 63.5 billion of energy products were exported *(see Table 9)*. In general, the EU imports half of its energy needs and it is estimated that this figure will increase to 70 per cent by 2030. The European Commission also estimates that fossil fuels (oil, gas, coal) will account for 85 per cent

[38] For further information please see the web-site of the European Parliament, http://www.europarl.europa.eu/parliament/expert/displayFtu.do?language=en&id=74&ftuId=FTU_4.13.1.html

[39] The European Commission "Green Paper: A European Strategy for Sustainable, Competitive and Secure Energy", http://europa.eu/documents/comm/green_papers/pdf/com2006_105_en.pdf

[40] Main goods of energy products are crude oil, refined petroleum products, coal, gas and electric.

of the total energy consumption by 2030.[41] 84 per cent of gas would have to be imported, as would 93 per cent of oil.[42] Currently, fossil fuels make up over four-fifths of the EU's total energy consumption, two-thirds of which are imported.

Table 9: EU energy trade for 2002-2007 (in billion €)

	2002	2003	2004	2005	2006	2007
Energy export	26.2	27.4	32.9	45.9	58.7	63.5
Energy import	149.1	157.9	183.6	272.6	339.6	335.2

Source: Eurostat 2009b
http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-CV-08-001/EN/KS-CV-08-001-EN.PDF

It has to be noted that, most energy supply concerns in Europe are about natural gas, not crude oil. This has two main reasons. First of all, with the development of its different uses, especially for power generation, gas is increasingly gaining importance for the EU and the world. Secondly, and more importantly, the supply of natural gas is mainly provided by pipelines,[43] a system that requires long-term commitments and cross-border agreements, made mostly between more than two countries: the supplier, the transit nation and the consumer. Moreover pipeline systems are complicated because once the infrastructure is in place; there is generally no instant available alternative supply route from another place (Harks, 2006, p. 48).

As indicated above, the EU is dependent to outside suppliers in terms of energy products. The 'European Strategy to provide Safe Energy' Green book of 2000 and the Green Paper on energy security of 2006, both published by the European Commission, emphasizes the EU's energy dependency (Eurostat, 2009b, pp. 18-19). The EU itself has internal resources of energy, mainly the North Sea petroleum reserves and natural gas reserves mainly in the Netherlands and the UK. However, the North Sea petroleum reserves, which are under the control of the UK, constitute only 4.4 per cent of the world's petroleum reserves. Moreover, because of high production costs, North Sea

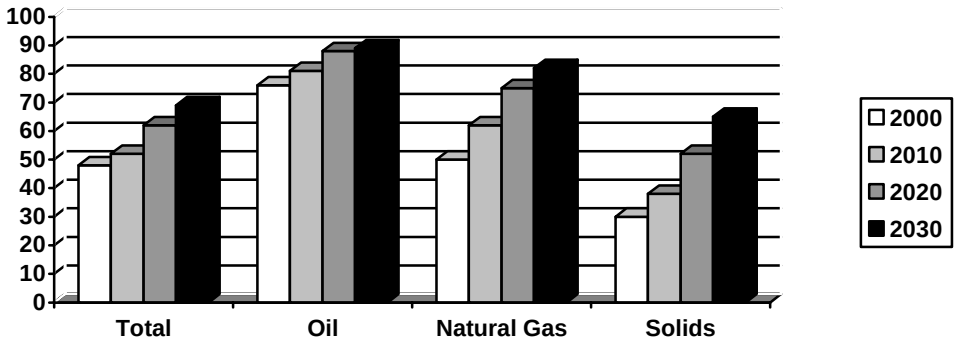
[41] For more information please see the European Commission, http://ec.europa.eu/research/energy/pdf/energy_corridors_en.pdf

[42] For more information please see the European Commission website, http://ec.europa.eu/energy/nuclear/forum/doc/2007_03_02_energy_leaflet.pdf.

[43] Another alternative of transporting natural gas is liquefied natural gas (LNG).

petroleum is more expensive than Middle East petroleum.[44] Natural gas reserves, on the other hand, constitute only 2 per cent of the world's natural gas reserves. Moreover, they only cover 12 per cent of the EU's total natural gas needs (Oktay and Çamkıran, 2005, p. 72). More importantly, statistics show that the internal energy production of the EU will decline in the future. Inevitably, the import of energy products will rise and so the dependency on outside suppliers *(see Graph 1)*.[45]

Graph 1: Projected EU energy import dependencies



Source: *European Commission Green Paper 2006*
http://europa.eu/documents/comm/green_papers/pdf/com2006_105_en.pdf

Sources of EU Energy Imports

The geographical origin of EU imports differs. Whereas Russia is a significant source of imports for all three sources, the Middle East, North Africa and Norway are significant suppliers for oil. North Africa and Norway are other major suppliers for natural gas (Eurostat, 2009b). According to Eurostat statistics, the dependency rate of EU member states in 2008 was 53.8 per cent, with Russia (33 per cent of oil imports and 40 per cent of gas imports) and Norway (16 per cent and 23 per cent) as the most important suppliers of crude oil and natural gas (*see table 10*).[46]

[44] Whereas North Sea petroleum costs per barrel $ 7-10, Middle East petroleum costs only $ 1-3 per barrel.
[45] Currently, the EU is already dependent on outside energy suppliers with a dependency rate of 53.8%. For more information please see the Europe's Energy Portal website, http://www.energy.eu/#dependency
[46] Europe's Energy Portal, http://www.energy.eu/#dependency

Table 10: EU Energy Imports (in billion €)

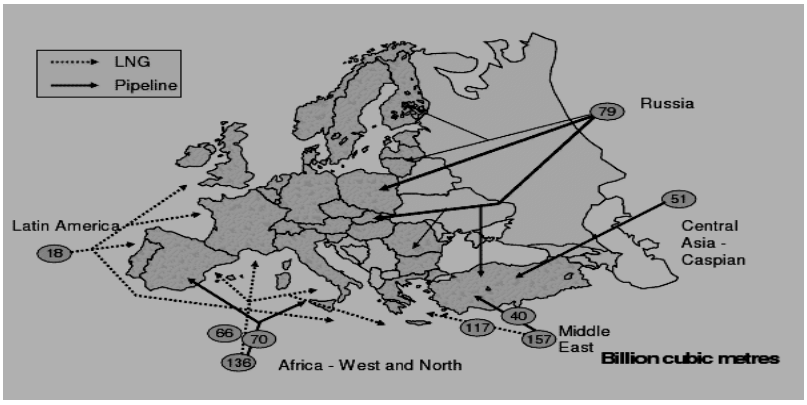
	2002	2003	2004	2005	2006	2007
Russia	38.6	43.0	50.4	75.8	94.2	94.8
Norway	24.8	26.2	31.5	40.4	45.9	43.6
Libya	9.2	10.6	13.2	18.6	23.5	24.8
S. Arabia	9.6	10.8	13.6	18.8	19.9	15.0
Algeria	10.7	10.6	11.2	15.4	17.2	14.8
Iran	4.7	6.0	7.1	10.4	12.7	12.2
Kazakhstan	3.3	3.3	5.9	9.0	11.7	11.1
Nigeria	4.3	5.4	4.5	7.7	10.2	9.4
USA	1.8	1.5	2.6	3.3	4.3	4.2
Switzerland	1.7	1.5	1.4	1.8	2.3	2.2

Source: Eurostat 2009
http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-CV-08-001/EN/KS-CV-08-001-EN.PDF

Another study about EU energy imports, made by Dr. Fatih Birol, chief economist of the International Energy Agency (IEA), estimates that the growth in imports by 2030 would be as follows (cited in Roberts, 2004, p.3):

- An extra 79 billion cubic meters (bcm) from Russia
- An extra 51 bcm from Central Asia
- An extra 157 bcm from the Middle East
- An extra 136 bcm from West and North Africa, and
- An extra 18 bcm from Latin America

Map 3: Supply Infrastructure, Incremental Gas Flows 2002-2030, Reference Scenario: EU-30



Source: World Energy Investment Outlook 2003
http://www.iea.org/work/2004/investment/outlook%20for%20European%20gas%20demand.pdf

Energy Security

As indicated above, the trend of EU energy imports is rising. The rise of energy imports has important security implications. The term 'energy security' is relatively new. It was brought to the theory of international relations and security studies at the beginning of the 1990's, by the Copenhagen School, mainly represented by Barry Buzan. According to Barry Buzan, security is not only related to military power but also to political, economic, social and regional power. Thus, the security of a state cannot be provided solely by military power but with all these other dimensions. Buzan further argues that one of the main elements of gaining economic power is providing efficient continuity of energy supplies. Therefore it is important to provide energy continuously, safely and cheap but also to diversify resources in order to obtain economic power (cited in Oktay and Çamkıran, 2005, p. 70).

In the last few years, energy security has made it back on the political agenda as a top priority for leaders. The IEA describes energy security as 'the uninterrupted physical availability at a price which is affordable, while respecting environment concerns', a definition also adopted by the EU. Since both, the consumption and dependency on oil and gas imports is growing and supplies are becoming scarcer, the risk of supply failure is rising. Therefore securing European energy supplies is high on the EU's agenda. The traditional goals of securing energy supply have been linked to the availability, prices and diversification. Diversification can be seen as a precondition for the availability of energy and has three dimensions: the diversification of energy products, such as oil, gas, coal and renewables, geographical diversification and the diversification of transport routes and methods, such as alternative pipeline routes. (Westphal, 2004)

As indicated above, more than 50 per cent of the EU's energy comes from countries outside the Union, with Russia as the main energy supplier. However, the Russian-Ukraine gas controversy, which erupted in early 2006, clearly signalled that the diversity of supplies of energy products is especially important. This was also one of the main causes that brought the issue of diversifying energy sources to the top of the EU political agenda. The March 2006 cooperation agreement, signed between Russia and China, in order to link China by pipeline with West Siberian gas fields, caused also anxiety for the Union. This was perceived by the Union as a clear reorientation of Russian exports away from Europe. Moreover, Gazprom's implication about seeking

other markets if it did not receive access to European downstream gas companies was perceived throughout Europe as a direct threat (Harks, 2006, p. 49). For a secure European gas supply, diversifying energy supply sources is significant. As a solution, new gas supplies must be sought and strategies for their secure integration into the European marked planned. As indicated in *Table 11*, North Africa will certainly play an increasingly important role and so will more remote sources. In the end, the resources of the Middle East inevitably come into focus, as a result of their reserve potential, but even more their market distance (Roberts, 2004, p. 3). For instance, Iran, with 15 per cent of total world proven gas reserves, is geographically closer to Europe than the West Siberian gas fields and with Turkey as a member Iran will even share a common border with the EU. Well aware of this, Brussels is trying to develop energy agreements under the ENP with Ukraine, Azerbaijan, Kazakhstan and Algeria. These agreements aim at integrating suppliers into the European internal market, enhancing the security of supplies or transit of supplies as well as improving environmental standards and engaging on climate change. The EU is also working to develop a Trans-Caspian–Black Sea strategic energy transit corridor, and is also looking to strengthen cooperation with Egypt, Libya, Syria, sub-Saharan Africa, the Gulf Cooperation Council (GCC)[47], Iraq and Iran (Europe's World, 2007).

Table 11: Projected EU gas import distribution for 2030

	2000	**2030**
Africa	33.5 %	28 %
Norway	25 %	17 %
Transition Economies	41 %	33 %
Middle East	Negative	17 %
Latin America	Negative	5 %
Other	1 %	Negative

Source: IEA, World Eergy Outlook, 2002
http://www.iea.org/textbase/nppdf/free/2000/weo2002.pdf

III. 2. 3. 2. Turkey's Importance for EU Energy Supply Security

As discussed above, diversifying energy supply sources is inevitable for providing energy products secure and at competitive prices. Consequently, one of the EU's main

[47] The member states of the GCC are the United Arab Emirates, The Kingdom of Bahrain, The Kingdom of Saudi Arabia, The Sultanate of Oman, Qatar and Kuwait.

energy policy objectives is to multiple supply sources and routes. Turkey, as a potential future member of the EU, has special importance for the EU's energy policy objectives. As Rana Islam (2008, p. 26) points out 'an EU view on Turkey from a geostrategic and security perspective cannot exclude the crucial role of energy considerations'. In terms of energy supply, Commissioner Olli Rehn defines Turkey's importance as "Turkey has a key role to play in the diversification of energy supply routes to Europe" (International Crisis Group, 2007, p. 7). Moreover, the 2004 European Commission Report on Turkey emphasizes that Turkey's EU membership will ease the EU to get reach to energy resources and to get these energy flow safely into European markets (cited in Oktay and Çamkıran, 2005, p. 76). Turkey's role as a transit country through which energy products can enter the EU is becoming increasingly important. The European Parliament (2006, p.3) defines Turkey's importance as a transit country as "The potential of Turkey to become an important country for oil and gas transit from Russia, the Caspian Sea region and the Persian Gulf adds to the strategic importance of Turkey to the EU. … The role of Turkey is bound to even grow because of the increasing volumes of oil and gas that will transit through the country, from both Persian Gulf producers, the Caspian Sea and Russia. In any event, wider market integration, including energy trade, is and will be an important policy tool to secure energy flows".

Turkey itself is a net energy importer and a major market for regional producers. However, Turkey's importance lies in its ability and willingness to develop major transit systems for gas and oil, which could access European markets by pipeline from diverse regions such as the Caspian, Central Asia, the Gulf and the Eastern Mediterranean (Roberts, 2004, p. 1). Geographically, Turkey lies adjacent to countries or regions that posses 71.8 per cent of the world's proven gas reserves and 72.7 per cent of the world's proven oil reserves. Turkey already provides transit of oil by pipeline from Azerbaijan and Iraq, and by tankers loaded at Black Sea ports which pass through the Bosporus, with the total amount of 4 million barrels per day. In terms of natural gas, Turkey has the potential to reduce the reliance on Russia, by allowing the transport of gas from alternative sources (International Crisis Group, 2007, p. 7).

Turkey's importance in terms of Oil

According to John Roberts (2004, p. 1), Turkey's current role in oil transportation is considerably less important than its current or potential role as gas transit. There is no doubt that oil pipelines across Turkey do play, and will play, a major role in the global energy market but their role can be best defined as *useful* and *important* rather than *vital* (emphasis in original). This is mainly because oil is more easily and flexibly transported, notably by sea. Once oil reaches a seaport, it can be shipped anywhere in the world. It has to be noted that eight pipeline projects, which are considered as Bosporus bypasses, were developed both by Turkey and the EU. However, these proposals are seen as environmental issues rather than energy issues. Oil is a global commodity. Energy security in terms of oil is more about making sure that oil reaches the world market than assuring supply from a particular place. Natural gas, however, is different because its markets are 'stranded' and there is not a single world market (Roberts, 2004, pp. 1-2).

Turkey's importance in terms of Gas

As mentioned before, gas has special importance in the EU energy policy objectives because of its efficient use in different areas but also because of the important political and economic factors that are involved in building pipeline infrastructures. The most important reason, however, is the EU's high dependency on Russian gas supply. In this context, Turkey's role is especially important as it provides a natural corridor through which gas, from a wide variety of suppliers, can access the EU market by pipeline. Moreover, greater volumes of gas supplies delivered to Europe via Turkey would put greater pressure on Europe's main natural gas supplier Russia for gas market reform. Turkey is located close to a number of gas producers other than Russia, which have had, or may have, an interest in accessing European markets by pipelines through Turkey. Countries currently evaluating the delivery of their gas to Europe are Azerbaijan, Kazakhstan, Iran, Egypt, Turkmenistan, Iraq, Qatar, Uzbekistan, Saudi Arabia and Syria. These ten countries currently possess 55.34 trillions of cubic meters (tcm) in proven gas reserves, which is equivalent to 35.5 per cent of the world's total reserves of 155.78 tcm (Roberts, 2004, pp. 4-5). *Table 12* shows the reserve estimates for Turkey's gas producing neighbours for 2003 (Roberts, 2004, p. 4).

Table 12: Reserve estimates for Turkey's gas-producing neighbours (in tcm)

Middle East	**47.11**	**Caspian/Central Asia**	**6.57**
Iran	23.00	Azerbaijan	0.85
Iraq	3.11	Kazakhstan	1.84
Qatar	14.40	Turkmenistan	2.01
Saudi Arabia	6.36	Uzbekistan	1.87
Syria	0.24		
Russia	**47.57**	**Northeast Africa**	**1.66**
		Egypt	1.66
		World	**155.78**

Source: BP, Statistical Review of World Energy, in Roberts, 2004, p. 4

Turkey is also important as a transit country through which gas can be transported to the EU *(see Table 13 and 14)*.

Table 13: Energy Supply potential for 2015

Country	**Volume**	**Transit country**	**Potential by 2015**	**Existing system**
Iran	10 bcm	Turkey	20-30 bcm	3-10 bcm
Turkmenistan	13 bcm	Iran/Turkey	30 bcm	13 bcm
Azerbaijan	7 bcm	Turkey	20 bcm	6-20 bcm
Iraq	10 bcm	Turkey	10 bcm	None

Source: Roberts, 2004, p. 6

Table 14: Additional Energy supply potential post-2015

Country	**Volume**	**Transit country**	**Existing system**
Qatar	20-30 bcm	Kuwait/Iraq/Turkey	None
Saudi Arabia	10-20 bcm	Jordan/Syria/Turkey	None
Kazakhstan	10-20 bcm	Azerbaijan/Turkey	None
Turkmenistan	20-30 bcm	Azerbaijan/Turkey	None
Turkmenistan	30-36 bcm	Iran/Turkey	Limited Connections
Uzbekistan	5-10 bcm	Turkmenistan/Azerbaijan/Turkey	None

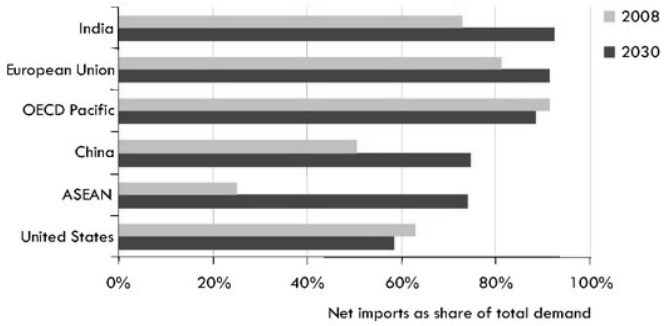
Source: Roberts, 2004, p. 6

The EU is already looking to Turkey as a potential import route. Europe has a prospective demand for gas imports and the availability of supplies, to meet much of this demand, is in countries adjacent to Turkey. In considering whether to accept Turkey as a full member to the EU, the issue of gas supply is clearly relevant. A Turkey that lies within the EU brings with it a variety of natural gas resources (Roberts, 2004, p. 17).

Turkey itself is very determined to become Europe's fourth main gas artery, after Russia, the North Sea and North Africa. According to John Roberts (2004, p. 18), there are several factors for the attainment of this goal. First, in geographical terms, Turkey is clearly well placed to serve as a central transit supplier for the estimated major increases in European demand. Second, a rang of gas companies in central, southern and south-eastern Europe are actively working in bringing gas from the Caspian and the Middle East to European markets through fully commercial pipeline systems transiting Turkey and the Balkans. Third, for the EU, the development of Turkey as a transit route will serve to promote energy security through diversification of gas supply routes. Finally, as Turkey's importance as a gateway grows, so it further increases European energy security by ensuring increased access to Caspian reserves on a commercial basis, as well as offering Middle East producers the option of transporting gas to Europe by pipeline as well as by LNG[48]

According to the IEA World Energy Outlook 2009, the net import dependence of main importing countries and regions in the reference scenario will be as follows *(see Graph 2)*. This indicator emphasizes that the EU is the second largest country with oil dependency.

Graph 2: Oil import dependency of main importing countries:



Source: IEA World Energy Outlook 2009
http://www.worldenergyoutlook.org/2009.asp#graphs

[48] Pipeline is the more normal transportation method for gas but LNG offers an increasingly competitive alternative particularly over distances of 3000 kms or more. Although it requires provision of expensive liquefaction plants, to convert the gas to liquid form so that it can be transported by sea, and the availability of purpose-built tankers, in some cases it may even prove competitive with pipelines at distances of 1000 kms.

Transport Routes of Energy to Europe via Turkey

Insuring the availability of sufficient oil and gas at reasonable prices is a goal that industrialized societies strive to achieve. In this process, the transportation of the commodities to the appropriate markets is as important as the production. Until the opening of the Baku-Tiflis-Ceyhan pipeline, there was only one transport system that carried Asian oil to Europe via Russia. This is still the case with regard to natural gas. The problem is that these pipelines are crossing territories of states with which Russia has occasional disagreements in which stopping the shipment of gas is used by Russia as a means of political pressure. In this respect, Turkey occurs to be a reliable energy corridor for sending Kazakh and Azeri oil as well as Azeri, Turkmen and Iranian gas to European Markets (Turan, 2007, pp. 11-12). Turkey's present pipelines and future projects are as follows:

- *Baku-Tbilisi-Ceyhan (BTC) Crude Oil Pipeline:* The BTC oil pipeline, which transports Azerbaijani oil to the Eastern Mediterranean coasts, is the central component of the East-West Energy Corridor. With 1770 km it is the world's second longest oil pipeline. It became operational on May 10, 2005. On June 2006 Kazakhstan has officially joined the BTC with a 700 km long pipeline linked to the BTC pipeline. The BTC pipeline has a total capacity of 10 million barrels per day.
- *South-Caucasus Pipeline (Baku-Tbilisi-Erzurum Pipeline-BTE):* The 692 kms long BTE natural gas pipeline, which runs in the same corridor as the BTC pipeline, transports natural gas from the Shah Deniz gas field to Turkey. It has the potential of being connected to Turkmen and Kazakh producers through the planned trans-Caspian Natural Gas Pipeline. The initial capacity of the pipeline is to carry 8.8 bcm of natural gas per year, which could be expanded to 20 bcm per year after 2012. The BTE pipeline does not only carry natural gas for the Turkish domestic market but also for Greece.
- *Nabucco (also referred as Turkey-Austria Gas Pipeline):* The Nabucco pipeline will carry natural gas from Erzurum (Turkey) to Baumgarten an der March (Austria). It is especially important for Europe's energy supply because it would diversify the current natural gas suppliers and delivery routes for Europe, which

would lessen Europe's dependency on Russian energy. The main suppliers are expected to be Azerbaijani Turkmenistan, Iraq and Egypt. The Nabucco pipeline project, signed on 13 July 2009, is expected to become operational by 2015, with a capacity of 31 bcm of natural gas per year. Turkey also wishes to integrate Iranian and Iraqi gas into the Nabucco pipeline.

- *Turkey-Greece Pipeline:* The 296 km long Turkey-Greece natural gas pipeline, in operation since November 2007, connects Turkish and Greek gas grids. The pipeline begins in Karacabey (Turkey) and runs to Komotini (Greece). The pipeline has a capacity to carry 7 bcm of natural gas per year, which will be expanded to 11 bcm per year in 2012. 8 bcm of this will be delivered to Italy after the Greece-Italy natural gas pipeline becomes operational.
- *Blue Stream Pipeline:* The Blue Stream Pipeline, which became operational on February 2003, carries natural gas from Russia to Turkey. The expected capacity of carrying natural gas will be 16 bcm per year.
- *Egypt-Turkey Natural Gas Pipeline Project: The project* was developed for the purpose of diversifying the supply sources and to meet part of the Turkish gas demand by importing natural gas from Egypt. The Framework Agreement of the project was signed on March 17, 2004. According to the agreement, Egypt will export 2-4 bcm of natural gas per year to Turkey and 2-6 bcm to European markets through Turkey.
- *Iraq-Turkey Gas Pipeline Project: The project* was developed for the purpose of transporting Iraqi gas to Turkey and subsequently to Europe via Turkey.

To conclude, the promise of Turkey as a third energy corridor, independent of the Middle East and the Russian supply lines, can considerably enhance the energy security of the EU. The immediacy of energy needs, it appears, has stood in the way of the EU in devoting resources and attention to the development of an independent third energy corridor. This negligence is making it possible for Russia to exercise greater leverage in regulating the supply and setting oil and gas prices in addition to adding political price tags to its sales. The EU must pursue more closely the idea of Turkey's development as an energy corridor and its incorporation into the Union as a way of insuring its own energy security. Lack of attention to this question has recently permitted Russia to

strengthen its position as the key regulator of oil and gas flows from Central Asia by agreeing with Kazakhstan and Turkmenistan to ship more gas to Europe through Russia and striking another agreement with the Kazakhs to increase their shipments of oil through Novorossisk (Turan, 2007, p. 12).

III. 3. Rationalist Approaches to Turkey-EU Relations

In all rationalist theories, expected individual costs and benefits determine the applicants' and the member states' enlargement preferences. To put it in another way, a member state favours the integration of an outsider state only if it will gain positive net benefits from enlargement. According to liberal intergovernmentalism, EU member states are rational players and make foreign policy decisions according to their own interests and preferences. Thus, member states preferences are the most important determining element of the approval of a countries inclusion. These preferences are formed around economic and security fields, which are material interests. In this context, it could be argued that if the economic and security advantages are much, consequently the number of supporters for Turkey's membership will increase. According to Andrew Moravcsik's liberal intergovernmentalist theory, if the strongest EU members, namely Germany, the UK and France, decide that Turkey's importance for EU in economic and security terms is indispensable, than the other member states position will be formed accordingly. This argument is based on the fact that according to intergovernmentalism, EU policies are made by the strongest member states strategic agreements, which Moravcsik explains as the intergovernmental bargaining process.

Enlargement issues are decided mostly through intergovernmental bargaining processes where member state preferences and their relative power become the determining factors. This is because enlargement, an important foreign policy tool, is a particularly sensitive area where the EU members would like to have the final word (Müfütler-Bac and McLaren, 2003, p. 19). In the case of Turkey, an important event was the 1999 Helsinki decision, which granted Turkey candidate status. However, only two years before, at the 1997 Luxembourg Summit, the EU had decided not to include Turkey into the enlargement process. Given the fact that the domestic circumstances within Turkey had not changed much in these two years, it is obvious that the change occurred at the EU level. As discussed in the first part of this chapter, the change in the

relations between Turkey and Greece and the end of the Cold War, had affected the outcome of the Helsinki decision. All these changes can be based on the rational accounts and preferences of particular member states. For instance, the desire of Greece to have Cyprus as a full member of the EU and the change of its national foreign policy, paved the way for a positive vote for Turkey. The change of Germany was the result of the elected Social-Democrat Party which had a different view about Turkey's membership than the previous Christian Democrat party. As seen, Turkey's membership is based on cost-benefit calculations. Thus, it could be argued that Turkey had gained its candidate status when the interests and preferences of certain member states overlapped. In this regard, it could be assumed that Turkey will gain full membership when these preferences and interests overlap once again.

To conclude, as discussed in this thesis, becoming a global actor in the international system is one of the main tasks of the EU. In order to achieve this, however, the EU has to conduct effective common policies. Turkey, as a full member, has the potential to contribute to the EU in foreign policy issues. As stated by the European Commission (2004, p. 4):

> "*Turkey's accession would be different from previous enlargements because of the combined impact of Turkey's population, size, geographical location, economic, security and military potential, as well as cultural and religious characteristics. These factors give Turkey the capacity to contribute to regional and international stability. Expectations regarding EU policies towards these regions will grow as well, taking into account Turkey's existing political and economic links to its neighbours. Much will depend on how the EU itself will take on the challenge to become a fully fledged foreign policy player in the medium term in regions traditionally characterised by instability and tensions, including the Middle East and the Caucasus*".

From a liberal intergovernmental perspective, the member states of the EU, decide to enlarge through cost-benefit calculations. Turkey as a country with economic and political difficulties and a huge (Muslim) population appears to be a costly country for the EU. However, the benefits that it has to provide for the EU, and its objective to become an effective global actor, are considerably high. Thus, if member states decide

that the benefits will overcome the costs Turkey will become a full member of the EU. As the main argument of this thesis is that the benefits, that the EU would gain from a possible Turkish membership are more than the costs the EU has to pay when not including Turkey, it appears that member states will decide to grant Turkey full membership.

CONCLUSION

On 18 April 1951, six Western European countries came together and decided to unite in order to prevent the European continent from future wars and conflicts. The dream came true. Besides, the success of Western European countries was not limited only to establish peace. Economic integration can be regarded as the most important achievement of the EU in its history. The Cold War environment was the main factor for this success. Indeed, while NATO, under US leadership, took care of Europe's defense and security, the EU had the opportunity to focus on its economic recovery. Today the EU is the world's largest economy which is trading throughout the globe and the world's biggest aid donor. The Euro is the second most popular world reserve currency after the US Dollar. Consequently, the EU is one of the most prosperous entities of the world.

On June 13, 1990, a new era in international politics commenced. The opening of the borders between East and West Berlin on June 13, 1990, symbolized the end of the Cold War. The world had entered a new era. So did the EU. On February 7, 1992, the twelve member states of the then European Community, signed the Treaty on European Union. Besides further economic integration the treaty established the CFSP. This was a significant attempt in granting the EU a foreign and security policy dimension. The post-Cold War environment necessitated the strengthening of the EU's role as a world-wide political actor in order to meet new challenges. The major attempt, however, was the creation of the ESDP which had the aim to strengthen the EU's external ability. The 1997 Commission report '*Agenda 2000- For a Stronger and Wider EU*' stated that the EU will increase its influence in world politics.

September 11, 2001, marked a new era in world politics. The sharp division between East-West and Christianity-Islam became more visible. New threats emerged and Samuel Huntington's 'Clash of Civilizations' was at the doorstep. As a response, the EU adopted the European Security Strategy. The document stated that Europe should be ready to share in the responsibility for global security and in building a better world. Various political figures, both from the European Commission and Member States, underlined the EU's role as a global actor. Nevertheless the role of the EU as an

effective and influential global actor is still debated. Whereas one argument is that the EU is a 'superpower', the other is that the EU lacks the instruments to become a state-like superpower.

While the EU is aiming to strengthen its role and influence in the world, Turkey is waiting for full membership. Turkey's long road for EU full membership has entered a new path with the opening of accession negotiations on October 3, 2005. Turkey has come one step closer to its long-standing foreign policy aim of becoming fully integrated to the European Union. Since then the EU has closed provisionally the chapter on Science and Research in June 2006. In addition the EU has opened eleven more chapters which are Enterprise and Industrial Policy (March 2007), Financial Control (June 2007), Statistics (June 2007), Trans-European Networks (December 2007), Consumer and Health Protection (December 2007), Intellectual Property Rights (June 2008), Company Law (June 2008), Free Movement of Capital (December 2008), Information Society and Media (December 2008), Taxation (June 2009) and Environment (December 2009). In December 2006 the EU had decided not to open eight chapters until Turkey would implement the Additional Protocol to Cyprus. These eight chapters are the Free Movement of Goods, Right of Establishment and Freedom to Provide Services, Financial Services, Agriculture and Rural Development, Fisheries, Transport Policy, Customs Union and External Relations. In addition to the suspended eight chapters, France is vetoing talks in five areas that, it claims, matter only for countries that are certain to become full members of the EU.

It is certain that Turkey's accession will not take place before 2014. If it will ever take place, on the other hand, is uncertain since the negotiating framework is an open-ended process. The fact that every country that has started accession negotiations has become a full member is promising. Nevertheless, Turkey, populous and Muslim, appears to be a challenging candidate. Thus, the debates about Turkey's inclusion to the Union evolve around different arguments compared to the previous enlargements. Whereas cultural and historical ties were one of the most important elements that led to the CEECs inclusion, these issues constitute the main obstacles for Turkey. This fact was severally underlined by European politicians. Statements such as 'a Muslim country like Turkey does not belong to Europe' are constantly repeated. German Chancellor

Angela Merkel and French President Nicolas Sarkozy are currently the most effective figures that express Turkey's 'otherness' and support a privileged partnership.

Despite the discourses against Turkey's membership, another view is that 'Turkey belongs to Europe'. Such arguments are not based on Turkey's religion or culture but on its economic and political elements. As indicated in Chapter III, Turkey appears to be an important candidate since it has the potential to contribute, from an economic and political perspective. It is commonly known that all the factors that are dealt with in the thesis constitute also the ground for being against Turkey's membership. For instance, it is argued that Turkey's level of economic development is well below the EU average and its accession will have a considerable budgetary impact on the EU. Moreover, Turkey's accession will create regional economic disparity and financial burden for other member states. Turkey's large population is seen as a major threat because it is projected that it would be the largest member of the Union in 2050. Consequently, Turkey's participation in the EU institutions would dramatically affect the allocation of power and influence on decision-making. As a large member state, Turkey would have a powerful voice in the EP and the Council of Ministers, where most decisions are approved by QMV. Thus, power would be shifted from the western Christian capitals to the eastern Islamic frontier. As a secular Muslim country, Turkey would add a new demographic and religious dimension which is not compatible with the EU. Turkey's strategic location is seen as a major challenge to the EU as it lies at the epicenter of a series of conflicts, real and potential in the region. Turkey's accession would bring the EU closer to instabilities and tensions and the EU would be challenged by issues such as migration, asylum and drug smuggling.

It is obvious that all these arguments are not nonsense and even true. However, this depends mainly on which side of the glass one sees the issue. The EU is aiming to become an external dimension since the 1950's. Today, the EU is accepted as a global actor but its effectiveness and ability is still debated. The 'capability-expectations gap' is may narrowing but has not disappeared. Indeed, in military terms, the EU is not able to react to crisis effectively. In 2008 the EU needed Russian helicopters to deploy peacekeepers to Chad, since its own governments had none available. In 2008, the UN asked the EU to send 'battlegroups' to eastern Congo, however, Britain and France

refused to send them. Besides, it was Turkey who provided the heavy lift capacity to allow French troops to deploy with EUFOR in the Democratic Republic of Congo.

In terms of foreign policy, the EU is not able to intervene in the Middle Eastern region, which constitutes a major challenge since any event in this region is a major threat for the EU itself. Thus, bordering or not, conflict and instability in the Middle East is directly affecting the EU. Turkey, on the other hand, has established close and friendly ties with the region, especially under the JDP government. Turkey's effective role in the Middle Eastern region and its 'actorness' is now widely expressed. Turkish foreign policy today is undoubtedly far more proactive and multi-dimensional than at any time in the history of the republic. This foreign policy orientation should be considered as an asset in Turkey's EU membership prospect. The EU discourse of constructing Europe as a global actor necessitates a strong EU presence in its wider neighborhood. In recent years, many leading European politicians, from Gordon Brown and David Cameron to Jose Luis Rodriguez Zapatero, and from Silvio Berlusconi and Kostas Karamanlis to Günter Verheugen, Carl Bildt and Javier Solana, have repeatedly stressed how important Turkey's contribution will be to the EU's evolution as a global actor. It is a matter of fact that Turkey needs the EU for its own domestic policies, but the EU needs Turkey for economic and security considerations. According to this, Turkey's membership bid should be handled in a more 'rational' way.

Turkey's culture and religion is probably the most difficult element of the country's EU bid. Arguments that are expressed by those who are against Turkey's membership, such as Turkey's economic backwardness or huge population, can be encountered with special reforms and procedures. Turkey's religion and culture, however, is the only aspect that cannot be reformed or changed. However, in the 21st century, it appears that even Turkey's 'otherness' is a major contribution for the EU. The division between Christianity and Islam can be regarded as the 'Cold War' of today. In such an environment, Turkey's inclusion to the EU would be the first important step to remove 'the wall'. The sharp division would not disappear but at least softened.

Although the EU is an undisputable superpower in terms of economy, Turkey has even to contribute to its economy. According to Olli Rehn (2008, p. 22), Turkey's assets for the EU are numerous. Turkey is the 15th biggest economy in the world with a GDP of about € 424 billion and a huge market of 71 million people. Turkey is a big export-

oriented emerging industrial economy and a rapidly developing information society. For instance, it is the biggest manufacturer of TV sets and buses in Europe, the third steel producer and has an internationally competitive automotive industry. Located at the crossroads of Europe and Asia, with good connections with the Balkans, the Black Sea, the Middle East, Russia and Central Asia, Turkey can help the EU develop relations with other important markets and regions. Besides, Turkey's economic contributions to the EU are not only limited to EU trade but also other factors. It is certain that the EU will face challenges in the long-term due to its aging population. Turkey, on the other hand, appears to be the only country that can help to counter this challenge with its young and dynamic population. Turkey's geo-strategic location constitutes not only a positive contribution for the Union's security but also for its economy. Turkey's strategic location is an asset for the EU's competitiveness but also its trade policy.

The enlargement process of the EU is a policy area that always leads to great debates. The reason for this is not only the complexity of the decision-making process, but also because often preferences of member sates can clash about a specific countries membership. From a rationalist point of view, expected individual costs and benefits determine the applicants' and the member states' enlargement preferences. Thus, member states decide to enlarge only if they will gain positive net benefits from enlargement. According to Erhan İçener (2005, p. 20), there are several reasons why the EU decides to enlarge although facing challenges and costs. First, EU enlargement is seen as a tool to increase the security and the stability in Europe since the road towards membership eliminates potential sources of insecurity and instability. Second, the expansion of the internal market will increase trade and investment in Europe. Thus, expanding the area of the internal market will bring the EU the potential for being richer, economically stronger and more competitive. Third, enlargement improves the status of the EU in the world politics through increasing the number of members and expanding the area of the internal market. Fourth, EU enlargement can be prompted to demonstrate and prove the success of EU governance to outsiders and other international actors. Thus, enlargement will make others believe and support the EU's way of dealing with economic, political and social challenges. Finally, the EU decided to enlarge to show that it acts according to its identity and role as stated in its constitutive treaties and prove that it is not an exclusive club. Not enlarging would

damage its identity and image and would weaken its credibility. From a rationalist perspective, the EU should expand in order to enhance its role as a global actor. Because it will increase the importance and influence of the EU in global and regional politics, expanding the borders and increasing the number of members would provide new opportunities for the Union in the area of foreign and security policy. Being a zone of economic and political stability and covering the area of almost all Europe, the US, international organizations, neighboring countries and regions would expect the EU to play a greater role in world affairs.

As mentioned before, Turkey's membership process is probably the most controversial enlargement the EU ever dealt with. Turkey's membership constitutes both, major pros and cons. From a rationalist perspective, if the benefits outweigh the costs, Turkey's accession will take place. This cost-benefit calculation, however, depends on what role the EU will play in the future. The EU itself has expressed that it is aiming to become a major global actor on the world scene. Since the accession process necessitates unanimity, each member state has to determine in what kind of Union they want to proceed. From a liberal intergovernmentalist perspective, it has to be France, Germany and the UK that will determine the future of the EU. There are basically two options. A union that is 'a club' where member states regularly meet to negotiate their interests and powers or a world power that is able to influence third parties. If the member states choose the latter, it is obvious that Turkey's membership will be of crucial importance. If they choose the former, the EU could proceed without Turkey as a full member.

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