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## European Union Enlargement: A Status Report on Turkey's Accession Negotiations

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### Summary

October 3, 2006, marked the first anniversary of the European Union's decision to proceed with formal negotiations with Turkey toward full membership in the Union. However, the occasion was marked with neither a recognition of Turkey's positive accomplishments nor a diminishing skepticism on the part of many Europeans that Turkey should be embraced as a member of the European family. Rather, the talk is of train crashes, the suspension of negotiations, expressions of doubt, and renewed suggestions that Turkey should never be admitted into the Union. This report will be updated as necessary. For additional information on European Union enlargement, see CRS Report RS21344, *European Union Enlargement*, by Kristin Archick.

### Turkey's Path to European Union Accession

The European Union (EU) views enlargement as a historic opportunity to promote stability and prosperity throughout Europe. The criteria for European Union membership require candidates to achieve "stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union."<sup>1</sup>

On May 1, 2004, ten new states acceded to the EU, increasing the EU's population to roughly 450 million. Immediately after that decision, the EU turned its attention to future candidates for Union membership, including Turkey.

Turkey and the European Commission first concluded an association agreement (Ankara Agreement) aimed at developing closer economic ties in 1963. The key provision of the agreement was the commitment by Turkey to establish a customs union that would be applied to each EU member state.

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<sup>1</sup> Conclusions of the European Council, Copenhagen, Denmark, June 1993.

In 1987, Turkey's first application for full EU membership was rejected. In 1995, the Customs Union agreement between the EU and Turkey entered into force. In 1997, the Luxembourg EU summit confirmed Turkey's eligibility for accession to the EU but failed to put Turkey on a clear track to membership. The EU recognized Turkey formally as a candidate at the 1999 Helsinki Council summit but asserted that Turkey still needed to comply fully with the EU's political and economic criteria before accession talks could begin.<sup>2</sup>

In February 2001, the EU formally adopted an "Accession Partnership" with Turkey, which set out the priorities Turkey needed to address in order to adopt and implement EU standards and legislation. Although Ankara had hoped the EU would set a firm date for initiating negotiations at the December 2002 Copenhagen Summit, no agreement was reached. Two years later, in December 2004, the European Council stated that Turkey had made enough progress in legislative process, economic stability, and judicial reform to proceed with accession talks within a year. Under a compromise formula agreed to by the Council, Turkey, before October 2005, would have to sign a protocol that would adapt the 1963 Ankara Agreement, including the customs union, to the ten new member states of the Union, including the Republic of Cyprus under the Greek Cypriot government. Turkey signed the Protocol in July 2005 with the understanding that, by signing, it was not granting diplomatic recognition to the Republic of Cyprus. Turkey insisted that recognition would only come when both the Greek and Turkish Cypriot communities on the island were reunited.

On October 3, 2005, after a prolonged debate over the status of Cyprus, expressions of concern by some member states over admitting Turkey altogether, and an understanding that the negotiations would be open-ended, meaning an outcome could not be guaranteed, the EU opened formal accession talks with Turkey.

### **The Accession Process<sup>3</sup>**

Under Article 49 of the Treaty on the European Union, any European country may apply for membership if it meets a set of criteria established by the treaty. In addition, the EU must be able to absorb new members, so the EU can decide when it is ready to accept a new member. Accession talks begin with a screening process to see to what extent applicants meet the EU's 80,000 pages of rules and regulations known as the *acquis communautaire*. The *acquis* is divided into 35 chapters that range from free movement of goods to agriculture to competition. Detailed negotiations at the ministerial level take place to establish the terms under which applicants will meet and implement the rules in each chapter. The European Commission proposes common negotiating positions for the EU on each chapter, which must be approved unanimously by the Council of Ministers. In all areas of the *acquis*, the candidate country must bring its institutions, management capacity, and administrative and judicial systems up to EU standards, both at national and regional levels. During negotiations, applicants may request transition periods for complying with certain EU rules. All candidates receive financial assistance from the EU, mainly to aid in the accession process. Chapters of the *acquis* can only be opened and

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<sup>2</sup> See CRS Report RS21344, *European Union Enlargement*, by Kristin Archick.

<sup>3</sup> For more detailed information on EU accession see, "The Process of Joining the EU" on the European Commission's website at [<http://ec.europa.eu/enlargement>].

closed with the approval of all 25 member states, and chapters provisionally closed may be reopened. Periodically, the Commission issues “progress” reports to the Council and Parliament assessing the progress achieved by the candidate country. Once the Commission concludes negotiations on all 35 chapters with an applicant, the agreements reached are incorporated into a draft accession treaty, which is submitted to the Council for approval and to the European Parliament for assent. After signature, the accession treaty must be ratified by each EU member state and the candidate country. This process of ratification can take up to two years or longer.<sup>4</sup>

In Turkey’s case, two additional barriers exist. First, under the 2000 Treaty of Nice, the EU is authorized to enlarge to 27 members but no more. In order for Turkey, or any other country, to be admitted to the Union, the Nice Treaty would have to be amended or a new treaty ratified that would allow further expansion of the Union. The draft European constitution would have facilitated further enlargement, but because ratification of the constitution had been rejected by France and the Netherlands, this option is no longer available for now. Second, under the accession structure, membership talks with any candidate country whose accession could have substantial financial consequences on the Union as a whole, as Turkey would have, can only be concluded after 2014, the scheduled date for the beginning of the EU’s next budget framework.<sup>5</sup>

## The Cyprus Dilemma<sup>6</sup>

In December 2002, in advance of the conclusion of the EU’s accession negotiations with Cyprus, U.N. Secretary General Kofi Annan presented a comprehensive plan to resolve the political stalemate in Cyprus and to reunite the island. The EU had hoped to admit a unified Cyprus into the Union by May 2004 and quickly endorsed the Annan Plan. Over the next 18 months, the U.N. worked to negotiate the Annan Plan to a point at which both the Greek and Turkish Cypriots could accept a final solution. On March 29, 2004, Annan presented his final revised plan. Neither side was fully satisfied with the proposal but agreed to put it to referenda in both the North and the South on April 24. The Plan was accepted by the Turkish Cypriots but rejected by the Greeks.

The EU expressed regret over the Greek Cypriots’ rejection of the Annan Plan but congratulated the Turkish Cypriots for their “yes” vote in the referenda. EU foreign ministers indicated that they were determined to put an end to the isolation of the Turkish Cypriot community and facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community.

On July 7, 2004, the Commission proposed several measures to end the Turkish Cypriots’ isolation and to help eliminate the economic disparities between the two communities on the island. In addition to a package of financial assistance, the EU proposed to allow direct trade between northern Cyprus and the EU member states. The Greek Cypriot government agreed to the aid if it were to be administered by the

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<sup>4</sup> CRS Report RS21344, *Op Cit.*

<sup>5</sup> “The Process of Joining the EU,” *Op. Cit.*

<sup>6</sup> For more information on Cyprus, see CRS Report RL33497, *Cyprus: Status of U.N. Negotiations and Related Issues*, by Carol Migdalovitz.

government of Cyprus but rejected the trade measure as something close to international recognition of a Turkish Cypriot state. The Greek Cypriots also insisted that all trade between the north and Europe be conducted via the south. Neither step has been implemented, and Turkey has insisted that the EU must fulfill its promises to aid the North.

## **Current Status of Turkey's Accession**

The relationship between Turkey and the European Union has vacillated between support and doubt over future membership. The question of Turkey's membership in the Union became a major debating point during consideration of the European constitution in the spring of 2005. Many observers suggested that one of the reasons for the defeat of the constitution in France and the Netherlands in 2005 was voter concerns that Turkey was too large and too culturally different to be admitted into the Union.

The controversy over Turkey's accession continued right up until the decision in October 2005 to begin accession negotiations. Opposition by Germany and Austria, which proposed that Turkey be given a "privileged partnership" instead of full membership, forced the Council to go to the eleventh hour before agreeing to open accession talks. The issue of Turkey's membership has also entered France's 2007 presidential election campaign. Conservative candidate and Interior Minister, Nicholas Sarkozy, in a campaign speech, stated that he felt Turkey should never become a member of the Union.<sup>7</sup>

Formal negotiations between the EU and Turkey began in 2006 despite Cyprus' opposition to formally opening and closing the first of 35 negotiation chapters unless Ankara met its obligations to recognize all 10 new EU member states, including Cyprus. Turkey provisionally completed the first, and for some, easiest of the chapters, Science and Research, on June 12. However, subsequent EU Council conclusions referred implicitly to Turkey's refusal to open its ports to Greek Cyprus as required by Turkey's customs union with the EU. The EU again asserted that Turkey's failure to "implement its obligations fully will have an impact on the negotiating process."<sup>8</sup>

Ankara responded that Turkey would not open its ports or airports to Greek Cypriot ships until the EU ended the isolation of the Turkish Cypriots by providing promised financial aid and direct trade between the EU and the north. EU Enlargement Commissioner Olli Rehn warned Ankara that the resolution of the Cyprus issue was a central stumbling block in the accession talks and that a "train crash" was coming later in the year if Turkey did not resume implementing reforms or honor its commitments agreed to in the Accession Agreement and the additional Protocol.<sup>9</sup>

In July 2006, Finland took over the rotating Presidency of the EU, and the Finnish Prime Minister urged Turkey to resolve the contentious issue with Cyprus over access of

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<sup>7</sup> "News Analysis: Sarkozy May Cause Global Ripple," *International Herald Tribune*, September 11, 2006.

<sup>8</sup> See Council of the European Union - 15/16 June (2006), Presidency Conclusions, online at [<http://www.consilium.europa.eu>].

<sup>9</sup> Interview with Olli Rehn on EU Enlargement, *Reuters*, March 28, 2006.

ports and airports by the end of 2006. In September, both EU Commission President Jose Manuel Barroso and Finnish Foreign Affairs Minister Erkki Tuomioja also warned Turkey over Cyprus.

In September, the European Parliament joined in the criticism of Turkey when the Committee on Foreign Affairs issued a progress report on Turkey's accession. The Parliament's finding suggested that reforms in Turkey had slowed down, especially in the implementation of freedom of expression, religious and minority rights, law enforcement, and the independence of the judiciary, and urged Turkey to move forward. During a visit to Paris in September, Turkey's Foreign Minister Abdullah Gul promised additional reforms and noted that the Turkish Parliament had reconvened a week earlier than normal in September in order to discuss a new reform package. The EU Parliament also stated that "recognition of all member states, including Cyprus, is a necessary component of the accession process and urged Turkey to fulfill the provisions of the Association Agreement and Additional Protocol."<sup>10</sup> On September 14, 2006, Cyprus Foreign Minister Giorgos Lillikas suggested that without Turkey's compliance with its obligations, Cyprus would likely object to opening any further chapters of the *acquis*.<sup>11</sup>

## Possible Scenarios

All three institutions of the European Union have expressed concern that Turkey's efforts to enact and implement critical political reforms have been insufficient. In addition, Turkey's failure to open its ports and airspace to the Republic of Cyprus, in accordance with its Protocol agreement, increases the risk that accession negotiations between Turkey and the EU could come to a halt by the end of the year.

The European Commission was scheduled to issue its annual Progress Report on Turkey on September 24, 2006. However, that Report was delayed until late October or even November. One reason given for the delay was that the Commission wanted to hold off to see if any progress could be made at a special session of the Turkish Parliament called in September. Some observers believe that the Commission Report may have been delayed over a lack of consensus among the member states on how to respond to Turkey's shortcomings in the reform process and its failure to meet its customs union obligations toward Cyprus.<sup>12</sup>

Under the accession process, no full-scale discussion of an EU response to a candidate country's failure to meet its accession requirements can take place until the Commission releases its Progress Report. The next meeting of the Council is scheduled for mid-December 2006, and a decision on the next steps for Turkey is expected then. Between now and then, it is likely that a good deal of behind-the-scenes diplomacy between Brussels and Ankara, Brussels and Nicosia, and Brussels and the capitals of the member states will be necessary if a resolution is to be found.

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<sup>10</sup> See "Turkey's Progress Towards Accession," Committee on Foreign Affairs, European Parliament, September 2006 at [<http://www.europarl.europa.eu>].

<sup>11</sup> See "Cyprus FM: No More EU Chapters for Turkey Before Progress Report," Cyprus Embassy, September 2006.

<sup>12</sup> Observations made by the author during discussions with EU and other officials.

A “best-case” scenario for moving forward would be if Turkey opened its ports to Greek Cypriot ships and aircraft, thus allowing the accession negotiations to advance. However, complicating this possibility is the perception of limited flexibility on Ankara’s part. For example, recent public opinion polls in Turkey have indicated that support for the EU may be dropping.<sup>13</sup> In addition, Turkey will hold presidential elections in April 2007. Domestic politics have already made it difficult for Ankara to compromise on the Cyprus issue without winning concessions for the Turkish Cypriots. A variation of this scenario being pursued by the Finnish Presidency might include a compromise in which Turkey would open a few of its ports and the EU permit direct trade between the North and the EU. EU economic assistance would also be released to the North. Thus far, the Turks do not appear to be open to this idea, and the Greek Cypriots continue to reject any linkage between Turkey’s customs union obligations and assistance to the Turkish Cypriots.

A “worse-case” scenario for Turkey would result in the full suspension of accession negotiations. Alternatively, since any member state can object to opening or closing chapters of the *acquis*, a Greek Cypriot determination to veto any proposal to open additional chapters could halt the accession process. It has been suggested that Austria, France, and others may sympathize with such a Greek Cypriot decision.

A third scenario could involve a decision by the EU to suspend, at least until after the Turkish presidential elections, negotiations on those chapters of the *acquis* related to the customs union and the free movement of goods. Negotiations on these chapters would not resume until Turkey complied with the Protocol.

For now, it appears that Cyprus and a few other EU member states may be digging in their heels and will push for some type of “sanctions” on Turkey by the December meeting of the Council unless Turkey opens its ports to all member states by then. On the other hand, Finland is determined not to allow Turkey’s accession talks to come to a halt during its EU Presidency and is engaged in intensive talks with all parties to find a way to break the stalemate and avoid the ultimate “train crash.”

**U.S. Perspectives.** The United States supports continued EU enlargement, believing that it serves U.S. interests by spreading stability and economic opportunities throughout the continent. Although the United States does not have a direct role in the matter, the U.S. has been a strong proponent of Turkish membership in the EU. In a meeting with Turkish Prime Minister Erdogan on October 2, 2006, President Bush reiterated U.S. support for Turkey’s membership in the EU.<sup>14</sup> Members of Congress have generally shared this view.

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<sup>13</sup> See the German Marshall Fund of the United States, “Transatlantic Trends 2006,” online at [<http://www.gmfus.org>].

<sup>14</sup> See “President Bush Welcomes Prime Minister Erdogan of Turkey,” available online at [<http://www.whitehouse.gov>].