

# CPS

Corporate & Public Strategy  
Advisory Group



## EU Corridors

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This month's editorial covers the EU's reactions to the Turkish Constitutional Court's decision on the closure case against the governing Justice and Development Party

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## Editorial

### THE COURT'S DECISION AND THE EU

Several reactions came from around of the European Union (EU) in response to the decision of the Turkish Constitutional Court concerning the closure case against the governing Justice and Development Party. The reactions mainly carry the same message:

#### Content:

The Court's decision not to close the Justice and Development Party pleased everyone across the political spectrum. In Europe, where there has never been a similar case concerning the closure of a governing party, the justifications of the case in Turkey have never been understood. This is because of the political tradition in Europe where the solution of such disputes is sought not at the judiciary but in the Parliament by means of political discussion. In Turkey, some circles argue that the conditions of the country are different and they, in a way, confess Turkey is not democratic enough and never will be. Meanwhile, the Christian Democrats, who refrained from discussing the case throughout the procedure, have said that the case is Turkey's internal problem. But it did not prevent them from stating 'we will support the continuation of accession negotiations what ever happens'. Christian Democrats have not taken such a stance to actually support Turkey's EU accession process; but, to ensure the continuation of the negotiations as a dialog tool believing that negotiations with Turkey will not end in membership. The Social Democrats, who have argued that the case conflicts extensively with the fundamentals of democracy, were most vehement in their opposition against Turkey joining the EU during the case proceedings. Well, would the negotiations stop if the Justice and Development Party were to be closed? Most probably, the EU would wait for the case to be reviewed and decided by the European Court of Human Rights. It could later curb the official negotiations, which have slowed down lately, during this process. This would definitely cause a ten-year delay in Turkey-EU relations.

#### The Prestige Problem

The second message from the EU was that there is an urgent need for extensive dialogue in Turkey. Significant progress made by Turkey in recent years in implementing EU reform, may have caused Brussels to overlook the fact that the country is based on sensitive balances. However, the division of the society in two camps became so clear that, the contents of the messages conveyed from Brussels have been totally changed. At the end of 2004, the European Commission interpreted Turkey's fast-pace reform process as 'a silent revolution'. More recently, however, the message from European Commissioner for Enlargement Olli Rehn implying the 'negotiations can be reconsidered if necessary' marked the significant change in the EU's stance. The Justice and Development Party was not closed. However, the ordeal caused Turkey to lose what prestige it had in the eyes of the EU.

#### Expectations

All eyes are on Turkey with the expectation that it will replace its 1982 Constitution in the upcoming term with a new democratic Constitution. In this regard, the Justice and Development Party, which currently holds office, is expected to provide all parties access to the reform discussions and to ensure extended dialogue on the issue. All ruling parties in Turkey to date have argued that they have adopted political and economic reforms for the sake of the people. Yet recent political developments make it blatantly obvious that the reform process so far has only progressed in order to fulfill EU accession commitments. This is as good time for the major opposition party --Republican and People's Party (CHP) -- to revise its tactics. The party has been criticized within some EU circles of drifting from a social democratic position to a "nationalist" and "militaristic" view and was almost excluded from the Socialist International.

**Duygu Leloglu**  
**BRUSSELS**

## News

### **France to Open Two Chapters in Accession Negotiations with Turkey**

Bernard Kouchner, the Foreign Minister of France, which currently holds the EU Presidency, announced the decision to open two negotiating chapters with Turkey by December. In his speech at the Foreign Affairs Committee of the European Parliament last month, Kouchner reiterated the priorities of the French Presidency and said that France decided to open two new chapters in accession negotiations with Turkey. During the press conference, in response to the question "Why don't you open more chapters?," Kouchner said, "You know my opinion," implying that he is in favor of opening more chapters. Kouchner underlined the current internal problems of the EU and stated that opening further chapters is the common goal of the EU member states. The French Foreign Minister's statements point to an implicit agreement within the EU to open just two chapters with Turkey every six months. In his previous press statement, Kouchner expressed that he wanted to open six chapters with Turkey.

### **EU Closely Follows Ergenekon Case**

The spokeswoman for Enlargement Commissioner Olli Rehn, Krisztina Nagy, in her statement regarding the Ergenekon Case, said that the Commission is following the case very closely and is expecting it to be pursued in accordance with international law on police investigations and judicial procedures. In its resolution last May, the European Parliament called upon Turkish authorities to pursue an extensive investigation into the Ergenekon criminal organization while closely adhering to the principles of the rule of law, and to fully uncover its networks within the state structures and justice.

### **'Union for the Mediterranean' Summit Held in Paris**

The 'Union for the Mediterranean' Summit was held in Paris last month, with the participation of 43 states, under the co-chairmanship of French President Nicolas Sarkozy and Egyptian President Hosni Mubarak. Turkey delayed its decision to attend the Summit until the last minute as it is concerned that the organization could endanger Turkey's full membership process to the EU. However, following Sarkozy's commitment not to block progress in Turkey's EU accession negotiations, Turkey attended the Summit at the Prime Ministerial level. The meeting between Prime Minister Erdogan and French President Sarkozy did not dissolve the coldness between the two leaders. Sarkozy, as the current President of the EU, expressed his commitment not to block Turkey's EU accession and to remain loyal to his role of EU President. Erdogan invited Sarkozy to visit Turkey. The Summit's final declaration allayed Turkey's concerns by underlining that the Union of the Mediterranean will be independent from the EU enlargement policy, accession negotiations and pre-accession process. The Summit also determined the Union's priorities in six areas, which are: de-pollution of the Mediterranean Sea, land and sea motorways, a civil protection network, a plan to boost the use of solar energy in southern countries, a Euromed University and a program to encourage the development of small and medium-sized businesses. The 'Union for the Mediterranean', which will have a similar structure to the EU, is perceived as a continuation of the Barcelona process launched in 1995. Turkey is also part of the Barcelona process. The Union, which will have a permanent secretariat, will be co-chaired by northern and southern countries for two years. The Union, which is to include all countries bordering the Mediterranean Sea, aims at establishing close relations between those Mediterranean countries and the EU.

## **EP Questions Enlargement Process**

According to the European Parliament (EP), 'neighborhood relations' with third countries will take the place of the enlargement process. The EP adopted the report on the EU enlargement strategy, drafted by German Christian Democrat MEP Elmar Brok, the EP rapporteur on Enlargement. The report underlines that following the accession of Croatia, the EU will need a period of internal consolidation. While Turkey's EU membership was not mentioned in the report, Turkey was cited only within the framework of the 'Union of the Black Sea', which is to be established. Olli Rehn, Member of the European Commission Responsible for Enlargement, in reaction to the report, warned that introducing new stages in the process for the Western Balkans and Turkey, would create doubts about the EU process among acceding countries.

## **Croatia Says EU Membership Will Not Be Delayed**

Croatia, which started membership negotiations the same day as Turkey, called on the EU not to delay the country's accession to the EU despite the Union's current internal problems. Croatian President Stjepan Mesic stated that Croatia's membership to the EU would not be delayed due to the EU's institutional crisis. The President added that Croatia would be ready to join the EU next year. 'I understand European countries, including France, which intend to solve the EU's institutional problems before proceeding to any new accessions. But we will speed up the rhythm of our reforms and be ready in 2009 to join the EU,' Mesic said. Following the rejection of the Lisbon Treaty in Ireland, Nicolas Sarkozy, President of France (which holds the EU presidency), stated that the enlargement process will not continue if the treaty is not implemented. While the future of the Lisbon Treaty is still unknown, Sarkozy is not changing his attitude. The Czech Republic, meanwhile, which will take over the EU Presidency from France, has opposed Sarkozy's approach. Czech Deputy Prime Minister Alexandr Vondra said Sarkozy's statement that 'EU enlargement will have to be stopped unless the Lisbon Treaty is ratified' is not correct and that France's attitude is receiving growing criticism from EU leaders.

## **Bulgaria to Pay for Poor Record on Fighting Crime**

The EU's executive body European Commission has decided to impose financial sanctions on Bulgaria, which joined the EU on January 1, 2007, due to its poor record on fighting corruption and organized crime. In this respect, Bulgaria will be deprived of Phare Program, which aims to strengthen the domestic institutional infrastructure of agricultural and rural development funds, until it takes necessary measures to fight corruption and organized crime. In its yearly report on progress in Romania and Bulgaria, which simultaneously joined the EU, the Commission analyzed the internal affairs and justice in both countries. While temporary measures with regard to non-recognition of court decisions of both countries in other EU Member States were abolished, it was underlined that both countries will still be monitored for some time concerning justice and home affairs.

## **Barroso Does Not Want to Leave**

European Commission President Jose Manuel Barroso expressed his desire to serve as the head of the EU executive body for a second term. In an interview with a Dutch newspaper, Barroso stated that he feels 'honored and privileged' to serve as Commission President and said 'If today I had to decide about a second term, my answer would be yes'. However, Barroso underlined that it is too early to discuss the issue since the decision about the Presidency will be made following the European Parliament elections in June 2009.

## **Karadzic's Arrest Brings Serbia Closer to EU**

The EU plans to open its door to Serbia as a reward for the arrest of Radovan Karadzic. Statements from Brussels indicate the possibility of giving Serbia EU membership status in the coming months. Karadzic's arrest had broad implications throughout the EU, which led European states to express their support of bringing Serbia closer to the EU. COREPER, consisting of the EU Permanent Representatives, is expected to draw a strategy on Serbia's EU membership. In order to become a EU candidate, Serbia must fully cooperate with the International Criminal Court for the former Yugoslavia, situated in The Hague. To improve bilateral relations, the EU signed an Interim Agreement with Serbia in April but its full implementation is dependent upon Serbia's cooperation arresting Serbian war criminals. If the EU receives full cooperation from Serbia, there won't be any obstacles to starting EU membership negotiations. Serbia meanwhile has returned its ambassadors to the EU countries which recognize Kosovo's independence, to demonstrate its will to have closer relations with the EU.

## **Germany Maintains Restrictions on Employment Market**

Germany has decided not to remove restrictions for Eastern European workers to enter its employment market until 2011, in order to ensure opportunities for native-born employees. On the other hand, Berlin will loosen employment restrictions for skilled workers and the annual required minimum income restriction -- in order to be allowed to work in Germany -- will be decreased from 86.400 to 63.600 Euro starting next year. Employment restrictions are still imposed on Central and Eastern European Countries, which joined the EU in 2004, by Belgium, Denmark, Germany and Austria.

## **Further Support for SMEs from EU**

With the aim of providing further support for SMEs within the EU's cohesion policy, the European Commission launched a new initiative. Danuta Hübner, Member of the European Commission Responsible for Regional Policy, announced that SMEs will receive 27 billion Euros for the period of 2007-2013. 17,5 billion Euros of the budget will be reserved for technology and research. SMEs constitute the backbone of the European economy and the cohesion fund is the largest financial source of SMEs in the EU budget.

## **EP Proposes to "Ban Cigarettes"**

The Irish MEPs proposed to ban cigarettes in the EU as of 2025. Avril Doyle, head of Christian Democrats' - the political party with the most seats in the European Parliament (EP) - Irish delegation, stated in a pres release that the tobacco industry must be stopped from lobbying European politicians and smoking must be entirely prohibited in the EU in 15 years. The European Commission, meanwhile, with the aim of fighting against smoking and eliminating price differences throughout the Union, proposed increasing custom duties on tobacco in accordance with the inflation rate. According to the regulation, which was adopted in the 1970s and is still valid, the custom duty rate for tobacco is 57 per cent. The Commission aims to drive this rate up to 63 per cent. According to the Commission, the adoption of this proposal would reduce tobacco consumption by 10 per cent.

## **EP in Favor of a "Third Way" on Gas Market Liberalization**

The European Parliament is supporting a proposal, which opens the way for energy firms to provide gas while retaining control of gas line grids. France and Germany recently brought the proposal to table. Paris and Berlin insist on an expansion of the agreement to include the electricity sector. In its initial proposal, the European Commission had suggested the separation of supply and transmission assets of electricity and gas firms. Meanwhile France and Germany, with the support of six EU Member States, suggested an alternative solution to the Commission's Proposal. According to the so called 'third way' option, energy firms would be allowed to maintain their operations and ownership rights while the actual transmission of gas would be managed by Independent Transmission Operators (ITO).

## **EP Questions North Stream Project**

The European Parliament has questioned the environmental and geopolitical dimensions of the Baltic Sea Pipeline Project – which will transport Russian natural gas to Europe. Last month, the EP adopted the consultative report, prepared by Polish MEP Marcin Libiki, with 542 votes in favor and 60 against. The report states some risks about the North Stream Project, a 1220 km long pipeline to be constructed on the seabed of the Baltic Sea. The report, which stresses the importance of the Project for Europe, warns that the Project may have negative environmental effects on the sensitive seabed of Baltic Sea. North Stream is a high priority project of the Union as it would secure a major natural gas supply line for the EU for the future. If the Project receives approval, construction would start in 2010 and be completed by 2011. North Stream is expected to transfer 55 billion cubic meter of Russian gas to Germany each year.

## **Divorce Laws Divide EU**

European Union Countries are planning to implement 'enhanced cooperation' measures for divorce laws, which may divide the Union. After the veto of Sweden, nine Member States, which are planning to establish a common law on divorce, decided to apply 'multi speed' Europe option. Following the approval of the European Commission, the 'enhanced cooperation' measures will start and the countries in question will harmonize their national laws on divorce. But for these measures to be approved, 27 Member States must vote in favour with qualified majority. 'Enhanced Cooperation' is seen as an option to save the EU from crisis following the rejection of the Lisbon Treaty in the referendum held last month in Ireland. On the other hand, 'enhanced cooperation,' which envisages further cooperation among a group of EU member states, is also criticized by some because it may split the Union into two. EU countries have been trying to reach a common position on divorce laws for several years. But since there are sharp differences between liberal Northern European countries and Catholic Mediterranean countries like Malta, where divorce is illegal, adoption of common legislation is very difficult.

## Agenda

### **1 August**

- EU Political and Security Committee

### **7 August**

- European Central Bank Meeting, Frankfurt

### **15 August**

- EU Institutions are closed

### **25 August**

- EP Committee Meetings

### **26 August**

- EP Political Group Meetings

### **27 August**

- First weekly meeting of the European Commission following the summer recess
- EP Group Meetings

### **28 August**

- EP Committee and Group Meetings

### **29 August**

- EU Political and Security Committee

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The information in this document was compiled from various EU information sources.