Turhan, Ebru

Article

Europe's Crises, Germany's Leadership and Turkey's EU Accession Process

CESifo Forum

Provided in Cooperation with:
Ifo Institute – Leibniz Institute for Economic Research at the University of Munich

Suggested Citation: Turhan, Ebru (2016) : Europe's Crises, Germany's Leadership and Turkey's EU Accession Process, CESifo Forum, ISSN 2190-717X, ifo Institut - Leibniz-Institut für Wirtschaftsforschung an der Universität München, München, Vol. 17, Iss. 2, pp. 25-29

This Version is available at:
https://hdl.handle.net/10419/166655

Europe's Crises, Germany's Leadership and Turkey's EU Accession Process

Ebru Turhan*

The unique and deep-rooted relations between Turkey and Germany rest upon a variety of political, economic and societal linkages. Germany is defined as Turkey's leading trading partner, with bilateral trade volume reaching a new record of 36.8 billion euros in 2015. For decades, Germany has been the biggest foreign investor in Turkey. The number of Turkish and German companies with German capital operating in Turkey has risen to approximately 6,500, while Turkish companies have been increasingly involved in foreign direct investments in Germany and setting up businesses in sectors of strategic importance for both parties.

As far as foreign policy and security-related political dialogue is concerned, the two countries collaborate within the framework of various leading international organizations such as the North Atlantic Treaty Organization (NATO), G20 and the Organization for Security and Cooperation in Europe (OSCE). In May 2013, German and Turkish foreign ministries launched the German-Turkish Strategic Dialogue Mechanism in order to foster bilateral cooperation on key issues of common interest such as the supply of energy security, foreign and security policy as well as the fight against terrorism and extremism (Auswärtiges Amt 2013). The German and Turkish governments also announced in January 2015 that they had agreed to hold regular intergovernmental consultations starting from 2016 (Presse- und Informationsamt der Bundesregierung 2015). The first German-Turkish intergovernmental consultations took place in Berlin on 22 January 2016 and tackled the potential for German-Turkish cooperation on common challenges such as the management of the refugee crisis and the war against terrorism (Die Bundesregierung 2016). Such initiatives point to both parties' intention to take the bilateral political dialogue to the next level. As far as societal links are concerned, the existence of nearly three million people of Turkish origin residing in Germany has long been an important aspect of the German-Turkish dialogue and brings issues related to migration, Turkey's compatibility with Europe's 'common' identity and integration to the forefront of bilateral relations.

The official German position on Turkish membership in the EU also constitutes an important aspect of German-Turkish bilateral relations. Throughout Turkey's prolonged EU accession process, successive Turkish governments have paid particular attention to the official German position on Turkish membership in the EU, and held German governments responsible for both ebbs and flows in Turkey's EU accession process, which has greatly influenced bilateral relations between Turkey and Germany.

This paper examines Germany's role in the formation of the scope, content and particulars of Turkey's EU accession process. It studies Germany's impact on the latest developments in the Turkey-EU dialogue, including the opening of Chapter 22 in Turkey's accession talks and the finalisation of the EU-Turkey 'deal' of 18 March 2016 concerning the management of the refugee crisis. The paper therefore pays particular attention to the implications of the institutional architecture of the EU's decision-making processes pertaining to its widening; and Europe's multiple crises for Germany's 'leadership' status within the EU.

The German 'factor' in EU-Turkey relations

Important decisions related to the EU's widening are taken by two EU institutions with a highly intergovernmental character: the European Council and the Council of the EU (Council of Ministers). The institutional architecture of these two EU institutions highlights the role played by member states in the formation of candidate countries' accession processes.

* Turkish-German University, Istanbul. This paper was written with the support of Stiftung Mercator, Project number: 1038610, Project title: The Impact of Turkey's EU Accession Process on German-Turkish Business Relations.

The European Council and the Council of Ministers are the EU's main intergovernmental institutions, which mainly consist of the heads of state or government, as well as ministers of member states who tend to act on behalf of their domestic constituency and safeguard their conflicting national interests (Lelieveldt and Princen 2015). In such intergovernmental bodies, decisions are taken by means of interstate strategic bargaining and negotiations, where larger member states with greater structural capabilities (economy, population, military, geography etc.) tend to have a greater leeway for power politics.

With its cumulative structural capabilities in both political and economic terms, Germany has been assuming a leadership role, alongside with France and Britain, in interstate bargaining processes in the EU, which culminate in the development of common policies (Moravcsik 1998). This is also true for the decision-making processes in terms of determining the EU's enlargement politics *vis-à-vis* Turkey. Germany acts as a major player in the formation of EU-Turkey relations in general, and Turkey's EU accession process in particular. This proved true not only when Turkey was granted candidacy status at the December 1999 Helsinki European Council following the shift of power in Germany with the formation of the red-green coalition government in 1998, but also throughout the recent slowdown in Turkey's EU accession process, when Germany unilaterally blocked the opening of Chapter 22 related to regional policy and the coordination of structural instruments in June 2013. The European Council has been in a position to make a positive decision on the acceleration of Turkey's EU accession process only at times when Germany has explicitly spoken up on Turkey's behalf (Turhan 2012). As a result, throughout Turkey's prolonged EU accession process, successive Turkish governments have paid particular attention to the official German position on Turkish membership in the EU, and have held German governments responsible for both ebbs and flows in Turkey's EU accession process, which has greatly influenced bilateral relations between Turkey and Germany (see also Reuters 1998).

Europe's crisis, Germany's leadership

Germany's steering role in the formation of common EU policies in general, and the EU's enlargement politics *vis-à-vis* Turkey in particular, has become more evident in the crisis era. With the outbreak of the Eurozone crisis in late 2009, German influence in the EU took a new turn. Germany had been less affected by the Eurozone's problems than most of the other member states. Its aggregate capabilities accompanied by its net contributor status put the country at the epicenter of the debates over possible solutions to rescue the euro. The shifting balance of power in Europe has made German leadership in the EU widely desirable, if not inevitable. Since the onset of the crisis the country has been regarded as "the only economy that can keep Europe afloat" (Hallerberg 2013, 263), since nothing can happen in the EU without the active support of Germany's chancellor, Angela Merkel (The Economist 2013). German leadership and aid came with hard conditions attached, and willingness to undertake unilateral actions, if necessary; in other words, the readiness to go it alone *(Alleingang)*. German willingness to go it alone has been evident in some unilateral actions such as the rejection of debt mutualisation in Europe with the introduction of Eurobonds and policies that bolster domestic spending in insolvent member states; the initial reluctance to contribute to a 750-billion-euro aid package in order to set strict rules for financial aid and include the IMF in the troika of creditors; and unilateral statements like, for example, that Greece should not have been allowed into the euro (Trotman 2013).

German veto on Chapter 22 in Turkey's EU accession talks

The crisis era for European economies has also witnessed a Germany that did not abstain from imposing its position pertaining to Turkey's EU accession process on other EU member states. German *Alleingang vis-à-vis* Turkey was particularly demonstrated by the attitude of the German federal government towards the launch of accession talks on Chapter 22 related to regional policy and the coordination of structural instruments. The chapter had been blocked by France since 2007, along with four additional chapters,[1] as they were considered directly related to full membership, which was not favoured by the then French President Nicolas Sarkozy. After François Hollande's presidential victory, the French government lifted its veto on Chapter 22 in February 2013. Following the withdrawal of the French veto, the German government had an inconsistent attitude towards the opening of Chapter 22. German Chancellor Angela Merkel

[1] Chapter 11-Agriculture and Rural Development, Chapter 17 – Economic and Monetary Policy, Chapter 33 – Financial and Budgetary Provisions, and Chapter 34 – Institutions.

first called for the opening of the chapter in February 2013. One day ahead of her visit to Turkey accompanied by an exceptionally high-level business delegation,[2] the Chancellor declared her support for the opening of a new chapter in Turkey's accession negotiations with the EU, regardless of her personal doubts about the matter: "although I am skeptical, I have agreed with the continuation of membership discussions. Recently, they have become stuck, and I am in favour of opening a new chapter in these negotiations in order to move forward" (Die Bundsregierung 2013a). She re-confirmed her support for the opening of the chapter related to regional policy during the meetings in Ankara (Die Bundesregierung 2013b).

Merkel's backing for the revitalization of Turkey's dormant EU accession process after a three and a half-year freeze came at a time, when key representatives of the German business world intended to deepen bilateral economic ties with their Turkish counterparts during the visit. The economic dimension of the trip was also reflected in the realisation of a Turkish-German CEO Forum with Merkel's attendance. The forum that was jointly organised by the Association of Turkish Industry and Business (TÜSIAD) and its German counterpart the Federation of German Industries (BDI) brought together top CEOs from both countries to discuss the present and future of German-Turkish economic partnership with special emphasis on energy and innovation sectors. During his talk at the forum, BDI President Ulrich Grillo demanded a quick decision with regard to Turkey's membership of the EU and expressed his support for the continuation of accession negotiations pointing out that the future architecture of both the EU and the Eurozone might 'offer the opportunity for a new European geometry' (BDI 2013). German industry's explicit call for a quick decision pertaining to Turkey's EU bid precisely during Chancellor's trip to Turkey and under her watchful eyes was a premiere. The plea came at a time, when German economy recorded zero growth in the first quarter of 2013 after shirking 0.5 percent in the last three months of 2012 and when German companies were urged to look for other stable markets in view of the clouds gathering over their key export market, the Eurozone. The German industry's call for a quick decision on Turkish accession process is likely to be regarded as an effort to influence the German federal government's policies to eliminate the negative externalities arising from the Eurozone crisis.

Following the shift in the German federal government's position on the progression of Turkey's accession process that was backed by German industry, many in Turkey and Europe expected a smooth re-launch of accession talks with Turkey in June 2013, as originally promised by the EU. However, in late June 2013, the German federal government emphasized its strong objection to a quick re-launch of the negotiations. It grounded its veto on Chapter 22 inexplicitly on the Turkish government's handling of the Gezi Park demonstrations, which started in late May 2013 to protest against the urban development plans for Istanbul's Taksim Square. A spokesperson of the German Foreign Affairs Ministry stated that the timing of this chapter's opening was a 'technical issue' and not directly related to the demonstrations in Turkey. However, he added, "there is of course an overall political context, and as is always the case in life, everything is ultimately connected with everything else" (Sattar and Busse 2013). While the German government inexplicitly referred to the domestic political turbulence in Turkey as a reason for its veto on Chapter 22, others like Carl Bildt, Sweden's former Foreign Minister, criticised the German government's suddenly sceptical stance towards Turkey and its putting forward the 'Turkey card' ahead of the upcoming German federal elections (see Waterfield 2013).

For whatever reason Germany may have blocked the opening of Chapter 22, the fact remains that it succeeded in imposing its stand towards Turkish accession process on the rest of the EU. Although it came into conflict with the other 24 member states that adopted a common position to open the talks on Chapter 22 as its veto was supported by just two member states, the Netherlands and Austria, the heads of state or government of member states agreed to the German proposal to postpone talks with Turkey until after the presentation of the progress report on Turkey. The release of the report was handily scheduled for after the German federal elections.

The refugee crisis and Germany's role in the finalisation of the EU-Turkey deal

The German 'factor' in EU-Turkey relations has become more evident throughout the process that led to the finalisation of the EU-Turkey 'deal' of 18 March

[2] The delegation included heads of the executive boards of leading German companies such as E.ON, EnBW, Siemens, Deutsche Bank, Deutsche Lufthansa, Fraport, ALBA Group and the President of DIHK, Hans Heinrich Driftmann.

2016, which sets out the conditions for the cooperation between Turkey and the EU on tackling the refugee crisis and managing the flow of irregular migration into the EU. By means of unilateral statements, as well as bilateral and mini-lateral meetings with relevant EU top officials, heads of state or government of related member states and her Turkish counterpart, Chancellor Merkel played a leading role in constructing the bilateral dialogue between Turkey and the EU with regard to the refugee question and the definition of the scope, conditions and particulars of the collaboration between Turkey and the EU.

Table 1 illustrates Merkel's interaction with the then Turkish Prime Minister Ahmet Davutoğlu, key representatives of the EU institutions such as European Commission President Jean-Claude Juncker and European Council President Donald Tusk, as well as heads of state or government of member states and third countries located on the so-called Balkan route ahead of important European Council gatherings and EU-Turkey Summits.

Five important remarks pertaining to Germany's role in the identification of the particulars of the EU-Turkey cooperation on the management of the refugee crisis can be made following a closer look at the Table 1:

1. By means of important bilateral and mini-lateral talks behind closed doors Chancellor Merkel actively prepared the ground for the conclusions of the European Council meetings and EU-Turkey summits concerning the Syrian refugees and the management of irregular migration to Europe. The EU-Turkey 'deal' of 18 March 2016 was largely prepared and shaped by the 6 March trilateral meeting between Merkel, Davutoğlu and Mark Rutte, the then leading representative of the Dutch Presidency of the Council. The final version of the deal as approved by the 18 March EU-Turkey Summit included the decision to open Chapter 33 related to financial and budgetary provisions, disregarding the 6 March proposal to launch talks on additional chapters unilaterally frozen by Cyprus, while adopting all the other elements of the draft trilateral proposal (see also Turhan 2016).
2. Throughout the process that led to the EU-Turkey 'deal' on the management of irregular migration, Chancellor Merkel collaborated mainly with Commission President Juncker, rather than with European Council President Tusk, which was criticised by many EU politicians and officials, and which indicated Germany's increasing policy of going it alone *Alleingang* in the European Council.
3. The Franco-German axis did not act as the 'steering wheel' for identifying the scope, content and conditions of the EU-Turkey cooperation on the refugee crisis. Between October 2015 and March 2016 Merkel and Hollande only twice made a joint declaration on the management of the crisis, whereas the French President did not participate in the mini-summits initiated by Merkel and Juncker.
4. Chancellor Merkel was the first top EU politician to announce the opening of new chapters in Turkey's accession talks with the Union after the European Council summit of 15 October 2015. Although neither the European Council conclusions nor the post-summit statements of top EU officials such as Juncker or Tusk made any explicit

Table 1

Bilateral/mini-lateral talks between Germany and member states/Turkey/top EU officials ahead of EU/EU-Turkey summits on the management of the refugee crisis

7 October 2015 Merkel-Hollande in the European Parliament / speech on how to tackle the refugee crisis Merkel: "Turkey plays a key role"	15 October 2015 European Council agrees on the Joint Action Plan Merkel: "EU is ready to open new chapters"	18 October 2015 Merkel's Turkey visit "Germany is ready to open Chapter 17 and make preparations for Chapters 23 & 24"
23 October 2015 Merkel-Anastasiades meeting to discuss chapters to be opened	25 October 2015 Merkel-Juncker mini summit with member states on Balkan Route	29 November 2015 EU-Turkey Summit, Activation of the Joint Action Plan
17 December 2015 Merkel-Juncker mini summit with Turkey & 8 member states	22 January 2016 1st German-Turkish intergovernmental consultations	8 February 2016 Merkel's visit to Turkey
4 March 2016 Merkel-Hollande meeting / joint press conference	6 March 2016 Merkel-Davutoğlu-Rutte meeting Preparation of a 'trilateral' proposal for EU-Turkey cooperation on the management of irregular migration	7 & 18 March 2016 EU-Turkey Summits / EU-Turkey 'deal' of 18 March 2016

Source: Author's conception.

reference to the opening new negotiation chapters, Merkel unilaterally announced the speedy opening of new chapters in Turkey's accession talks during a press conference after the summit (Die Bundesregierung 2015), which hinted at German leadership in defining relations between Ankara and Brussels.

5. Germany is no longer acting as a 'reluctant hegemon' (Paterson 2011) within the EU, applying an over-cautious and hesitant approach at times of crisis and exercising leadership that is more or less limited to the economic sphere.

Conclusion and future outlook

German preferences play a leading role in the formation of EU-Turkey relations in general, and Turkey's path to the EU in particular, due to the intergovernmental architecture of the two EU institutions of key importance for the enlargement process of the EU: the European Council and the Council of Ministers. Germany's aggregate structural capabilities and the asymmetrical interdependence between Germany and the (particularly small) member states of the Union provide the country with a greater leeway for power politics in these two intergovernmental institutions. Following the outbreak of the Eurozone crisis and the refugee crisis, Germany's leadership role in the EU took a new turn, which also affected state of relations between Ankara and Brussels.

The EU has entered an era of multiple crises. Although there has been a gradual recovery from the Eurozone crisis, many challenges still need to be addressed. Alongside more 'traditional' financial crises, the EU faces some 'new generation' crises such as the refugee crisis, the rise in intra-European terrorism, as well as the democratic-legitimacy problem. In this era of multiple crises with uncertain solutions Germany – with its aggregate structural capabilities – is likely to continue to take a leading role within the EU, and accordingly, make a large contribution to defining the dialogue between Turkey and the EU.

References

Auswärtiges Amt (2013), *Joint Declaration between the Federal Foreign Office of the Federal Republic of Germany and the Ministry of Foreign Affairs of the Republic of Turkey on the Establishment of a Strategic Dialogue Mechanism,* 12 May, Berlin.

BDI (2013), "Grillo: German Industry Supports Continuation of Negotiations on Membership", 25 February.

Die Bundesregierung (2013a), *Video-Podcast der Bundeskanzlerin,* No. 7/2013, 23 February, http://www.bundeskanzlerin.de/Content/DE/Podcast/2013/2013-02-23-Video-Podcast/links/download-PDF-barrierefrei.pdf;jsessionid=507811CF802B018CCC17FD204A34BD95.s4t2?__blob=publicationFile&v=1.

Die Bundesregierung (2013b), *Report of Turkey-Visit: Germany/Turkey: The People Are a Bridge between Our Two Countries,* 25 February.

Die Bundesregierung (2015), *Pressekonferenz von Bundeskanzlerin Merkel zum Europäischen Rat am 15. Oktober 2015,* https://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2015/10/2015-10-16-merkel-er.html.

Die Bundesregierung (2016), *Gemeinsam gegen Terror und illegale Migration,* 22 January, https://www.bundesregierung.de/Content/DE/Artikel/2016/01/2016-01-21-deutschland-tuerkei.html.

Hallerberg, M. (2013), "Challenges for the German Welfare State before and after the Global Financial Crisis", *Cato Journal* 33, 263–267.

Lelieveldt, H. and S. Princen (2015), *The Politics of the European Union*, 2nd Ed., Cambridge: Cambridge University Press.

Moravcsik, A. (1998), *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht,* New York: Cornell University Press.

Paterson, W.E. (2011), "The Reluctant Hegemon? Germany Moves Centre Stage in the European Union", *Journal of Common Market Studies* 49, 57–75.

Presse- und Informationsamt der Bundesregierung (2015), *Bundeskanzlerin Merkel und Ministerpräsident Davutoğlu vereinbaren deutsch-türkische Regierungskonsultationen,* 12 January, https://www.bundesregierung.de/Content/DE/Pressemitteilungen/BPA/2015/01/2015-01-12-merkel-davutoglu.html.

Reuters (1998), "Turkish PM Says Germany Seeks 'Lebensraum' via EU", 6 March.

Sattar, M. and N. Busse (2013), "Berlin erbost über Kritik Ankaras an Merkel", *FAZ*, 21 June, http://www.faz.net/aktuell/politik/ausland/europa/tuerkei/tuerkischer-botschafter-einbestellt-berlin-erbost-ueber-kritik-ankaras-an-merkel-12239199.html.

The Economist (2013), "The Reluctant Hegemon", 15 June.

Trotman, A. (2013), "Angela Merkel: Greece Should Never Have Been Allowed in the Euro", *The Telegraph*, 27 August, http://www.telegraph.co.uk/finance/financialcrisis/10269893/Angela-Merkel-Greece-should-never-have-been-allowed-in-the-euro.html.

Turhan, E. (2012), *The European Council Decisions Related to Turkey's Accession to the EU: Interests vs. Norms,* Baden-Baden: Nomos.

Turhan, E. (2016), "Turkey's EU Accession Process: Do Member States Matter?", *Journal of Contemporary European Studies,* http://dx.doi.org/10.1080/14782804.2016.1198693.

Wallace, H. (2000), "The Institutional Setting", in: Wallace, H. and W. Wallace (eds.), *Policy-Making in the European Union,* 4th Ed., New York: Oxford University Press, 3–37.

Waterfield, B. (2013), "EU Delays Turkish Membership Talks Amid Protests", *The Telegraph,* 25 June.