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THE CONTINENTAL PARTNERSHIP: A FEASIBLE OPTION FOR TURKEY INSTEAD OF FULL MEMBERSHIP TO THE EUROPEAN UNION?

Abstract:

Turkey's accession to European Union membership appears to be impossible for several important reasons. Thus, instead of full membership, Turkey may look for alternative options to benefit from the European Union integration project. One option could be the Continental Partnership, proposed by the Brussels-based Bruegel think tank. This article investigates the feasibility of this offer for Turkey. It is argued that this new method of cooperation provides significant economic benefits since the European Union would grant free movement of basic agricultural products and free movement of services and capital, abolish Schengen visas for Turkish businessmen and company managers for three months and include Turkey in the Common Commercial Policy, which is closely related to the Single Market project. Participating in the intergovernmental Continental Partnership Council would also bring Turkey significant political benefits by protecting its commercial, security and defense policy interests before new European Union legislations are adopted.

Keywords:

Continental Partnership, Turkey, European Union, United Kingdom, Brexit.

JEL Classification: F50

Introduction

Troubled with the slow process of Turkey-European Union (EU) accession negotiations and the anti-Turkish discourses of European far-right politicians, on June 22, 2016, a day before the United Kingdom's (UK) Brexit referendum, Turkish President Recep Tayyip Erdoğan said that Turkey may hold a referendum on whether to continue EU accession negotiations. This attracted significant attention since, for the first time, he suggested Turkey should abandon its EU membership bid (The Telegraph, 2016). Erdoğan reiterated his referendum call on November 14, 2016, by accusing the EU of giving support to PKK terrorism and criticized EU leaders' silence regarding July 2016's failed coup attempt (Reuters, 2016). Importantly in this respect is that a poll conducted in September 2016 showed that only 22 percent of Turks believe the country will become EU member, (Yeni Mesaj, 2016) the lowest level revealed in any poll since the start of the accession negotiations in 2005. Whether Turkey holds a referendum or not, it seems increasingly likely that the EU will not be able to accept Turkey's membership. This mainly stems from the EU's core countries' desire to protect their voting weights in the Council of the European Union, Christian Democrat parties' harsh opposition to Turkey's membership, the idea of using Turkey as a barrier between Europe and the Middle East, Europeans' fears about granting free movement to Turkish workers and large amount of EU funds that would be allocated to Turkey. The EU's current structural problems due to the Syrian immigration crisis, high unemployment rates and Brexit have also made Turkey's membership very difficult. For these reasons, the EU has negotiated with Turkey dishonestly, with talks actually being nothing more than an EU delaying tactic. Nevertheless, because Turkey still has very large economic and political interests in its relationship with the EU, it must find feasible options short of full membership to pursue them.

In order to restructure UK-EU relations after Brexit, on August 25, 2016, some experts of the Brussels-based think tank Bruegel suggested the establishment of a Continental Partnership in an article called 'Europe after Brexit: A Proposal for a Continental Partnership'. They included the following components: the UK's participation in the Single Market's free movement of goods, services and capital, a new system of intergovernmental decision-making in a series of selected common policies consistent with access to the Single Market, close UK-EU cooperation on foreign policy, security and, possibly, defense, a continued UK contribution to the EU budget (Pisani-Ferry et.al, 2016: p. 6). The authors also suggest that a Continental Partnership should be created with Turkey since the EU will actually never grant it membership (Ibid., p. 10). This article discusses the feasibility of this Continental Partnership offer for Turkey. It is argued that this offer suits Turkey's economic and political interests.

The first section of the article briefly reviews the history of Turkey-EU relations. The second section explains the contents of the Continental Partnership. The third section gives the main reasons why the EU has refused to grant Turkey the membership

before discussing the feasibility of the Continental Partnership for Turkey. The conclusion provides a general overview of the article.

Turkey-EU Relations in Brief

Shortly after Greece's application to join the European Economic Community (EEC), Turkey did likewise in July 1959. The EEC, however, offered Turkey association instead of membership because of Turkey's inadequate economic status. On September 12, 1963, the two sides signed the Ankara Agreement, officially called the Agreement Creating an Association between the Republic of Turkey and European Economic Community. The agreement's first article stated that it aimed to ensure continuous strengthening of trade and economic relations. The agreement stipulated that a customs union would be established after fulfilling two stages: 'preparatory' and 'transitional'. The purpose of the preparatory stage was to strengthen Turkey's economy using EEC aid. The transitional stage's purpose was to gradually, over at most 22 years, establish a customs union. The agreement laid down that the 'final stage' would be based on the customs union (Republic of Turkey, Ministry for EU Affairs, no date). In addition to these stages of cooperation, Article 28 of the agreement stipulated that "[a]s soon as the operation of this agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community" (Ibid.). This statement has been used by Turkish officials and scholars to justify their claims that the Ankara Agreement not only created an association but also officially declared the possibility of Turkey's later membership.

Turkey experienced its most important economic revolution on January 24, 1980, when its economy was opened to market forces by abandoning its import-substitution model. However, the European Community (EC) froze relations nine months later, following the military coup on September 12, 1980, that suspended Turkish democracy. The EU only started to redevelop its relations with Turkey after the 1983 general and 1984 local elections. Having implemented economic and limited democratization reforms, Prime Minister Turgut Özal applied to the EC for membership in 1987. The European Commission's opinion (*avis*), completed on December 18, 1989, rejected Turkey's application primarily because of structural differences between Turkey's and the EC's economy, and the latter's prioritization of completing the Single Market by the end of 1992. However, the European Commission also recommended that relations could be enhanced by introducing the customs union (Commission of the European Communities, 1989).

Following the decision of the Turkey-EU Association Council on March 6, 1995, the two parties established a customs union, but only including industrial products and processed agricultural products. For basic agricultural products, the EU's preferential trade regime has applied since January 1, 1998. Some Turkish scholars, such as Erol

Manisalı, (2002: pp. 92-111; 2001, pp. 111-129) a prominent economist from İstanbul University, harshly criticized the customs union. He claimed that the agreement granted very strong powers to the EU to manipulate Turkey's external relations because, without any pre-conditions, Turkey had agreed to accept any economic treaty that the EU signed with other countries. He also warned that other countries had first become EU members before joining the customs union whereas Turkey had accepted a trade mechanism governed only by EU member states in line with their own interests. Finally, he argued that the customs union favored the EU because it excluded basic agricultural products, which were Turkey's strength. Turkish socialists and conservatives alike criticized the customs union with the same slogan: "They are the partners, we are the market".

At the European Council's Luxembourg Summit of December 12-13, 1997, EU member states' leaders decided to start accession negotiations with Central and Eastern European Countries, Greek Cypriots and Malta while excluding Turkey from the enlargement process. Two years later, however, at the European Council's Helsinki Summit of December 11-12, 1999, EU leaders finally announced Turkey's candidature. The start of a Turkish-Greek reconciliation process and social democrat Gerhard Schröder's coming to power in Germany played major roles in this landmark decision. Since then, Turkish governments have made democratization reforms to fulfill the EU's Copenhagen political criteria, with nine harmonization packages and two comprehensive constitutional amendment packages adopted by the Turkish parliament up to 2004. These reforms have mainly covered human rights, democratic control of the armed forces and freedom of assembly and association. With the very positive impact of these reforms, the EU opened accession negotiations with Turkey on October 3, 2005. However, in December 2006, the EU declared that 8 of the 35 accession negotiations chapters¹ would not be opened and no chapters would be provisionally closed until Turkey extended the Ankara Agreement to include the Greek Cypriot Administration. Turkey feared that taking such a step could entail formally recognizing the Republic of Cyprus. In addition, in 2007, France's new President Nicolas Sarkozy announced that France would not permit the opening of five chapters² that were considered directly associated with membership. Then, in 2009, the Greek Cypriot Administration declared that it would block the opening of six chapters.³ Consequently, only 16 chapters have been opened and one chapter provisionally closed.⁴

¹ 1- Free Movement of Goods, 3- Right of Establishment and Freedom to Provide Services, 9- Financial Services, 11- Agriculture and Rural Development, 13- Fisheries, 14- Transport Policy, 29- Customs Union, 30- External Relations.

² 11- Agriculture and Rural Development, 17- Economic and Monetary Policy, 22- Regional Policy and Coordination of Structural Instruments, 33- Financial and Budgetary Provisions, 34- Institutions. Later, French President François Hollande, who came to power in 2012, permitted the opening of the negotiations on chapters 17, 22 and 33.

³ 2- Freedom of Movement for Workers, 15- Energy, 23- Judiciary and Fundamental Rights, 24- Justice, Freedom and Security, 26- Education and Culture, 31- Foreign Security and Defense Policy.

⁴ As of September 26, 2016, chapters opened for negotiations were as follows: 20- Enterprise and Industrial Policy, 18- Statistics, 32- Financial Control, 21- Trans-European Networks, 28- Consumer and Health Protection, 6-

The recent flow of Syrian migrants to Europe from Turkey led the EU to sign an agreement with Turkey on March 19, 2016. Some of its important stipulations were that all new irregular migrants arriving on the Greek islands as of March 20, 2016, would be returned to Turkey and for every returned Syrian migrant, the EU would accept one migrant from Turkey and also abolish visa requirements for Turkish citizens by the end of June 2016 at the latest (European Commission, 2016). However, one of the conditions for this requires Turkey to change its definition of terrorism in line with EU directives. Although the Turkish government fulfilled a majority of the conditions to abolish visas, it announced that it is impossible to change its terrorism definition given Turkey's critical situation, a move that a majority of Turkish people considered justified. After failed coup attempt in Turkey on July 15, 2016, Turkey-EU relations were further strained. While the Turkish government many times accused the EU of giving insufficient support to Turkey regarding the coup attempt because of anti-Turkish and anti-Erdoğan sentiments (Reuters, 2016b), the EU has harshly criticized the Turkish government because of debates about reintroducing the death penalty after the failed coup attempt (BBC, 2016; Los Angeles Times, 2016).

The Contents of the Continental Partnership

A year before the German general elections of 2005, Christian Democratic leader Angela Merkel offered Turkey 'Privileged Partnership' instead of full EU membership. On February 16, 2004, she clearly based her offer on culture, claiming that "Turkey does not fit into the EU because it is culturally different" (İnal & Yeğenoğlu, 2005). Merkel's Privileged Partnership offer actually stemmed from domestic calculations just a year before the German general elections. First, since a poll of early 2004 indicated that only 12 percent of German citizens supported Turkey's membership, (CES at UNC, 2008: p. 5) Merkel wanted to increase her popularity with Germans who feared the prospect of a mass influx of Turks into Germany if Turkey entered the Single Market. Second, Merkel used the concept of Privileged Partnership for Turkey to defuse conflict in the Christian Democratic Party, which includes centrists, center-rightists, Protestants, Catholics, liberals, conservatives and nationalists. That is, for Merkel, a Privileged Partnership could provide a good formula to integrate her party's diverse social base (Widmann, 2012: p. 7).

Although the Privileged Partnership has not been referred to or defined in any EU official document and was not an official EU offer, the contents of the concept were explained by Karl-Theodor zu Guttenberg, who was then a member of Germany's Foreign Affairs Committee. Guttenberg made three suggestions regarding the Privileged Partnership. First, the EU and Turkey should improve institutional

Company Law, 7- Intellectual Property Law, 4- Free Movement of Capital, 10- Information Society and Media, 16- Taxation, 27- Environment, 12- Food Safety, Veterinary and Phytosanitary Policy, 22- Regional Policy and Coordination of Structural Instruments, 17- Economic and Monetary Policy, 33- Financial and Budgetary Provisions. 25- Science and Research chapter was opened and provisionally closed.

cooperation. To expand cooperation in the Association Council, the structures and institutions of the European Economic Area (EEA) should be used as a model. Second, the existing customs union should be expanded to ensure unlimited exchange of goods. The free movement of services should also be provided. Although free movement of workers could not be introduced, at least visa regulations should be eased for regular Turkish visitors to EU states. Finally, Turkey should be granted the prospect of membership in European foreign, security and defense policy structures (Guttenberg, 2004). A few weeks before Germany's general elections of September 18, 2005, Merkel and the Christian Social Union's leader Edmund Stoiber sent a joint letter to the leaders of Europe's Christian democrat parties asking them to support a Privileged Partnership offer for Turkey. Although they were unable to create a common European position, their offer gained support from France's Gaullist Union for a Popular Movement and the center-right Austrian People's Party (Widmann, p. 6). After Sarkozy's took power in France in May 2007, the French government adopted and became a powerful supporter of the offer. Regarding Turkey's position, when Merkel first proposed it in Ankara in February 2004, Turkish Prime Minister Recep Tayyip Erdoğan harshly rejected it, stating that Turkey did not want to be downgraded to "third state" status (EU Observer, 2004).

Fourteen years after the Privileged Partnership was first offered, a new offer named the Continental Partnership emerged for Turkey in August 2016 as a result of EU experts' attempts to create new concepts to ensure strong UK-EU relations could continue after Brexit. The five EU experts' article, 'Europe after Brexit: A Proposal for a Continental Partnership', was published by the Brussels-based Bruegel think-tank on August 25, 2016. The authors first identify the main two reasons why the British electorate rejected EU membership: the loss of national sovereignty due to the EU's supranational power and free movement of EU workers within the Single Market. The authors therefore proposed a new form of UK-EU intergovernmental cooperation and severe restrictions on the free movement of workers (Pisani-Ferry et.al., p. 4). More specifically, the Continental Partnership offer for the UK contains the following suggestions: (1) participation in the Single Market's free movement of goods, services and capital, along with some controlled worker mobility instead of completely free movement of EU workers; (2) participation in a new system of intergovernmental decision-making and enforcement; (3) close cooperation on foreign policy, security and, possibly, defense matters; (4) participation in a series of selected common policies consistent with access to the Single Market; (5) contribution to the EU budget (Ibid., p. 6).

In order to ensure intergovernmental cooperation, the experts propose creating a Continental Partnership Council, in which the institutions of the EU would join, to ensure the UK's continued involvement in discussions about Single Market regulations and other policies involving it. Although this intergovernmental body would not be given authority to pass EU laws, the UK would get an opportunity to be involved in readings of draft EU legislation and propose amendments. The authors argue that EU states cannot cope alone with current security problems, particularly the extension of

conflicts in the Middle East and North Africa to Europe, through terrorism, illegal immigration, trafficking in humans, guns and drugs, and Russian aggression against Crimea and Eastern Ukraine. In addition, they claim that EU cannot only depend on the US security guarantee for Europe since the US has to deal with its own domestic challenges in an increasingly insecure global environment. Thus, they propose that the UK, which is a permanent member of the United Nations Security Council and has powerful overseas military forces, should be allowed to actively participate in the EU's foreign, security and defense policy through a Continental Partnership in order to enable the UK to continue contributing to Europe's security interests (Ibid., pp. 6-7, 9).

According to the authors, the UK should deal with the EU's external economic policies especially regarding trade and financial regulations through the Continental Partnership and EU's power would increase internationally regarding climate change and energy policies with British participation in this new cooperation framework. They claim that Continental Partnership Council enables the UK to represent its interests effectively regarding EU's Common Commercial Policy (CCP). In this case, they say, Britain may also leave individually negotiating new free trade agreements with non-EU states. Regarding financial regulations, they propose that, via the Continental Partnership, the Bank of England should coordinate the UK's position with the European Central Bank's on financial regulations that are often agreed in international institutions where the EU wants to speak with a single voice to be more powerful. Regarding energy and climate policies, they argue that the Continental Partnership could be a valuable mechanism for ensuring that the EU and UK coordinate their positions in international climate negotiations and that the UK can join a possible energy union and participate in the EU's emissions trading system. The authors finally suggest that if the UK participates in the Single Market through the Continental Partnership, it should contribute to the EU budget, which is very important for the common agricultural policy and the structural funds (Ibid., pp. 7-9).

Although the authors' Continental Partnership proposal focuses on the UK, they also recommend that EEA states (Iceland, Liechtenstein and Norway), Switzerland (if it adopts all Single Market's regulations), Ukraine and Turkey should also participate (Ibid., p. 10). They argue that if these countries join the Continental Partnership, a Europe of two circles would emerge over the long term "with the supranational EU and the Euro area at its core and an outer circle of countries involved in a structured intergovernmental partnership" (Ibid., p. 4). Regarding Turkey, they argue that EU member states will never accept its EU accession, particularly because of the EU's political nature and fears about free movement of workers. Thus, a Continental Partnership would give Turkey a voice on EU policies. The next section explains the main reasons why the EU excludes Turkey from the membership before evaluating whether the offer of a Continental Partnership instead of full EU membership is feasible for Turkey.

Is a Continental Partnership a Feasible Option for Turkey?

Several reasons arguably explain the EU's exclusion of Turkey. The first concerns the EU's Qualified Majority Voting (QMV) system. The majority (80 percent) of the EU laws are made through QMV in the Council. Very importantly, this system grants more populated member states more voting weight. While QMV currently makes Germany and France the most powerful countries in the Council's legislative process, if Turkey became an EU member state then it would become the one of the driving forces of EU integration alongside Germany and France due to its large population (currently about 80 million). Indeed, Turkey would have even more power in Council than France, which has nearly 66 million population. This would be unacceptable for these core EU countries. The second reason regards elections in several EU member states, such as Germany, France, Austria and Denmark. In order to avoid losing votes, the leaders of Christian Democratic parties in these states declare their opposition to Turkey's EU membership. Third, the EU wants to use Turkey as a barrier between Europe and the problematic Middle East, which currently represents the main security threat for Europe, through terrorism, illegal immigration and trafficking in guns, drugs and humans (Yildiz, 2016: pp. 64-69). Fourth, already very high unemployment in EU member states make Europeans fear that Turkey's membership would cause an extraordinary burden due to free movement of workers within the Single Market. Fifth, as a new EU member, Turkey would require a significant proportion of EU funds because of its large population. According to an analysis by the General Secretariat of Turkey's EU Affairs, Turkey would receive 12.5 billion Euros in 2020 and 16.5 billion Euros in 2023 if it became a member. The majority of these funds would be allocated under agriculture expenditure and structural expenditure in the EU budget, (Milliyet, 2011) which would harm the interests of farmers in the EU's Mediterranean member states and citizens in less developed regions.

The sixth reason concerns discussions about restructuring the EU, particularly due to the current Syrian immigration crisis, high unemployment rates in the EU's member states and Brexit. According to Jean-Claude Juncker, President of the European Commission, the first two factors have reduced commonality between EU member states to its lowest level in the history of EU integration, "with governments everywhere quicker to say what they do not want from Brussels rather than work together." He also underlined the importance of developing economic and security plans to overcome this "existential crisis" (The Guardian, 2016). Brexit has worsened the EU's crisis since many populist political leaders (particularly in France, Greece, Italy, Czechia, Austria, Holland, Denmark, Finland, Slovakia and Portugal) have found an opportunity to intensify their criticisms about the EU's supranational character and, in connection with this, raised the idea of their countries' leaving the EU (Sabah, 2016). In this difficult time for European integration, it is obvious that Turkey's membership is not a priority for either the EU's leaders or institutions; rather, the EU is going to be concentrating on solving its own problems in the coming years.

In short, because these factors make Turkey's EU membership impossible, Turkey must find alternative ways to benefit from the EU, with the Continental Partnership proposal seeming to be a feasible alternative to full membership. The benefits of establishing a Continental Partnership for Turkey are presented below.

Turkey should greatly benefit from the Single Market's free movements of goods, services and capital. Thanks to the customs union, Turkey and the EU have deepened economic relations, increased trade volumes and diversified the goods traded, and accelerated mutual foreign direct investments. Meanwhile, Turkey has become an effectively functioning free market economy (Republic of Turkey, Ministry for EU Affairs, 2016). Turkey would benefit more from the customs union if the free movement of basic agricultural products was included. However, before including basic agricultural products in the customs union, it is crucial for Turkey to move producers in unproductive agricultural sectors into more efficient sectors while increasing productivity through targeted agricultural subsidies, rural development investments, and research and development projects in order to avoid significantly damaging the welfare of Turkish producers due to declining production because of rising imports (Alkan, 2015: p. 112).

Participation in the Single Market's free movement of services also benefits Turkey, especially through opening public procurement markets. Turkey currently imposes the precondition of locality in public procurement, for example through threshold values and domestic pricing, in order to protect its companies against the middle-income European companies. However, if Turkey opened its public procurement market, this would make the environment for Turkish companies more competitive, particularly those in certain sectors where competition is already strong, such as olive oil or fruit and vegetables. If the EU opened the public procurement market, Turkey's powerful construction and transportation sectors would have a chance of making high profits in EU member states (Ülgen & Dilek, 2015; Hürriyet, 2015). Participation in the Single Market's free movement of capital should bring many advantages for both Turkish citizens and companies. With the EU's very easing or abolishing legal formalities, the former will be able to conduct many operations in EU member states, such as creating bank accounts, purchasing real estate and buying shares in non-domestic companies, while the latter can invest in or buy European companies and actively take part in their management (European Commission, no date). If Turkey participates in these three dimensions of the Single Market, it will become necessary to provide some rights for Turkey concerning free movement of workers in order to effectively implement the Single Market. For example, the EU should consider abolishing Schengen visas for Turkish businessmen and managers and directors of companies for a period of three months. Such a move would also help Turkish businessmen to avoid the discomfort they feel over Schengen visas, which significantly reduces their interest in doing business with EU member states due to the obligation to prepare visa documents and wait in visa negotiation queues.

The EU makes laws regarding the Single Market through its ordinary legislative procedure, which works as follows. As the executive institution of the EU, the European Commission prepares and submits a draft EU law to the European Parliament and the Council of the European Union. The European Parliament and the Council of the European Union should adopt this proposal after either the first or second reading. If these two institutions fail to agree on the proposal, a conciliation committee is formed. If both institutions accept the committee's text then the legislation is adopted (Council of the European Union, 2017). Currently, without being an EU member, countries cannot participate in the work of the institutions tasked with implementing the ordinary legislative procedure. However, through the Continental Partnership Council, an intergovernmental body in which the EU institutions participate, Turkey would have the opportunity to express its views on legislations and propose amendments to laws concerning the Single Market before they were adopted, albeit with the condition that the EU retains its right to have the final say.

The EU's Common Security and Defense Policy (CSDP), formerly known as the European Security and Defense Policy, is part of EU's Common Foreign and Security Policy. Military and civilian crisis management operations are the main objectives of the CSDP. The European Council and the Council of the European Union are tasked with taking decisions regarding the CSDP, with the High Representative of the Union for Foreign Affairs and Security Policy, who is also the Vice-President of the European Commission, being normally in charge of making proposals for decisions (European Parliament, 2017). Turkey has given great importance to being accepted in CSDP decision-making processes because it fears that, without its involvement, future EU-led crisis management operations in Turkey's periphery may seriously damage the country's political, economic and military interests (Öymen, 2001: pp. 401-404).

Although Turkey has provided civilian and military support to many EU operations conducted within the CSDP framework since the end of the Cold War, such as EUPM (European Union Police Mission) and EUPM-II in Bosnia and Herzegovina, EUFOR Althea in Bosnia and Herzegovina, EUPOL Kinshasa in Democratic Republic of Congo and EUPOL COPPS in Ramallah, the EU has excluded it from the CSDP's decision-making processes. However, following Turkey's intense objections, the EU adopted Nice Implementation Document in 2002, which improved consultation and negotiation mechanisms with Turkey (and with other European allies) through various formulations. Nevertheless, this did not satisfy Turkey because it limited its participation in CSDP to shaping decisions rather than involvement in decision-making, whether in peace time or during military operations (Cebeci, 2012: p. 104). Until today, the EU has not fulfilled even its limited commitments in the document (Republic of Turkey, Ministry of Foreign Affairs, 2011). EU-Turkey security cooperation has been further damaged by the Southern Cyprus Administration, which, since acceding to the EU in 2004, has prevented Turkey from establishing links with the European Defense Agency to participate its work (Kohen, 2009). Faced with these challenges, Turkey should do as it has regarding Single Market legislation, which is to

protect its interests before decisions are taken within the CSDP framework through the Continental Partnership Council by explaining its opinions and objections.

The CCP is very closely related to the Single Market since it is the external manifestation of the customs union (Dinan, 1999: pp. 483-484). Its basic principles are defined in the Treaty of Rome's Article 113 (now Article 206 of the Treaty on the Functioning of the European Union) as follows: "the common commercial policy shall be based on uniform principles, particularly in regard to changes in tariff rates, the conclusion of tariff and trade agreements, the achievement of uniformity in measures of liberalization, export policy and measures to protect trade such as those to be taken in case of dumping or subsidies." When the Single Market became fully operational in 1992, which ended member states' individual trade measures on third countries for certain products, such as cars, electronics and textiles, the EU gained exclusive competence over external trade relations (Ibid.). Crucially, this includes the signing of trade agreements with third countries and international organizations. The ordinary legislative procedure is applied to CCP decisions. It has been significantly criticized by Turkish scholars and media that Turkey's adoption of the EU's common external tariffs (completely adopted in 2001) as a result of the establishment of the customs union has caused Turkey to lose its independence on foreign trade policy implementations and damaged Turkish economy. Recent criticisms in the Turkish media and academic circles over the EU-US Transatlantic Trade and Investment Partnership negotiations are a good example in this respect. However, establishing a Continental Partnership Council would allow Turkey to present its views and objections on EU proposals for common external tariffs and agreements with third countries and international organizations before such legislations are adopted.

The EU budget comprises traditional internal resources (custom duties and sugar levies), resources based on value added tax (0.3 percent for each member state) and resources based on Gross National Income (GNI) (a standard percentage for each member state). Among these resources, member states' GNI contribution is the largest source of revenue (73 percent in 2015) for the EU budget (European Commission, 2014). For 2014-2020, the agreed EU budget is €960 billion, with nearly half allocated for agricultural development. Thus, if the EU allows free movement of Turkey's basic agricultural products, Turkey would have a comparative advantage in the EU market, particularly for fresh fruits and vegetables. In exchange for this benefit, Turkey would contribute to the EU budget according to its GNI.

Conclusion

Turkey's accession negotiations, which started in 2005, have proceeded very slowly and, more challengingly, many negotiation chapters being blocked by the EU itself, and France and Southern Cyprus. Unprecedentedly, recent years have seen EU politicians declare that Turkey will never become an EU member state while senior Turkish politicians have argued that the membership game must be ended. Such

statements are actually no more than manifestations of the known reality. In particular, from the EU's perspective, Turkey's membership would weaken the voting powers of the EU's core countries in the Council of the European Union, decrease the power of Christian Democratic parties but increase the power for far-right political parties especially because of concerns over free movement of Turkish workers, make the EU into a neighbor of the Middle East and harm the interests of EU farmers and residents of less-developed regions since a huge amount of EU funds would be allocated for Turkey as a member state. Apart from these concerns, the EU currently has to focus on solving own structural problems before accepting any new member states, which arose due to Brexit, the Syrian immigration crisis and high European unemployment, all of which make Turkey's membership unforeseeable in the coming future.

Turkey now has to act realistically by looking for alternative options instead of full EU membership to benefit from EU integration project. One feasible option is for Turkey to establish a Continental Partnership. This new method of cooperation offers significant economic and political benefits to Turkey. Participation in the Single Market would, first, allow free movement of Turkey's basic agricultural products, giving Turkey a comparative advantage in the EU's markets, especially for fresh fruits and vegetables. Second, free movement of services would enable Turkey's powerful construction and transportation companies to compete for public procurements in EU member states while opening Turkey's public procurement market to EU companies would increase competition among Turkey's powerful sectors, such as olive oil or fresh fruit and vegetables. Third, a Continental Partnership would ensure free movement of capital, giving, with very easing or abolishing legal formalities by the EU, Turkish citizens the right to open bank accounts, buy shares in non-domestic companies and real estate in Europe, and give Turkish companies the right to own, invest in and participate in managing European companies. Fourth, in order to strengthen the Single Market, the EU should abolish Schengen visas for three months for Turkish businessmen and company managers and directors. This would also help alleviate one of the most important fears of Europeans about Turkey's EU membership, namely free movement of Turkish workers. Finally, regarding political interests, participation in the Continental Partnership Council, an intergovernmental body, would allow Turkey to present its views and objections before the EU adopts legislation concerning the Single Market, implements crisis management operations in Turkey's periphery or introduces common external tariffs and EU trade agreements with other countries and international organizations.

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