



**INTERNATIONAL HERALD TRIBUNE 29 October 2004**

## **Viewpoint**

# **WHAT TURKEY COULD BRING TO THE EU**

**Dr. BAHADIR KALEGASI**

Representative to the EU and UNICE – Brussels  
TUSIAD – Turkish Industry&Business Association

[kalegasi@tusiad.org](mailto:kalegasi@tusiad.org) [www.tusiad.org](http://www.tusiad.org)

Turkey's membership in the European Union is a gradually evolving process. The main tasks towards membership are to transform Turkey's potential into political, economic, social and cultural assets for Europe's future; to solve today's problems; and to set, if still necessary, transitional periods for some aspects of the membership. Today, the historical responsibility for both the EU and Turkey is to launch, as soon as possible, the accession negotiations.

The EU has a demanding agenda: institutional reforms, enlargement process, economic competitiveness, viability of the social system and the political and security stakes at the global level. In this context, Turkey's priorities and the EU's challenges in the 21<sup>st</sup> century converge more than ever before.

### **1. Europe's Global Economic Competitiveness (Lisbon Strategy)**

Consequently to Turkey's accession to the EU, further enlargement of the European internal market will benefit European citizens. This will invigorate the benefits and opportunities for business and consumers. The business sector will reap the dynamic benefits of this enlargement through economies of scale, enhanced competition and expanded market access, and a rising information society. Turkey's accession will contribute to Europe's global competitiveness.

The EU economy is undergoing a relative crisis. Member states are far from achieving the goals set by the Lisbon Strategy (European Council, March 2000). European business community in each and every occasion voices the urgent need for economic reforms necessary to reinforce the competitiveness and growth in the EU.

Turkish business community fully supports the EU's Lisbon agenda and underlines the potential contributions of the country's membership to Europe's global competitiveness:

- Turkish economy is the world's 18<sup>th</sup> largest one in the world. It exports mainly industrial goods (%90). Its service sector accounts for 65 percent of its gross domestic product, and the public procurement market amounts to more than 30 billion euros. Full integration into the EU of such a dynamic economy will boost economic growth in the EU.



- Turkey's full integration will bring the fresh impetus to the internal market with its dynamism, large market demand, entrepreneurial culture and trade creation potential.
- Benefits offered through this full integration to the European businesses will spill over to the EU citizens through more and better job opportunities, more competitive prices and better investment opportunities.
- Successful institutional reforms in Turkey, together with positive international business reaction to the opening of negotiations, will enable a rapid convergence path toward the EU average values for main economic indicators such as GDP per capital and labour productivity.
- If Turkey takes measures to realize its full productivity potential, she could create 6 million additional jobs by 2015 and achieve annual GDP growth as high as 8.5 percent. This would bring the GDP per capita in Turkey to around 55% of the EU average per capita income.<sup>1</sup>

## **2. Social Europe**

To avoid paying more taxes and drawing fewer pensions in an ever-older Europe, countries can create together the right synergy to sustain the European Social model.

Europe is facing a significant problem of an aging population. The fertility rate has fallen since 1965 while life expectancy has increased. With the current demographic trends, Europe's population is deemed to decrease sharply. New member states with lower fertility rates than the rest of EU make the continent even older.

The problem of the EU's aging population translates into shrinking markets, less taxable income and lower revenues from social contributions. This means, for example, more working years, higher taxes, fewer pensions for a shorter period of time. According to a recent UN study, "the EU would need an average of 6.1 million immigrants a year from 2015 to 2040 to maintain a ratio of three working-age adults for each retiree".<sup>2</sup> To maintain the European social model, the EU needs to increase its labour productivity and its employment rate quickly and substantially.

- Demographically, Turkey is a window of opportunity for Europe. With a population of 70 million people, Turkey has more than 30 percent of its population below 15 years old (with a decreasing trend) and its demographic growth is expected to be stabilised by 2030 at about 85 million people.
- Turkey's young, dynamic and qualified human resource is the social insurance of Europe. A Turkey engaged in the EU accession process will benefit from higher economic development as well as better and more European education. Consequently, Turkey's human capital will be upgraded to meet Europe's standards and needs.

## **3. Constitutional Debate**

Here is a chance and challenge for Europe: A stronger Union requires more effort, better governance and radical restructuring of European institutions.

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<sup>1</sup> Turkey's Quest for Stable Growth, Mc Kinsey Quarterly, 2003 Number 4 Global Directions

<sup>2</sup> [www.un.org](http://www.un.org)



As has been the case in previous enlargement waves, dynamism brought by the prospect of new members creates the necessity and opportunity to restructure the EU institutions and its decision-making set-up.

- Turkey follows-up the debate on EU's reform. Turkish delegates participated to the work undertaken by the Convention on the future of Europe and the Intergovernmental Conference. Turkey is aware that in an EU marked flexible integration envisaged by the Constitutional Treaty, its accession may initially be faster.
- The Constitutional Treaty is a good opportunity to restructure the EU's institutional and decision-making set-up with the purpose of making an ever-stronger Union, ready to assume its global responsibilities and ready for further enlargement.
- The EU is a unique example of integration between sovereign member states going far beyond intergovernmental cooperation. Turkey aspires to join this community of common values. Therefore, the country strongly supports the adoption of a Constitutional Treaty which is a unique opportunity for the common future of people believing in human dignity, democracy, liberty, justice, equality, the rule of law, respect for human rights and peace<sup>3</sup>.

#### **4. EU as a Global Player**

As an enlarging Union of over 450 million people, producing a quarter of the world's GNP, the EU is inevitably a global player committed to sharing the responsibility for global security and building a better world.

Turkey shares the commitment of the European countries to deal peacefully with disputes through cooperation under a multilateral institutional framework. She also shares the EU's aspiration to create a zone of security and prosperity for European people internally and on the world stage. Furthermore, Turkey is aware that tackling today's complex security struggles, contemporary global problems and the intensive security agenda necessitates close cooperation more than ever before. Turkey, which has always positioned its foreign and security policy in line with that of the Union, is ready to play her part to make the EU a stronger global player:

- As a secular democracy with a predominantly Muslim population, Turkey offers the anti-thesis for the clash of civilizations scenario. Turkey's acceptance will give a positive message to the Muslim world and relieve the feelings of alienation of 12 million Muslims living in Europe as EU citizens.
- Turkey will make the EU stronger in its fight against terrorism, illegal immigration, xenophobia and racism, organised crime, trafficking of drugs, arms, and human beings...
- Turkey's geo-strategic position will enable the EU to be in a pivotal position to exert its influence and spread its values in the Balkans, Caucasus, Central Asia and the Middle East with a view of establishing stability, peace, democracy as well as market economy in these regions.

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<sup>3</sup> The Constitutional Treaty was signed in Rome, in a ceremony with the participation of the heads of state and government of the EU members and the candidate countries including Turkey on 29 October 2004, a date that marks also the 81<sup>st</sup> anniversary of the proclamation of the Turkish Republic.



- As stable democratic country - with close political, cultural and commercial ties to countries possessing the world's largest natural gas and oil sources in the Caspian Sea and Near East – Turkey will contribute to the security of the EU's energy policies.
- Turkey's frontiers are the security frontiers of Europe within the NATO framework. As a reliable NATO ally and as a member of the EU, Turkey will consolidate the military and civilian aspects of the EU's common foreign and security policy.

**The Turkish business community** has firmly supported Turkey's EU membership perspective. We believe that Turkey is ready to start the accession negotiations. We are conscious that the negotiation process will take long time. In the meantime:

- > First, we will ever determinately be mobilised to solve any problem that the membership perspective puts on the foreground of the agenda.
- > Second, we will be successful in transforming Turkey's potential into political, economic, social, cultural and security assets for the future of Europe's.
- > And third, we will closely watch and contribute to the EU's evolution towards a globally competitive economy and institutionally efficient political entity.

*Bahadir Kaleagasi, Brussels, October 2004*

**Sources of information on the EU-Turkey relations:**

AB Haber News, Brussels-Ankara: [www.abhaber.com](http://www.abhaber.com)

EU Communication Group, Ankara: [www.abig.org.tr](http://www.abig.org.tr)

EU General Secretariat, Ankara: [www.euturkey.org.tr](http://www.euturkey.org.tr)

EU Representation, Ankara: [www.deltur.cec.eu.int](http://www.deltur.cec.eu.int)

TUSIAD – Turkish Industry&Business Association, Istanbul-Ankara-Brussels-Berlin-Paris-Washington DC:  
[www.tusiad.org](http://www.tusiad.org)