

# Press Release

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## The European Union at 62 and the importance of the EU-Turkey relations

Human history has made its most important political, economic, social and scientific advances on the European continent and the surrounding region. On the other hand, Europe has also suffered political, ethnic, sectarian, and economic conflict for centuries. The philosopher Immanuel Kant's ideal of perpetual peace became inevitable in the aftermath of the great humanitarian catastrophe created by the Second World War. The understanding that economic integration forms the foundation of political integration was adopted; the European Coal and Steel Community was established with the goal of integration and reciprocal cooperation on basic goods that have caused wars. The system of economic integration based on a single market and the four fundamental freedoms (the free movement of goods, services, capital, and people) aimed to achieve a level prosperity for all European citizens. Issues that could lead to political disputes were handled within a political framework that was formed with the understanding that sovereignty could be exercised jointly at the supranational level. The process of unity began in Europe.

On March 25, 1957, six countries signed the Treaty of Rome, forming the European Economic Community, the precursor to the European Union. The EU, which was established with a broader political and economic perspective 62 years earlier, has today twenty-eight-member states, a population exceeding half a billion, and is a global economic and technological power. It is the most important successful political project in history. Throughout these 62 years, the economy of the continent has developed greatly; the spirit of unity has prevailed against radical and aggressive ideologies. Within the EU and its global sphere of influence, great advances were made in democracy, political stability, prosperity and peace.

Today, during the transition to a Digital Economy triggered by the 4th Industrial Revolution, the unity project in Europe faces important challenges:

- leadership and adaptation to the digital age, in all fields from the economy to education,
- employment policies that are suitable for new technologies,
- tackling climate change and transition to renewable energy,
- balancing partnership and competition with rapidly rising economies, especially India and China
- the future of the Transatlantic economy with the United States,
- reforming social security and retirement programs,
- migration and asylum policies,
- a democratic evolution that protects European values against populist political movements and meets the changing societal demands,
- managing the Brexit process,
- macroeconomic stability in the Eurozone,
- institutional reform of the EU: flexible differentiated integration model

The EU can only fulfill its responsibility as a leading global actor by meeting the expectations of European citizens and influencing global developments as an innovative center of peace and stability. The EU

should complete the institutional transformation that it needs with strong political will. It should achieve a healthy and open structure that meets the flexibility required in the 21st century, is more secure and just, guarantees equality and freedom, and creates opportunities for expansion and consolidation of its global sphere of influence in the multipolar global level. As emphasized by the Confederation of European Businesses (BusinessEurope), of which TÜSİAD is a full member, this is the only way for the EU to be the source of common solutions, rather than shared problems.

In discussions on EU institutional reform, multi-speed Europe or differentiated integration come to the fore. In this structure, countries that are not expected to be in the federal Eurozone at the center, can remain in a more flexible confederal EU circle. This outer circle will also embrace the fundamentals such as democracy, rule of law, single market, and energy. Beyond concentric circles, there are multiple sets that overlap: Euro, Euro+, the Fiscal Compact, the Banking Union, Schengen, defense cooperation, the European Economic Zone, Switzerland's special status, the Customs Union... If consensus can be achieved on the Berlin-Paris axis and among EU27 regarding institutional reform, the EU will emerge from this process with a more effective institutional system in the medium term.

From Turkey's perspective, the EU accession process that began with its application in 1959 and was made official with the 1963 Ankara Treaty, has created many positives for citizens of the Republic of Turkey:

- a Western and pluralistic democracy, as can be found in the Transatlantic world
- a modern, dynamic, and inclusive market economy with regulated cooperation
- a predictable justice system
- social welfare, healthcare and labor standards
- participation in European education, technology and social development programs
- increased investment and tourism from Europe and the world
- greatly increased exports, high-standard food and industrial products, consumer rights, and environmental regulations due to the Customs Union.

In this context, EU accession is not a foreign policy issue, but a key political goal that will create a transformation in all areas of policy. The political conditionality principle of the accession process has formed the driving force behind Turkey's transformation through reform. The governments that have served over the last twenty years have demonstrated success in putting this equation into good use. From a broader perspective, Turkey has become an important country in the Western world with regards to its centuries-old historical modernization, its economic zone of influence and interests, and strategic-security dimension. Bilateral relations need to be seen beyond economic partnership and trade, technical compatibility, or issue-based strategic cooperation; rather, it should be seen as a shared future based on democratic values. The Tanzimat reforms, the two constitutional eras, the establishment of the republic and transition into a multi-party system are all stages in this process. Membership in the European Council and NATO, and the goal of accession into the European Union are the natural results of these stages. As emphasized in the introduction of Turkey's official National Program, "EU membership is the project of the republic".

The EU accession process has also served as a positive function in Turkey's relations with other regions of the world. As it has progressed through the EU process, Turkey has become economically appealing and a reference for democracy for emerging countries; Turkey has strengthened its relations with the EU, as it has strengthened its regional economic ties. Becoming Europe's Eurasian center is Turkey's most important strength in terms of global competition, and in its national interests. For this, many steps must be prioritized:

- Continuing democratic reforms and regulatory alignment while maintaining a multi-speed European future perspective, even if accession negotiations falter;
- Progressing in each area with an understanding of a faster and more advanced global competitiveness, while considering efforts to solve the EU's current problems by reform;
- Intensive investment into areas such as education and youth, technology, English language, general knowledge, social responsibility;
- Prioritizing a pluralistic, consensus driven and liberal understanding of political and public systems in a Turkey that is strong in Europe and the world;
- Updating the customs union, which is a lever for reform and a source of economic appeal, with a focus on the global economy, Industry 4.0 and the digital economy.

From the perspective of Turkey's national interests, the EU accession process is a historical opportunity in terms of fundamental democratic reforms, a liberal and creative social environment, and technical regulatory alignment. Throughout this process, from the United States to China, from energy policies to the digital economy, a better understanding and evaluation of the EU's economic agenda must be a priority.

EU-Turkey relations include historical depth, contemporary partnership and future gains. Short-term, sporadic disagreements should not forestall the strategic configuration of the relationship and the future vision of the emerging global order. From the perspective of the European Union, and from the perspective of Turkey, an inability to overcome current problems and the triumph of diversion over unity would be considered a historic defeat. Both sides have sufficient historical experiences, responsibility and vision to avoid falling into such a trap. A Turkey that progresses towards EU accession, that maintains high standards and the rule of law, and exhibits Eurasian dynamism will advance quickly in the 21st century. Successful EU-Turkey relations are a three-way, win-win-win formula: Peace, democracy and prosperity for Europe, for Turkey and for the world.