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THE AUSTRIAN EU PRESIDENCY AND PROSPECTS FOR TURKEY-EU RELATIONS

As Austria has assumed the rotating six-month presidency of the EU on 1 July 2018, Turkey expects to have “minimum dialogue” with the new term president.

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IKV Research Director

Austria took over the rotating presidency of the Council of the EU in a symbolic handover ceremony in Schladming with the attendance of European Council President Donald Tusk, Bulgarian Prime Minister Boyko Borissov and Austrian Chancellor Sebastian Kurz. Austria, which has assumed the EU presidency for the third time after 1998 and 2006, has chosen the motto “A Europe that protects”.

The Austrian Presidency in the second half of 2018 has to work on prevailing complex dossiers, namely negotiations regarding Brexit and regarding the Multi-Annual Financial Framework for the period 2021-2027. Another important aspect for the work of the Austrian Presidency concerns the EP elections that will take place on 23-26 May 2019. Since EP's legislative period is coming to end, it will be essential to reach agreements on as many open legislative proposals as possible. Therefore, the Austrian Council Presidency has to work on reaching common positions in the Council on legislative proposals.

The priorities of the programme of the Austrian Presidency were announced as follows: Security and fight against illegal migration; securing prosperity and competitiveness through digitalisation and stability in the neighbourhood – bringing the Western Balkans/South Eastern Europe closer to the EU.

“A Europe that Protects” and the Priorities of Austrian EU Presidency

It is clear that the motto of the presidency “a Europe that protects” reflects the essence of the priorities and the working programme of Austria adequately. While preparing the programme, the Austrian government preferred to approach the migration issue from a security



perspective, digitalisation from the perspective of securing prosperity and competitiveness while considering only the Balkan countries as part of EU enlargement policy.

It was not surprising that a special emphasis was put on security and fight against illegal migration by the Austrian Presidency. As one would recall, at the European Council meeting, which took place a few days before Austria took over the EU Presidency, one of the most controversial issues was immigration, and it took a great deal to reach final settlement among Member States. Thus, Austria aims to channel its efforts to reform the Common European Asylum System as well as strengthen the European Border and Coast

Guard Agency (FRONTEX), in order to guarantee the efficient protection of the EU's external borders. Austria plans to host a special summit in Salzburg on 20 September 2018, in order to deal with these issues.

A considerable share of growth in the EU can already be attributed to the digital economy. Therefore, the Austrian Presidency considers that with an intelligent policy of digital transformation, it will be possible to safeguard the competitiveness and sustainability of the European economy in the future. In order to improve framework conditions for digital business models and services Austria suggested completing the Digital Single Market, modernising public administration on a broad scale

and renewing industrial policy.

Regarding the third priority, the Austrian Presidency undertook the task of advocating developing a concrete EU perspective for all Western Balkan/South Eastern European countries based on clear criteria relating to their individual performance and work on achieving measurable progress.

The Missing Item in the Programme of the Austrian EU Presidency: Turkey

While the Austrian Presidency is referring to development of relations with many countries and regions ranging from Russia to ASEAN countries, from the Caribbean to Latin American countries, in its 70-page programme, which sets out

its goals and priorities for the next six months, it is very striking that Turkey as an EU accession country was not even mentioned once. As many of the readers may recall prior to the Turkey-EU Summit on 26 March, which brought President Erdoğan and the heads of EU institutions together, the Austrian Chancellor Sebastian Kurz has claimed that Turkey no longer fulfils the Copenhagen political criteria and therefore EU accession negotiations with Turkey shall be suspended. Lately, the Austrian Foreign Minister Karin Kneissl made the position of her country vis-à-vis Turkey very clear by stating that they do not perceive Turkey as an EU candidate country. In the face of this attitude, Turkish Foreign Minister Mevlüt Çavuşoğlu took a realistic approach and said that he did not think that any positive steps were going to be taken during the Austrian Presidency and did not expect any new negotiation chapters to be opened.

It seems that Austria does not want to deal with any issues related to the Turkey within its six month term at the EU's helm. However, the attitude of the Austrian government overshadows the EU-wide leadership ambitions of Chancellor Sebastian Kurz who constantly emphasises EU's values. On the other hand, Turkey with its new governing system shall reinstate the reform process in order to fulfil the Copenhagen criteria. The objections of the Austrian government are not new for Turkey. Turkey had faced similar objections from Vienna when the decision regarding the start of EU accession negotiations was taken. At that time, Turkey overcame those obstacles with its ambitious reform process which showed Turkey's determination to become an EU Member State. It seems that our previous experiences already provide the answer for Turkey's EU bid, irrespective of whether Austria holds the EU presidency or not.



“THE NEW GOVERNMENT’S FIRST ACTION SHOULD BE TO TAKE A STEP TOWARDS THE EU”

In a statement concerning the conclusions adopted by the General Affairs Council on enlargement on 26 June 2018, IKV Chairman Ayhan Zeytinoğlu made the following remarks: “Nowadays, the EU is at a crossroads. On the one hand, there is a conflict between the Member States over migration and asylum, on the other hand the reform efforts towards how the EU will take shape following Brexit have accelerated. Beside these, the EU has also strengthened the European perspective of the Western Balkan countries. For Serbia and Montenegro, 2025 has been pronounced as an accession date, while Albania and Macedonia are set to begin accession talks in June 2019. These mean that the EU is moving forward. Therefore, Turkey should also take the steps to revitalise the EU accession process without further delay.

During the General Affairs Council meeting, which was convened with enlargement on the agenda, Turkey



was also discussed at length. The need to continue relations with Turkey and strengthen cooperation in areas such as migration, security and the fight against terrorism were emphasised. However, it

was stated that the accession negotiations were at an impasse and the opening of new chapters or launch of negotiations for the modernisation of the Customs Union were not being considered. The

EU has maintained this stance on this issue since the end of 2016. In all the meetings we hold in the Member States or Brussels, we, as IKV emphasise that it was the EU's inability to provide a credible membership perspective to Turkey which has brought the relations to this point. Turkey should also take steps in order to break the deadlock in its relations with the EU. We are aware of the security issues our country is facing. We hope that the new government under the leadership of our President, who has received strong powers from the public, will take the necessary steps to revitalise the EU accession process as soon as possible. We wish for the state of emergency to come to an end and for the economic and political reforms to be brought back into the agenda as soon as possible.”

Concerning the statement that the negotiations aimed at the modernisation of the Customs Union were not being considered, IKV Chairman made the

following remarks: “The modernisation of the Customs Union, which has been in place since 1996, is an issue that needs to be addressed urgently. Regarding this, the EU has been exercising political conditionality and the Commission has not been mandated by the Council to launch the negotiations. Given that the negotiations are likely to take a year or two, the process should be started without further delay. This is a must for the Customs Union relationship to continue in a sound way and to be extended to cover new areas such as agricultural products and services. This process will not only benefit Turkey, but also the companies in the EU. Moreover, through a positive agenda, the modernisation of the Customs Union could create the necessary momentum for advancing the Turkey-EU relationship. Our expectation from the EU is to launch this process without further delay, rather than using it as a restrictive measure against Turkey.”

“THE FIRST OBJECTIVE IN THE POST-STATE OF EMERGENCY TERM SHOULD BE THE EU PROCESS”



On 19 June 2018, IKV Chairman Ayhan Zeytinoğlu made a statement following the announcement that the state of emergency would not be extended. Chairman Zeytinoğlu underscored that the expiration of emergency rule could bring about a new momentum in Turkey's relations with the EU, and stated: “It has been announced that the state of emergency, which has been ongoing during the last two

years, will be expired. Security precautions may be taken within the period of three years in order to prevent any vulnerability in the fight against terrorism in the post-state of emergency period. However, with the expiration of the state of emergency, Turkey can achieve progress in various areas in which it was criticised by the EU. It is now possible to speed up the reform process in the political and economic context. The fact that

the Council of Europe, of which we are a member, has come up with a positive statement concerning the expiration of state of emergency, shows that there are encouraging signals to regain the ground we have lost with Europe.” Chairman Zeytinoğlu also referred to Turkey's close trade and investment relations with Europe and noting the significance of the EU anchor for the economy, stated: “In particular, the arrival of

foreign direct investment from the EU countries, preference for new production operations in Turkey influences stability, democratic freedom and significantly affects the country by the establishment of the rule of law. EU anchor has a vital importance in terms of Turkey's progress in all areas. We hope that during the post-state of emergency period, a suitable environment for the revitalisation of the EU process will emerge.”

TURKEY - EU JOINT CONSULTATIVE COMMITTEE MEMBERS CONVENED AT TOBB



Turkey - EU Joint Consultative Committee (JCC) Turkey wing; Chairman of the HAK - Confederation of Trade Unionists (HAK-İŞ) Mahmut Arslan, Chairman of the Confederation of Public Servants' Trade Unions (MEMUR-SEN) Ali Yalçın, Chairman of the Confederation of Turkish Tradesmen and Craftsmen (TESK) Bendevidi Palandöken, President of the Confederation of Turkish Trade Unions (Türk-İş) Ergun Atalay, Turkish Confederation of Employer Associations (TİSK) Executive Board Member Erhan Polat, President of the Public Workers Unions Confederation of Turkey (Türkiye Kamu-Sen) Önder

Kahveci, President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) M. Rifat Hisarcıklıoğlu and Chairman of the Turkish Union of Chambers of Agriculture (TZOB) Şemsi Bayraktar, convened at TOBB on 27 June 2018. During the meeting, Turkey-EU JCC Turkey wing discussed the ongoing activities and exchanged views on the current developments. The meeting was also attended by TOBB Secretary General Mustafa Saraçöz, HAK-İŞ Secretary General Osman Yıldız, Türk-İş Organisational Secretary General Eyüp Alemdar, TEPAV Director Güven Sak and TOBB's Head of EU Department Mustafa Bayburtlu.

IKV AGENDA

IKV PRESS STATEMENT ON 24 JUNE ELECTION RESULTS

We hope that the results of the election, which has a very high turnout, at almost 90 percent, will be good for the entire Turkish nation. This election, which is the first election after Turkey's transition to the presidential system, has demonstrated the democratic maturity of Turkey. The representation of the different colours of the political environment in the Turkish Grand National Assembly will be positive in terms of democratic pluralism.

In the new period, we expect the necessary steps to revitalise the EU process- an important anchor for our country- to be taken, the state of emergency to come to an end, structural reforms to be accelerated, and in the political sphere the necessary



progress to uphold the rule of law to be made.

We are going through a fragile international environment, in which the world's balances are shifting; trade wars are affecting global production and consumption trends, and conflict and instability are going on in our close proximity. In terms of overcoming the

problems in the economy and speeding up development, it is essential for the EU anchor to be valid and to return to reforms in order to ensure the flow of international capital in Turkey. In addition to a strong executive, we hope for the consolidation of an effective legislature and an independent judiciary in Turkey in this new era.

IKV CHAIRMAN COMMENTED ON THE LATEST DEVELOPMENTS ON THE VISA ISSUE

IKV Chairman Ayhan Zeytinoğlu commented on the European Parliament's approval of the European Travel Information and Authorisation System (ETIAS) and the visa liberalisation process:

"First of all, the subject which will be put into vote today by the EP concerns the Turkish citizens as well. A new system, known as 'ETIAS', is set to come into effect in 2021. Under ETIAS, all passengers that will be traveling to the EU without a visa will be required to register via the internet. Accordingly, Turkish citizens holding green and grey passports, who can enter the Schengen zone without a visa, will also have to register within ETIAS beforehand. While registering to this system, along with giving information on birth date and gender, information concerning whether one has a criminal record or has been present in a war zone are also required. In exchange for a 7 euro fee, it is planned that the registrations made in the system will be valid for 3 years and those younger than 18 years of age and older than



70 years of age will be exempted. This system will be valid not only for Turkish citizens but also for all citizens who can enter the EU without a visa. In case there are suspicions over the enrollee, the application may be rejected. However, there is a right to appeal against this decision. Following the approval of the EP and the Council, the legal process will proceed."

IKV Chairman Ayhan Zeytinoğlu continued his words as follows: "One of the criteria to be fulfilled by Turkey to obtain visa liberalisation was to sign an operational agreement with EUROPOL. The EP gave its approval for launching

negotiations for this agreement. The agreement will be concluded between Turkey and the EU and it will allow the exchange of personal data to combat large-scale crime and terrorism.

One of the most important issues here is the EP's insistence on data exchange with the Greek Cypriot Administration of Southern Cyprus (GCASC). Another important criterion on visa liberalisation was ensuring cooperation in criminal matters between Turkey and the EU Member States. GCASC being an EU member, representing the whole island constitutes a problem from the point of Turkey. In its report, the EP puts emphasis on respect for fundamental rights and paying attention to data security conditions while exchanging data with Turkey and demands a detailed impact analysis from the Commission. While acknowledging the importance of these issues, we believe that requesting sharing data with Turkey for the EU's security while subjecting Turkey to strict rules for sharing data for its own security creates double standards in practice."

IKV CHAIRMAN VISITED ISTANBUL CHAMBER OF COMMERCE

The IKV delegation led by Chairman Ayhan Zeytinoğlu, Secretary General Assoc. Prof. Çiğdem Nas, Research Director Çișel İleri and Strategy and Business Development Director Gökhan Kilit visited Istanbul Chamber of Commerce (ICOC) President Şekib Avdagiç on 12 July 2018. During the visit, which was also attended by ICOC Vice-President Dursun Topcu, the IKV delegation wished success to the new ICOC chairman and administration that



took office in April and discussed potential opportunities for further

cooperation between the two institutions.

TIMELINE JUNE-JULY 2018

1	IKV participated in the EU Information Centres Network Coordination Meeting.
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6	IKV organised a seminar entitled "What Does GDPR Bring for the EU and Turkey?".
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11	Leaders inaugurated TANAP gas pipeline project.
12	IKV published a brief note on the EU-Western Balkans Sofia Summit.
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21	The IKV panel entitled "EU Enlargement and Reform Agenda: The Outcomes for Turkey and Balkans" took place in Vienna.
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23	Snap elections were held in Turkey.
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25	The General Affairs Council adopted conclusions on Turkey.
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27	Members of the Turkey-EU JCC Turkey wing convened at TOBB.
28	EU leaders met in Brussels to discuss migration, defence, jobs and growth.
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1	Austria assumed the EU Presidency.
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3	IKV published a brief note on the EU's FTAs with Australia and New Zealand.
4	EP approved 500 million euros for schooling of refugee children in Turkey.
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8	President Erdoğan unveiled the new cabinet.
9	IKV published a brief note on the Commission's new proposal on consumer protection.
10	President Erdoğan visited Azerbaijan and TRNC.
11	NATO Summit was held in Brussels.
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13	An IKV delegation led by Chairman Zeytinoğlu visited Istanbul Chamber of Commerce Chairman Şekib Avdagiç.
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18	The Turkish government lifted the state of emergency.
19	The IKV panel entitled "The US' Global Role and Its Relations with the EU: Crisis or Reconstruction?" took place in Istanbul.
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25	President Erdoğan travelled to Johannesburg to attend the BRICS Leaders' Summit.
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IKV DISCUSSED TURKEY-EU RELATIONS IN VIENNA

On 21 June 2018, IKV organised a panel entitled "EU Enlargement and Reform Agenda: The Outcomes for Turkey and Balkans" in cooperation with the Austrian Institute for International Affairs, within the scope of the "EU Presidencies and Turkey" project. The opening speech of the panel was delivered by Turkey's Ambassador to Austria Mehmet Ferden Çarkıcı. The panel session, which was moderated by the Vice-President Austrian Institute for International Affairs Cengiz Günay, included Head of Department for Southeast Europe and EU Enlargement in the Austrian Federal Ministry for Europe, Klaus Wölfer, Director of TEPAV's EU Institute, Nilgün Ansan



Eralp, Director of Ankara University's EU Research Centre, Prof. Sanem Baykal, Mercator Istanbul Policy Centre

Senior Fellow, Prof. Atila Eralp and IKV Secretary General Assoc. Prof. Çiğdem Nas as speakers.

Following a brief introduction by Assoc. Prof. Nas, panellists discussed the state of play in Turkey-EU

relations in light of the debate on the future of the EU. During the panel, it was emphasised that Turkey has achieved significant gains through its EU membership process and that the civil society has improved greatly. While drawing attention to the fact that the EU's approach to Turkey has been functional recently, panellists highlighted that bilateral relations have proved to be quite durable in the long term. Panellists referred to the importance of the modernisation of the Customs Union for the sustainability of a relationship based on rules in the short term and underscored that Turkey needed to preserve the ultimate objective of EU membership.

TRANSATLANTIC RELATIONS DELIBERATED AT IKV PANEL

IKV organised a panel entitled "The US' Global Role and Its Relations with the EU: Crisis or Reconstruction?" on 19 July 2018. Following IKV Chairman Ayhan Zeytinoğlu's opening remarks, prominent speakers including TEPAV Multilateral Trade Studies Center Director, retired Ambassador Bozkurt Aran,

Dr. Pinar Artıran from Istanbul Bilgi University, Nihat Ali Özcan from TEPAV and Assoc. Prof. Aylin Ünver Noi from Istinye University discussed the future of the transatlantic relationship in the light of the trade wars, the NATO Summit and the Putin-Trump meeting in the panel session moderated by IKV Vice-President Halûk Kabaalioglu.



EU'S NEW GENERAL DATA PROTECTION REGULATION DISCUSSED AT IKV SEMINAR



The seminar entitled "What Does General Data Protection Regulation (GDPR) Bring for the EU and Turkey?" was organised by IKV in association with Muhtaranlar Attorney Partnership on 6 June 2018. During the seminar moderated by IKV Research Director Çişel İleri, Assoc. Prof. Marian Alexander

Arning from Turkish German University, Managing Partner of Muhtaranlar Attorney Partnership Gökhan Muhtaranlar and the Head of Law Department at the Personal Data Protection Authority Demet Arslaner Keklikkiran discussed Turkey's Personal Data Protection Law (KVKK) and GDPR. Following an in-depth analysis of the

provisions of the GDPR and its possible impact on companies, the speakers compared the KVKK to GDPR and highlighted the differences between the two. They also underscored that ensuring KVKK's compliance to GDPR was among the 72 criteria Turkey needed to fulfil in order to obtain visa liberalisation.

IKV PARTICIPATED IN THE EU INFORMATION CENTRES NETWORK COORDINATION MEETING

IKV Secretary General Assoc. Prof. Çiğdem Nas and EU Information Centre Coordinator and Press Officer Mehmet Poyrazlı participated in the EU Information Centres Network Coordination Meeting which was jointly organised by the EU Delegation to Turkey and TOBB on 31 May-1 June 2018 in Ankara. During the meeting, Head of EU Delegation to

Turkey Ambassador Christian Berger assessed the latest developments in Turkey-EU relations for EU Information Centre coordinators and the secretaries general of the institutions hosting these centres. Ambassador Berger expressed his gratitude to the host institutions for their work aimed at improving Turkey-EU relations.



INCUMBENT PRESIDENT ERDOĞAN WINS RE-ELECTION IN 24 JUNE SNAP ELECTIONS

The 24 June elections have marked the beginning of an executive presidential system in Turkey.

Turkish voters went to the polls on 24 June 2018 to elect the first president and parliament members of the new presidential system. Although the elections were initially planned for November 2019, Turkish authorities decided to bring the parliamentary and presidential elections forward to 24 June. The constitutional amendments which were approved by 51.36 percent in the referendum held on 16 April 2017, had set up the legal ground for a switch from parliamentary system to a presidential one.

According to the official results announced by the Supreme Election Council, incumbent President and candidate of the

People's Alliance Recep Tayyip Erdoğan won a 52.6 percent share of the national vote, while the main opposition candidate Muharrem İnce, member of Republican People's Party (CHP), got 30.6 percent. As the triumphant of the presidential race, Erdoğan has become the first president under the new executive presidency system. The People's Alliance, formed by Justice and Development Party (AKP) and Nationalist Action Party (MHP) won 344 parliamentary seats out of 600. The Nation's Alliance including CHP, İyî Party and Felicity Party (SP), on the other hand, obtained 189 seats after receiving 34 percent of the



votes. Peoples' Democratic Party (HDP) exceeded the threshold of 10 percent with 11.7 percent of the votes and won 67 seats in the

parliament. High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini and

Commissioner for European Neighbourhood and Enlargement Negotiations Johannes Hahn, in a joint statement on the election results, stated that the elections had seen a very high voter turnout which was a reaffirmation of the strong attachment of the Turkish people to democracy. Even though the broad spectrum of candidates and parties competing in the elections was praised, Mogherini and Hahn reminded that the elections were held under the state of emergency. In addition, it was recommended that the new political system address key shortcomings regarding the rule of law and fundamental rights.

PRESIDENT ERDOĞAN UNVEILED TURKEY'S NEW CABINET



President Recep Tayyip Erdoğan announced the new ministers of his cabinet hours after he was sworn into office on 9 July 2018. As a consequence of the shift from the parliamentary system to the presidential system, the number of ministries have been reduced from 25 to 16, with some ministries being merged under a single roof.

The members of the first cabinet under the new presidential system are as follows:

- Vice-President: Fuat Oktay
- Justice Minister: Abdulhamit Gül
- Labour, Social Services and Family Minister: Zehra Zümrüt Selçuk
- Environment and Urbanisation Minister: Murat Kurum

- Foreign Minister: Mevlüt Çavuşoğlu
- Energy and Natural Resources Minister: Fatih Dönmez
- Youth and Sports Minister: Mehmet Kasapoğlu
- Treasury and Finance Minister: Berat Albayrak
- Interior Minister: Süleyman Soylu
- Culture and Tourism Minister: Mehmet Ersoy
- National Education Minister: Ziya Selçuk
- National Defence Minister: Hulusi Akar
- Health Minister: Fahrettin Koca
- Industry and Technology Minister: Mustafa Varank
- Agriculture and Forestry Minister: Bekir Pakdemirli
- Trade Minister: Ruhsar Pekcan
- Transport and Infrastructure Minister: Cahit Turhan

TURKEY'S STATE OF EMERGENCY OFFICIALLY LIFTED

The two-year-long state of emergency declared after the 15 July coup attempt has been lifted on 18 July 2018. As known, the Turkish government declared a nationwide state of emergency on 20 July 2016 following the deadly coup attempt by FETÖ which left 250 people dead and more than two thousand wounded. The state of emergency was extended for seven consecutive times with three month periods.

A few days before the end of the state of emergency, the ruling Justice and Development Party submitted a draft bill, proposing to make amendments in various laws related to security regulations to continue the fight against terrorism in the upcoming period. The 100-article amendment package will see a partial implementation of the state of emergency in the case of major



terrorist attacks to authorise the judiciary to collect evidence, detain suspects and impose media blackout if necessary and in the case of natural

disasters to expedite the intervention of emergency services. The draft foresees period of detention to be extended to 48 hours, and to four days

in the events of collective crime and the authority of the governors to be enhanced, where they will be able to impose curfews, to limit the entry and

exit of people to certain places for 15 days if they suspect that the person in question will disrupt the public order, to prohibit the transport of all kinds of weapons and ammunition even if licensed, and to ban demonstrations.

The Turkish media associates the package with the French model, in which a state of emergency was declared following the November 2015 terrorist attacks in Paris which left 130 people dead and where the government introduced new regulations to tighten anti-terrorism laws following its expiration on November 2017 after five extension periods. The end of emergency rule was welcomed by the EU. In a statement, European External Action Service Spokesperson Maja Kocijancic hailed the end of the state of emergency while expressing concern over some elements in the new measures.

EU GENERAL AFFAIRS COUNCIL ADOPTED CONCLUSIONS ON TURKEY

The EU General Affairs Council discussed enlargement policy and adopted conclusions on the accession prospects of seven countries including Turkey.

The EU member states' EU affairs ministers, who came together in the General Affairs Council meeting on 26 June 2018, adopted conclusions on enlargement policy. In its conclusions on Turkey, while reaffirming Turkey's importance as a candidate for accession and a key EU partner, the General Affairs Council expressed concern over the state of the rule of law and fundamental rights in Turkey. In this regard, the council conclusions gave a clear clue by asserting that there was no work foreseen towards the modernisation of the Customs Union and the opening of new negotiation chapters. Aside from that, the General Affairs Council, praised the constructive cooperation between Turkey and the EU on the migration crisis. According to the council

conclusions, the EU would continue its financial support and technical assistance to strengthen cooperation in this field, including through the EU Facility for Refugees in Turkey.

In a press release regarding the General Affairs Council conclusions on Turkey, the Turkish Ministry of Foreign Affairs criticised the Council's claims that Turkey was moving away from the process and considered the EU's position as inconsistent. In the statement, it was indicated that Ankara does not accept associating the accession process with new conditions under a meaningless cause and effect relationship. Moreover, the statement criticised EU's imposing conditions on the modernisation of the Customs Union which would serve the interests of both Turkey and the EU.



CJEU ANNOUNCED ITS RULING ON THE COMMERCIAL CARRIAGE OF GOODS FROM TURKEY TO AUSTRIA



On 11 July 2018, the Court of Justice of the EU (CJEU) in its ruling on Case C629/16 stated that each of the Member States will be entitled to require authorisation for the commercial carriage of goods from Turkey that pass through their territories provided that the authorisation requirement precedes the entry into force of the standstill clause between Turkey and the EU. This ruling has been made in the wake of a case in which a Turkish haulier was fined for not obtaining the authorisation issued by the Austrian authorities while traveling to Germany through Austria. Following this instance, the applicability of the Austrian

authorisation system was brought to the court.

In its ruling, the CJEU has decided that the Austrian legislation is appropriate to the transport domain which does not fall within the scope of the Association Agreement. Therefore, this case has been agreed not to be handled in accordance with the requirements of each of the Member States and the bilateral agreements between Turkey and the EU countries.

As known, Article 41(1) of the Additional Protocol to the

Association Agreement between Turkey and the EU which is known as the "standstill clause" prevents the introduction of new restrictions which could hinder the economic activities between the parties. Hence, the Austrian authorities need to make sure that the authorisation scheme that is required for passage through the Austrian territory was introduced before the standstill clause's taking effect. If it is figured out that this is the case, then the Austrian authorisation scheme will not have any incompatibilities with the Association Agreement, so the authorisation scheme will be applicable.

EP APPROVED 500 MILLION EUROS FOR EDUCATION OF REFUGEE CHILDREN IN TURKEY

On 4 July 2018, MEPs approved the draft amending budget of 500 million euros for ensuring the education of refugee children in Turkey and for the payment of the salaries of 5,000 teachers who are currently providing education to 300,000 refugee children in Turkey. This constitutes the first payment of the 3 billion euros extension of the EU Facility for Refugees in Turkey under the humanitarian aid

budget.

The Facility for Refugees in Turkey, established in November 2015, coordinates EU assistance to refugees in Turkey. Funded by the EU budget and additional contributions from Member States, it is envisaged to amount a total of 3 billion euros for 2016-2017. It was extended by the EU on 14 March 2018 and allocated an additional 3 billion euros for 2018-2019.



HIGH-LEVEL EXCHANGES

WORLD LEADERS CONVENED IN BRUSSELS FOR NATO SUMMIT

Leaders of 29 NATO allies and partner countries gathered in Brussels for a two-day summit.

On 11-12 July 2018, leaders of NATO allies and partner countries gathered in Brussels for the 28th NATO Summit. The NATO Brussels Summit, taking place at a time of tension in transatlantic relations, was the subject of increasing international attention in light of the upcoming Trump-Putin meeting in Helsinki. The summit got off to a bumpy start with US President Trump accusing fellow NATO ally Germany for being “a captive to Russia” because it imports most of its energy from Russia.

During the summit, which took place in the alliance’s new headquarters, leaders took decisions to strengthen the alliance’s



deterrence and defence, enhance relations with the EU, step up the fight against terrorism and address the issue

of burden-sharing. During the summit, leaders confirmed the alliance’s “open door policy” by extending a

membership invitation to Macedonia following last month’s landmark deal to resolve the country’s long-running name dispute with Greece conditional upon the approval of the deal in a referendum set to be held in autumn.

Burden-sharing was one of the most controversial issues on the agenda of the summit. US President Trump, who has sent letters addressed to allies which are not living up to the commitment they made at the NATO Wales Summit in 2014 to spend 2 percent of their GDP on defence, threatened to pull the US out of NATO unless the allies promised to increase their defence spending.

At the NATO Brussels Summit, Turkey was represented by President

Recep Tayyip Erdoğan. The NATO Brussels Summit marked President Erdoğan’s first major international summit after taking office for a new five-year term. The declaration issued at the summit stated that NATO would continue to monitor and assess missile threat to Turkey from Syria. Moreover, the allies vowed to provide Turkey with “tailored assurance measures” aimed at guaranteeing alliance’s security. On the margins of the summit, President Erdoğan held bilateral meetings with several world leaders including German Chancellor Angela Merkel, French President Emmanuel Macron, Italian Prime Minister Giuseppe Conte and Greek Prime Minister Alexis Tsipras.

LEADERS INAUGURATED TANAP PIPELINE PROJECT

The 1,850-km Trans-Anatolian Natural Gas Pipeline (TANAP) was inaugurated on 12 June 2018 by Turkish President Recep Tayyip Erdoğan, Ukrainian President Petro Poroshenko, Azerbaijani President Ilham Aliyev, President of the TRNC Mustafa Akıncı and Serbian President Aleksandar Vučić at a ceremony held in the Turkish province of Eskişehir. The opening ceremony also hosted executives of energy companies and senior bureaucrats from shareholder countries.

The foundation of the 8 billion dollar project was laid down at the 3rd Black Sea Energy and Economic Forum



organised in Istanbul in November 2011. The construction of the pipeline

started in March 2015. In the project, Azerbaijan’s SOCAR has a 51 percent

stake, Turkey’s BOTAŞ has 30 percent, BP has 12 percent, and SOCAR Turkey has 7 percent.

The aim of the TANAP project is to bring natural gas produced from Azerbaijan’s Shah Deniz-2 gas field, and other areas of the Caspian Sea, primarily to Turkey, but also on to Europe. The TANAP project, along with the Southern Caucasus Pipeline and the Trans-Adriatic Pipeline (TAP) form the elements of the Southern Gas Corridor. By completing the Southern Gas Corridor, the ambitious project will play a key role in maintaining the energy security of Europe by decreasing its dependence on Russia.

The project will also meet Turkey’s ever increasing gas demand. TANAP will run from the Turkish border with Georgia, beginning in the Turkish village of Türkgözü in the Posof district of Ardahan, through 20 provinces until it ends at the Greek border in the Ipsala district of Edirne. From this point, the TAP Pipeline will connect to convey natural gas to European countries. The initial capacity of TANAP is expected to be 16 billion cubic meters (bcm) of gas per year, gradually increasing to 31 bcm. Around 6 bcm of gas will be delivered to Turkey and the remaining volume will be supplied to Europe.

PRESIDENT ERDOĞAN VISITED AZERBAIJAN AND TRNC



President Recep Tayyip Erdoğan made his first overseas visit to Azerbaijan on 10 July 2018, after taking an oath to become Turkey’s first president under the new governmental system. In the context of his visit to Baku, President Erdoğan held a tête-à-tête meeting with President Ilham Aliyev of Azerbaijan, while delegations from the two countries came together to discuss bilateral ties. During the joint conference of the presidents, the importance of the

Trans-Anatolian Natural Gas Pipeline Project (TANAP) and Azerbaijan’s state oil company SOCAR’s investment in building a refinery in Aliğa were underlined. President Erdoğan also thanked President Aliyev for his support in the fight against the Fethullah Terrorist Organisation (FETÖ) and emphasised that Turkish-Azeri relations are strengthened on the basis of “one nation, two states”, referring to the Turkic roots of both countries.

As a tradition of the newly elected Turkish presidents, following his visit to Azerbaijan, Erdoğan arrived in the Turkish Republic of Northern Cyprus (TRNC). During a joint conference with TRNC President Mustafa Akıncı, President Erdoğan stated that Turkey aims to double the TRNC’s national income per-capita by making it a centre of attraction in the Eastern Mediterranean. Erdoğan also underscored that Cyprus was Turkey’s national cause and its ultimate goal was to find a just and lasting solution to the Cyprus question. Speaking at the joint press conference, TRNC President Akıncı praised the TRNC’s sincere relations with Turkey and indicated the Turkish side’s unwillingness to engage in an unending negotiation process. Referring to the Greek Cypriot Administration’s unilateral drilling activities in the Eastern Mediterranean, Akıncı also emphasised that the TRNC would not give up its rights in the Eastern Mediterranean.

FOREIGN MINISTER ÇAVUŞOĞLU MET WITH OSCE SECRETARY GENERAL GREMINGER



On 9 July 2018, Foreign Minister Mevlüt Çavuşoğlu received the Organisation for Security and Co-operation in Europe (OSCE) Secretary General Thomas Greminger who was on an official visit to Turkey. During the meeting, Minister Çavuşoğlu and OSCE Secretary General Greminger exchanged views on the ongoing security concerns, economic issues and humanitarian crises. Foreign

Minister Çavuşoğlu emphasised the necessity to reform the OSCE for the organisation to become more active in combating the rising Islamophobia and xenophobia in Europe. Furthermore, both parties highlighted the importance of European institutions’ mission to sustain peace and harmony between the Islamic and the Christian worlds.

TURKEY'S EXECUTIVE PRESIDENCY: IMPACTS ON TURKEY'S EU BID

Following the ending of the state of emergency, revitalisation of Turkey's EU accession process is conditional upon several factors such as return to political and economic reforms.

Assoc. Prof. Çiğdem NAS,
IKV Secretary General

While the EU is involved in many diverse and challenging issues on its agenda such as migration, populism, economic growth, transatlantic relations and trade wars, a critical change took place in its southeast. Turkey made a transition from a parliamentary regime to a presidential one. Defined as an "executive presidential system", Turkey no longer has a prime minister or council of ministers. Instead we have a system centred on the president who appoints his deputies, members of his cabinet as well as members of the councils, offices and directorates that will be responsible for policy-making and executive functions. President Recep Tayyip Erdoğan is at the top of this system and embodies both the representative and executive functions of this new government.

24 June elections were quite critical for the future of the country owing to the fact that the first president of the new system was about to be elected. The elections had two tiers including the election of the president and election of the members of the Turkish Grand National Assembly (TGNA). The "People's Alliance" (*Cumhur İttifakı*) made up of the governing Justice and Development Party (AKP) and the Nationalist Action Party (MHP) was to run against the "Nation Alliance" (*Millet İttifakı*) composed of the opposition parties Republican People's Party (CHP), Good (İyi) Party and Felicity Party (SP). The entry into the competition of dynamic politicians such as Muharrem İnce of CHP and Meral Akşener of İyi Party resulted in a quite colourful and exciting campaign period. Despite unequal media coverage for the running parties, each candidate tried to communicate their views and programmes to the electorate in large meetings as well as on the social media channels.

The result was a victory for President Erdoğan who received 52.59



percent of the votes in the first round of the elections. The nearest runner-up was the CHP's candidate Muharrem İnce who received 30.64 percent of the votes, a figure which outweighed his party's votes for the parliament which was 22.65 percent. The parliamentary arithmetic resulting from the elections allocated 290+49 seats for the People's Alliance (following the resignation of 4 AKP members in order to become ministers), and 144+42+2 seats for the Nation Alliance while the Peoples' Democratic Party (HDP) acquired 67 seats. With a voter turnout of 86.24 percent, the existence of eight parties in the TGNA is good news from the viewpoint of democratic representation.

In the days following the elections, steps were taken swiftly for the formation of the new government. The new members of the parliament as well as the President and cabinet ministers took their oaths of office in front of the TGNA, presidential decrees were issued outlining the new institutional set-up under the executive presidency, and the chair of the TGNA was elected. According to the amended Constitution, president

is given the power to issue decrees excluding on fundamental rights, human rights and duties, political rights and duties, topics which are exclusively reserved in the Constitution to be regulated by law, and other topics that are already regulated by law. He or she is also empowered to appoint members of his/her cabinet, members of the policy-making councils and offices as well as high-level bureaucrats. In addition to its legislative and budgetary function, the parliament can scrutinise vice-president and ministers by parliamentary inquiries, general debates, and written questions. The president's criminal liability is regulated as such: the TGNA can start an inquiry by a vote of 3/5 of the total number of MPs to be followed by a report of the committee of inquiry which can prepare the grounds for referral to the Supreme Court by 2/3 of the total number of MPs. The president cannot dissolve the parliament but can decide to hold early elections. In such a case both presidential and parliamentary elections are renewed.

Under the new system, the number of ministries was reduced to

16 while many ministries were merged with each other. From the point of view of EU relations, the merging of the Ministry of EU Affairs into the Ministry of Foreign Affairs was quite unnerving. In a ceremony marking the occasion, Minister of Foreign Affairs Mevlüt Çavuşoğlu noted that this merger should not be perceived as marking an end to Turkey's EU aspirations. In addition, the culmination of the state of emergency on 18 July also marked a critical occasion for a return to normalcy in Turkey-EU relations. The restoring of diplomatic relations between Turkey and the Netherlands, ending of Germany's economic sanctions and relaxing of travel advice for Turkey were also good news for a revitalisation of Turkey's relations with EU Member States which could also have a positive impact on relations with the EU.

From Normalcy to Revitalisation: How?

Following the ending of the state of emergency, revitalisation of Turkey's EU accession process is conditional upon several factors such as return to political and economic reforms in

Turkey, improvement of fundamental rights and freedoms as well as rule of law conditions, and aligning of security measures with the standards and norms of the Council of Europe. What both Turkey and the EU should watch out for is the democratic conditions in Turkey especially with regard to effective scrutiny of the executive by the legislative and judiciary branches as well as the existence of a functioning checks and balances structure under the new system. However, the approach prevalent in the EU towards Turkey is also not conducive to an improvement in the relations. The anti-immigration, anti-Muslim and anti-Turkey rhetoric of right-wing populist parties as well as some mainstream parties in EU Member States question whether or not the EU may be able to welcome Turkey into the EU club in the near future even if the country fulfils the Copenhagen criteria. Short of a revitalisation of Turkey's accession process, starting the Customs Union modernisation negotiations or finalising the visa liberalisation process may be other related avenues which could contribute to a rapprochement between Turkey and the EU.