Just Say No

Regarding Turkey’s bid for EU membership,
think “neighbor” instead of “family.”

BY PAUL J.J. WELFENS

The European Commission has suggested—based on a report—opening negotiations on EU membership with Turkey, a country with only a tiny sliver of land located in Europe. The Commission’s decision is welcomed in Turkey as it will bring huge transfers of EU funds which could reach up to 4 percent of Turkish GDP. Moreover, Turkey would become an influential voice at the political table in Brussels.

However, prospective EU membership of Turkey raises critical issues in the Community and in several member countries. Based on opinion polls, a large majority of the population of EU-25 countries is opposed to Turkey’s joining. Nevertheless, Günter Verheugen, the commissioner in charge of enlargement in the Prodi Commission, has presented his report on Turkey, and the European Commission has declared that at some future point negotiations with Turkey should begin. Verheugen has argued that both the European Union and Turkey stand to benefit from membership for Turkey, which is considered to be an economic and political bridge into the Arab world. Verheugen has also argued that a larger European Union—including Turkey—would be a world power as its borders would stretch from Portugal to the border of Syria. Is this true or is this mostly an overblown idea of a Brussels bureaucrat?

Paul J.J. Welfens is President of the European Institute for International Economic Relations at the University of Wuppertal; Jean Monnet Chair for European Economic Integration and Chair in Macroeconomics, University of Wuppertal; and co-editor of International Economics and Economic Policy.
Verheugen has argued that negotiations could take more than a decade and that there will be restrictions attached to migration. The latter is wishful thinking as the European Court’s rulings have clearly ruled out any long-term restrictions on labor mobility for EU member countries. Moreover, one may note that a project which apparently requires roughly a decade of negotiations is premature—which companies have ever embarked upon a decade-long negotiation process? The main trick achieved by announcing a long negotiation process is to eliminate any real influence on the process by the present European Parliament. The Commission and the European Council—the heads of governments—want to impose a decision on the people of the European Union that never would find a majority in a referendum. The French president already has announced that he will consider a referendum on Turkish EU membership. In France, opinion polls show a clear majority against such a membership.

The German government has suggested that bringing Turkey into the Community is a rational element of international policy in the post-9/11 world: It would show that a large democratic Muslim society can be a member of the European Community. This is a strange argument—that one should shift the eastern borders of the European Union towards Asia simply as testimony to political correctness. The European Union already has millions of Muslim citizens, and there is no need to swallow a large poor economy in Asia. Rather, as with German unification, it is clear that merging a wealthy country and a poor country can undermine the economic and political stability of the new entity. The new Germany is no longer the economic powerhouse of the European Union, and lack of political leadership also is visible. Reunited Germany will face in 2011 a difficult test as the transition period with respect to restrictions on labor mobility for eastern European accession countries will end. With a rather stable 8 percent unemployment rate in west Germany and almost 20 percent unemployment in the former socialist eastern Germany, the country is not ripe for accommodating a large number of immigrants. Private and public investment are too low, innovation dynamics too poor, and regional wage differentiation not sufficiently developed to restore full employment in the EU’s largest economy.

According to the Verheugen Report, the so-called Copenhagen criteria—that a new member country must respect the rule of law, human rights, and democracy plus have the ability to compete in the single EU market—are nearly fully met by Turkey. The Commission does not, however, inform the public—it dropped the relevant sentence even from its Web site—that the so-called Copenhagen criteria also require that the EU be ready for enlargement. This obviously is not the case in a Community suffering from mass unemployment in the Germany, France, and Italy, and which is about to fail in its goal set in the 2000 Lisbon EU summit ac-

One should shift

the eastern borders of the European

Union towards Asia simply as
testimony to political correctness?

according to which the Community is to become the most competitive dynamic knowledge-based economy by 2010. The Kok Commission has just completed a sober mid-term review which says that almost none of the countries has achieved key goals such as strongly raising employment and bringing the ratio of expenditures on research and development to 3 percent of GDP. Why should an economically weak European Union, whose monetary union is half-baked as long as the United Kingdom is not joining the Euro club and whose twenty-five member countries have not really begun the ratification process on the EU constitution, embark on a risky Turkish EU enlargement?

A major argument in favor of EU membership for Turkey is, as argued by influential politicians, that Western European countries already promised more or less membership for Turkey in the 1960s. However, this is not correct since the European Union was but a customs union—a club with internal free trade and a common external tariff—in the late 1960s. Regarding economic relations with Turkey, the European Union indeed established a customs
union with this country in 1996. The European Union embraced EU eastern enlargement in May 2004 which makes it a more heterogeneous club than ever. High per capita differences render achieving economic consensus more difficult than previously. Taking in Turkey would make the Community even more heterogeneous so that political consensus would be weak. Whoever in Washington, D.C., would prefer having a weak EU ally to a strong EU should naturally push in favor of EU membership of Turkey.

With Turkish membership ante portas, where will the borders of the European Union end? The Polish government already has argued that it wants the Ukraine to join, and Mr. Berlusconi has suggested that Russia and Israel should be member countries! A European economist travelling on an official mission was recently greeted in Kazakhstan with the words: Welcome to a European country. Indeed, a small part of Kazakhstan is geographically located in Europe, and part of the government of Kazakhstan consider EU membership a wonderful idea. They would need to import a huge body of laws and regulations but also would get billions in EU structural funds for poor regions and for supporting agriculture. Morocco submitted an official membership application years ago, for which France has indicated sympathy. Following this logic, Tunisia, Libya, or Egypt also could become member countries.

After the EU eastern enlargement of 2004, the Community has 450 million inhabitants. With Turkey, another 72 million citizens would join the Union based on present figures, or some 120 million based on projections for 2050, with Turkey’s population growing by one million annually. Mr. Verheugen emphasizes that Turkey has some 70 million inhabitants now which does not seem to be much different from the 75 million people taken into the European Union in the eastern enlargement of 2004. However, there is an obvious difference: while the population in eastern Europe is stagnating, that of Turkey is exploding.

A more populous new European Union—with Turkey—would not mean more influence in the world economy since one would have to anticipate serious conflicts over wealth transfers in an economically very heterogeneous community. Germany’s net payment would further increase; the country has been unable for three consecutive years to remain under the 3 percent deficit-GDP ratio required by the Stability and Growth Pact. With EU expenditures rising strongly after Turkish EU enlargement, Germany would face a rise of its net contribution payments of almost 0.5 percent of GDP. Turkey could absorb about one-half of all agricultural funds and one-third of the structural funds under current rules.

Moreover, the disparity in terms of per capita income would increase strongly. While countries from the eastern enlargement group represent about 45 percent of EU-15 per capita income, Turkey stands at merely 22 percent. Poverty and population growth will stimulate massive emigration towards Western Europe, including in particular Germany, France, Belgium, Austria, and the Netherlands, where large Turkish communities are already living.

Istanbul counts on U.S. pressure to open the gate to the European Union. Additionally, there is the hunger for more power on the side of some commissioners. More people, more taxpayers, and more territory are what politicians love. Geopolitically, Turkish EU membership would bring the Community to Asia. The European Union would then directly face three unstable Turkish neighbors as well: Iran, Iraq, and Syria.
One of the historical goals of creating the Community in 1957 would be destroyed, namely to anchor Germany firmly in the European Union.

Syria. And with those it also would share the problems of Kurdish unrest. Moreover, the European Union would start to become an unfriendly partner for Russia, which not only fears China but also Turkey, whose population will exceed that of Russia in a few decades. There could be a new armaments race between Europe and Russia.

Germany has some 2.5 million Turkish immigrants. Between 2020 and 2050, some 5 million additional Turkish immigrants could be expected with the share of the Turkish population in Germany reaching 10 percent in the long run. Obviously, mass immigration would undermine political and economic stability in Germany. According to the Expert Commission on Social Security, Germany will have 7 percent unemployment in 2020—down from 10 percent in 2004, a year of disastrous regional elections in eastern Germany in which extremist right-wing and left-wing parties already obtained one-third of all votes. With Turkey in the EU single market—which also means full labor mobility—Germany’s unemployment rate is likely to climb above 10 percent. There is no doubt that extremist parties would continue to grow and Germany move towards the type of instability for which the Weimar Republic prior to World War II was known.

High German net contributions, massive immigration pressure, and problems with integrating foreign workers would quickly lead to a political movement in favor of Germany leaving the European Union: get back the deutsche mark, control immigration, and save on billions in EU contributions. EU membership of Turkey represents a very high risk that the Community will disintegrate and Germany move out. One of the historical goals of creating the Community in 1957 would be destroyed, namely to anchor Germany firmly in the European Union and to achieve prosperity and peace in Europe. It is strange that the German government is a main supporter of Turkish membership. Turkish membership clearly is not in the interest of Germany, rather it would undermine political and economic stability very seriously.

Integration of Turkish immigrants is quite difficult as the long-term decline of language skills in the country of residence reveals, particularly in Germany whose school system is weak in creating equal opportunities. However, the creation of ghettos also plays a role. The unemployment rate among unskilled Turkish workers is close to 40 percent in Berlin. Regarding Islamist fundamentalism, Turkish EU membership will be a plain invitation for all manifestations of radical fundamentalism to move towards the Bosporus and from there to Western Europe. Radical fundamentalism plus high unemployment would be an explosive mixture.

Instead of going ahead with a dangerous fata morgana of a European Union stretching from Portugal to the borders of Iraq, one should offer Turkey membership in the European Economic Area: here Norway, Liechtenstein, and Ireland have joined the European Union in a special way of useful regional cooperation. This includes political cooperation and a deepening of market integration while leaving out agricultural funds and free mobility of labor. Integration of Turkish and other non-EU citizens in the Community would be reinforced by creating local voting rights for all immigrants living in the European Union for more than five years.

There is no doubt that Turkey is an important NATO ally and crucial partner for Western Europe. However, nothing would be gained in Europe if Turkish EU enlargement led to Germany moving out of the Community; a key goal of creating the European Union in 1957 would thus come to a dead end, namely to anchor Germany firmly and peacefully in Europe.