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# The EU and Turkey after the elections

## The start of a new chapter?

By Luigi Scazzieri



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- ★ Turkey is one of the EU's largest and most strategically important neighbours, a NATO member and a candidate for EU membership. Its presidential and parliamentary elections, scheduled for May 14<sup>th</sup>, will determine whether President Recep Tayyip Erdoğan remains in power and shape Turkey's domestic and foreign policy for years to come. The election results will profoundly influence the relationship between the EU and Turkey, which has deteriorated sharply over the past decade.
- ★ There are three fundamental reasons why the EU-Turkey relationship is in such poor shape: the worsening state of democratic freedoms in Turkey; a plethora of bilateral disputes between Turkey and several member-states, which further undermined Ankara's EU accession process; and disagreements over foreign policy, with many member-states seeing Turkey's positions as antagonistic.
- ★ The outcome of the elections remains uncertain. Erdoğan's popularity has taken a hit from the fragile state of the economy, and his government has been criticised for being slow in responding to the catastrophic earthquakes that hit Turkey in February. Meanwhile, most of the opposition has unified behind Republican People's Party leader Kemal Kılıçdaroğlu as a joint candidate.
- ★ If Erdoğan remains in power, relations could become even more turbulent. Europe and Turkey would still have to work together on common challenges, but any co-operation would be highly transactional. Tensions would continue unless Erdoğan improved democratic freedoms in Turkey and avoided confrontation with EU member-states. And the EU would face tough choices if there was evidence of widespread electoral manipulation, or if Erdoğan lost the election but did not allow an orderly transition of power.
- ★ An opposition victory would lead to substantial changes in Turkey's domestic and foreign policies, and in its relations with the West. The opposition wants to change the constitution to a parliamentary system, restore judicial independence and improve relations with the US and the EU – policies that would greatly improve relations. However, an opposition government would face challenges in fully implementing this agenda, and some disagreements with the EU on issues like relations with Cyprus and Russia would probably persist.
- ★ An opposition victory would offer a big opportunity to relaunch the EU-Turkey relationship: the EU should intensify dialogue across all policy areas and seek to stabilise the new government by helping it navigate economic difficulties. In the medium term, the EU's ambition should be to negotiate an upgrade to the EU-Turkey customs union. That will be challenging, but a new era in EU-Turkey relations could be within reach if both sides invest political energy in overcoming their differences.

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Turkey is one of the EU's largest and most important neighbours, with a population of over 85 million and a GDP of over \$800 billion in 2021, according to the World Bank. Ankara is also an increasingly influential foreign policy player in the Middle East, Africa and Central Asia. Turkey's presidential and parliamentary elections, scheduled for May 14<sup>th</sup>, will determine whether President Recep Tayyip Erdoğan – who has been in power since 2003 – remains in office, and they will shape the country's domestic and foreign policies for years to come.

While Turkey is a candidate for EU membership, EU-Turkey relations are poor and have been stuck in a downward spiral for well over a decade. There are several interconnected reasons for the fractious state of the relationship. Turkey's EU accession negotiations, which started in 2005, quickly stalled due to the failure to solve the dispute over the division of Cyprus and member-states' reticence about Turkish membership. The EU-Turkey migration agreement of 2016 briefly revitalised relations, but the continuing erosion of democratic freedoms in Turkey, especially after the 2016 coup attempt, and mounting tensions with member-states over Cyprus and other issues, led to the EU formally freezing membership talks in June 2018.

*“EU-Turkey relations have been stuck in a downward spiral for well over a decade.”*

Erdoğan has embarked on an increasingly assertive and militarised foreign policy, often at odds with Europe and the US. Turkey claims a large exclusive economic zone in the eastern Mediterranean, in pursuit of which it has sent ships to explore for hydrocarbons in waters near Greek islands and Cyprus. The EU imposed limited sanctions in response. Turkey also recently clashed with its NATO partners over its veto of Swedish and (until recently) Finnish NATO membership, and its close ties to Russia. Member-states are also annoyed that Russian firms are setting up front companies in Turkey to circumvent EU sanctions on Russia.

Despite the many sources of friction, Turkey and the EU remain key trading partners and have continued to work together on issues such as climate, health, migration and supporting Ukraine's resistance to Russian aggression. However, the poor state of relations has made many areas of co-operation more difficult. For example, in the field of migration, there has been very little co-operation at the EU-Turkey border since 2020, and Ankara is not accepting returns of migrants from Greece. Co-operation is essentially limited to the EU providing funding to help support the nearly four million refugees living in Turkey, and paying for improvements to Turkey's border infrastructure. Meanwhile, the EU-Turkey customs union, which forms the economic bedrock of the relationship, has eroded as Turkey has put up tariff and non-tariff barriers to EU products.<sup>1</sup>

1: European Commission, Türkiye 2022 Report, October 12<sup>th</sup> 2022.

Turkey is still reeling from the devastating earthquakes that struck in February this year, causing the death of at least 50,000 people, according to the official toll. Erdoğan has been sharply criticised for the government's slow initial response to the earthquakes. His government has also come under criticism for not doing enough to enforce safety regulations during the building boom that it has overseen during its two decades in power. However, Erdoğan has sought to deflect any blame and counterattacked, saying that the severity of the earthquake and rogue contractors are to blame for the extent of destruction. He has also argued that most of the collapsed buildings were built before he was in charge – and promised rapid reconstruction if he is re-elected. The political damage from the earthquakes comes on top of that from Turkey's economic difficulties, with inflation hitting 85 per cent in October last year. The Central Bank has been unwilling to fight inflation through the traditional means of raising the interest rate, and has instead cut them, because Erdoğan thinks high rates do not lower inflation.

Erdoğan faces a united opposition. Six opposition parties, including the secular Kemalist People's Republican Party (CHP), the nationalist Good Party (İYİ) and two parties set up by former Erdoğan ministers, agreed on a common manifesto in late January.<sup>2</sup> The alliance, known as the 'Nation Alliance' will back Republican Party leader Kemal Kılıçdaroğlu as its joint candidate. The leaders of the five other parties, and the popular CHP mayors of Ankara and Istanbul, are standing to be vice-presidents. The pro-Kurdish People's Democratic Party (HDP), which polls at around 10 per cent, is not part of the opposition alliance, but will not field a presidential candidate. The way its supporters vote in the elections will be crucial. A candidate will be elected president if they get over 50 per cent of the vote. If no candidate reaches that threshold in the first round, there will be a second round between the two top candidates. The latest opinion polls suggest that Kılıçdaroğlu currently has a lead of around 10 points over Erdoğan, with over 50 per cent of the vote, which would allow him to win in the first round.

The EU needs to be ready to deal with the election results, whatever they may be. If Erdoğan remains in power, more EU-Turkey turbulence is likely, especially if Europe thinks that he won the election unfairly. The EU and Turkey would still be pushed to work together on issues of mutual interest, but any co-operation would be

2: Republican People's Party, 'Memorandum of understanding on common policies', January 30<sup>th</sup> 2023.

purely transactional, and Turkey could drift further from the West. Conversely, an opposition victory would lead to significant changes in Turkey's domestic and foreign

policy. These would pave the way for a re-invigorated and deeper EU-Turkey partnership – if both sides were willing to invest in overcoming their differences.

## The roots of discord

There are three fundamental reasons why the EU-Turkey relationship is in such poor shape: the bilateral spats between Turkey and many member-states; the EU's concerns about the state of democratic freedoms in Turkey; and arguments over broader foreign policy issues.

### Disputes with member-states

Turkey has fairly good relations with some EU members, like Germany, Italy and Spain. But it has sharp disagreements with many others, above all Cyprus, France and Greece. Turkey's non-recognition of Cyprus, and the latter's entry into the EU in 2004, ensured that Ankara's accession talks stalled almost as soon as they started in 2005. But many member-states were always ambiguous about allowing Turkey into the club, thinking that it was too large, poor and culturally different. Neither the EU nor Turkey currently see the prospect of accession as realistic, although both are unwilling to end the accession process.

*“Neither the EU nor Turkey currently see the prospect of accession as realistic.”*

The discovery of gas deposits off the coast of Cyprus in the early 2010s proved to be another source of friction. Turkey thinks that Cyprus should not unilaterally exploit these resources, arguing that Turkish Cypriots have a right to a share. Ankara also claims some of Cyprus's exclusive economic zone for itself. To assert these claims, Turkey has sent drilling vessels accompanied by warships to explore for gas and to harass foreign exploration ships. Ankara has also supported the establishment of a state for the Turkish Cypriots in the north of the island, undermining the UN-backed notion of a bizonal bicommunal federal state as a solution to the dispute. In response to these actions, the EU gradually took a series of steps, including cutting pre-accession funding to Turkey in 2019 and imposing sanctions on executives from the state-owned Turkish Petroleum Corporation in 2020.

Turkey's long-standing disputes with Greece, which had subsided in the early 2000s, have also gradually re-emerged: Ankara has clashed with Athens over issues such as the delimitation of their respective airspace,

territorial waters and exclusive economic zones. Turkey has sent drilling ships accompanied by its navy to the seas near Greek islands, to assert its claims to a large exclusive economic zone in the eastern Mediterranean. Turkey has carried out “massive and repeated violations of Greek airspace” and questioned Greek sovereignty over some Aegean islands.<sup>3</sup> In 2019 Turkey concluded a maritime deal with the Libyan government in Tripoli which claimed large parts of the waters directly south of Crete as Turkish. Turkey has also criticised Greece over its military deployments on some Aegean islands, which Ankara says are illegal and threatening – claims that Greece and other EU members reject. Turkish officials, including President Erdoğan, have also threatened military action towards Greece.<sup>4</sup>

Turkey also has, and has had, bilateral disagreements with other member-states. Under President Emmanuel Macron, Paris has forged closer military ties with Greece, and strongly backed Greece and Cyprus in their disputes with Ankara. In response, Erdoğan has often lashed out at Macron personally. Ankara has also clashed with Germany and the Netherlands, after they stopped Turkish ministers from holding campaign events on their territory in the run-up to the 2017 constitutional referendum. For its part, Germany complained about Turkey's detention of some of its citizens while Turkey accused Germany of tolerating the activities of the Kurdistan Workers' Party (PKK) – a group that has fought an insurgency against the Turkish state since the mid-1980s and that the EU classifies as a terrorist organisation.

The most recent tension surrounds Turkey's ongoing veto on Sweden and – until recently – Finland's NATO membership bids. There are many reasons for the veto, including the fact that Turkey is using it to pressure the US to sell it upgraded F-16 jets. Ankara also argues that Stockholm is too tolerant of the activities of Kurdish groups that Turkey views as part of the PKK. Turkey also wants to extradite from Sweden over a hundred individuals that Ankara claims are linked to terrorism. Talks have stalled, as Sweden says it has done all it can legally do to meet Turkey's demands. Finland is preparing to join NATO on its own after Turkey lifted the veto on its membership in mid-March. But Sweden will probably have to wait at least until after the elections.

3: European Commission, Türkiye 2022 Report, October 12<sup>th</sup> 2022.

4: Reuters, 'At European summit, Erdoğan says nothing to discuss with Greece', October 6<sup>th</sup> 2022.

## Democratic freedoms in Turkey

For Europe, the deterioration of democratic freedoms in Turkey is a key issue that prevents Ankara's accession negotiations from moving forward and hinders co-operation in many other areas. The EU has long taken issue with the state of human rights and the rule of law in Turkey, but its concerns escalated after the attempted coup in 2016. In its aftermath, the government arrested almost 80,000 people and dismissed over 110,000 civil servants accused of supporting the coup – steps that the EU said were disproportionate.<sup>5</sup>

The EU's concerns further intensified after the April 2017 constitutional referendum. The reform created an executive presidency, allowing the president to rule by decree, reducing parliament's powers and strengthening executive control over the courts and civil service. There is no sign of these changes being reversed. The European Commission's latest report on Turkey says that the space for civil society organisations and freedom of expression has shrunk further; that the government is putting pressure on mayors from opposition parties through administrative or judicial investigations; and that it has replaced some mayors in the south-east with political appointees.<sup>6</sup>

*“Turkey's relatively close relations with Russia have further soured the mood towards Ankara in many European capitals.”*

## Foreign policy disagreements

The third set of issues in EU-Turkey relations relate to foreign policy. Although Turkey is a NATO member, since 2015 Ankara has pursued a more assertive and militarised foreign policy that many Europeans perceive as threatening and antagonistic. Turkey has intervened in the conflict in Syria, where it has established a buffer zone against the Kurdish People's Protection Units (YPG), which Turkey sees as the Syrian affiliate of the PKK. Turkey also intervened in the civil war in Libya, and supported Azerbaijan in the 2020 war against Armenia over the Nagorno-Karabakh region.

The poor state of EU-Turkey relations has also meant that many in Europe increasingly see Turkey as a competitor to the EU in the Western Balkans, Central Asia and Africa, all

regions where Ankara has sought to increase its economic and diplomatic influence. This is particularly true of France, which tends to see Turkey as more of a threat than other member-states because it perceives Ankara's growing influence in Africa and the Middle East as a challenge to its own position.

Finally, Turkey's relatively close relations with Russia have further soured the mood towards Ankara in many European capitals (and in Washington). Following the 2016 coup attempt, Turkey bought an S-400 air defence system from Moscow, which the US and other allies argue is incompatible with NATO's air defences, given that the system's radar could relay valuable information to Russia. The purchase of the S-400 led the US to exclude Turkey from the F-35 next-generation jet program, in which Ankara was supposed to be a partner. Turkey has been keen to maintain decent relations with Moscow for both security and economic reasons. Moscow could attack rebel-held areas in northern Syria and thus push millions more Syrian refugees into Turkey. At the same time, Turkey needs to co-ordinate with Russia to carry out its military operations against the YPG in Syria. Russia is also an important economic partner for Ankara. In 2021, Moscow provided around 45 per cent of Turkey's gas imports, it is building Turkey's first nuclear power plant, and Russian tourists are important to the Turkish economy.<sup>7</sup>

All this helps to explain Turkey's policy towards Russia's full-scale invasion of Ukraine last year. Turkey has supported Ukraine's sovereignty and territorial integrity, including by selling it highly effective Bayraktar drones. Ankara prevented Russia from strengthening its fleet in the Black Sea by invoking the Montreux convention to close off the Dardanelles straits. Turkey also hosted peace negotiations and brokered a deal in July last year to unblock Ukraine's grain exports – efforts that Ankara's Western allies appreciated and praised. However, Turkey has not imposed economic sanctions on Russia. Instead, its economic ties to Russia have deepened. According to the New York Times, Turkish exports to Russia grew by around 200 per cent over the course of 2022.<sup>8</sup> And, according to Bloomberg, in July the Russian energy firm Rosatom made a payment of \$5 billion to a Turkish partner firm – a welcome injection of hard currency, as downward pressure on Turkey's foreign exchange rate has mounted.<sup>9</sup> Turkey's growing economic ties to Russia have irked many EU states, who think that they are reducing the effectiveness of their own sanctions, including by helping Russia acquire sanctioned material like microchips.

5: European Commission, Turkey 2018 Report, April 17<sup>th</sup> 2018.

6: European Commission, Türkiye 2022 Report, October 12<sup>th</sup> 2022.

7: David O'Byrne, 'Turkey, Russia gas ties grow contentious amid Ukraine war', *AI Monitor*, July 28<sup>th</sup> 2022.

8: Lazaro Gamio and Ana Swanson, 'How Russia Pays for War', *The New York Times*, October 30<sup>th</sup> 2022.

9: Firat Kozok, 'Russia Is Wiring Dollars to Turkey for \$20 Billion Nuclear Plant', *Bloomberg News*, July 29<sup>th</sup> 2022.

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## The road to the elections

The period until the elections will be turbulent. Erdoğan is trying to maximise his advantages over the opposition. Months before the earthquake struck, the government had been resorting to economic incentives to gain support. It has tried to maintain economic growth by keeping interest rates low to fuel consumption and by raising pensions and civil service salaries; lowered the retirement age for millions of workers; and promised energy subsidies worth around \$30 billion.<sup>10</sup> Erdoğan has also sought to improve ties with Turkey's Middle Eastern neighbours, in large part to attract investments. After years of acrimony, Ankara has recently forged better relations with Egypt, Israel, Saudi Arabia and the UAE.<sup>11</sup>

*“The government has been resorting to economic incentives to gain support.”*

Erdoğan is also trying to weaken his opponents. The media and information landscape has long been tilted in the government's favour. In December, Istanbul mayor Ekrem İmamoğlu, one of the most popular opposition politicians and a potential challenger to Erdoğan, was convicted of insulting public officials and banned from politics. While İmamoğlu has appealed, the ruling has weakened him politically. The government may also try to ban the HDP, on the grounds that it has ties to the PKK. There are concerns about the fairness of the electoral process, particularly if the government extends the state of emergency in the regions affected by the earthquake or even more widely.<sup>12</sup>

Erdoğan may also turn to foreign policy to rally his base. There are many reasons why Erdoğan is vetoing Sweden's NATO membership bid, one of them being to show voters that Turkey is an essential power in the alliance. It is likely that Turkey will keep its veto on Sweden's NATO membership until after the elections. Another option could be a new Turkish military operation to expand the buffer zone that Ankara maintains against the YPG in northern Syria. The most disruptive option for Europe, however, would be if Ankara decided to ratchet up tensions with Greece and Cyprus, for example by sending ships and planes over or near Greek islands. While military manoeuvres could lead to an incident, the risk of a full-blown conflict is low, as the United States would become involved to stop any fighting. Both an offensive in Syria and tensions in the Aegean could allow Erdoğan to drive a wedge between the Nation Alliance – which finds it difficult to criticise the government on the substance of national security issues – and HDP voters. However, Western nations, including Greece, sent Turkey assistance in the aftermath of the earthquakes, which makes it more difficult for Erdoğan to portray them as an enemy.

Any of these scenarios, but particularly Turkish threats towards Greece or Cyprus, would present dilemmas for European policy-makers. There would be pressure to be tough on Turkey, but that might only strengthen Erdoğan, allowing him to further rally his base by claiming that the West was trying to bully the country. Similarly, Erdoğan will seize on any opportunity to make his opponents look like foreign stooges. Europeans should avoid playing into his hands and focus on providing Turkey with assistance in recovering from the earthquakes, and on trying to ensure that elections are conducted fairly.

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## The post-election scenarios

There are two scenarios following the elections. The first is that Erdoğan will remain in power, potentially somewhat restrained by an opposition-controlled parliament. The second scenario is one where the opposition wins the presidential election, and potentially also gains a substantial majority in parliament. This section assesses the implications of the two scenarios for Turkey's domestic and foreign policy, and for its relations with the EU. Whoever prevails will have a tough economic situation to deal with, not least due to extensive reconstruction needs after the earthquakes. And, unless Turkey switches to a more conventional economic policy soon, inflation is likely to remain high and the lira will continue weakening – potentially causing a currency crisis.

### Scenario I: Erdoğan retains power

If Erdoğan remains in power after the elections, the potential for turbulence in relations with Europe would be high. The election itself could be a major source of friction, if there is evidence of large-scale vote-rigging by the government, or if Erdoğan loses but refuses to depart, worried about retribution by his opponents. Even if that does not happen and he wins the election fair and square, the major sources of EU-Turkey friction would almost certainly endure. It is difficult to imagine that Erdoğan would take steps to improve democratic freedoms. And if democracy in Turkey erodes much further, there will be increasingly loud calls in Europe to formally end Ankara's

10: Reuters, 'Turkey's raft of pre-election spending to swell budget', December 30<sup>th</sup> 2022.

11: Galip Dalay, 'Turkey's Middle East reset: a precursor for re-escalation?', *Middle East Council on Global Affairs*, August 9<sup>th</sup> 2022.

12: Soner Cagaptay, 'Turkey's Disaster—and Erdogan's: how the earthquake could spell the end of his rule', *Foreign Affairs*, March 1<sup>st</sup> 2023.

EU accession process. Similarly, Erdoğan's foreign policy towards Greece and Cyprus would be unlikely to change, meaning that relations with the EU would remain tense. Any Turkish steps to significantly alter the status quo on Cyprus, or to ratchet up tensions with Greece, would lead some member-states to call for economic sanctions on Turkey – as happened in 2020. Ankara's ties to Russia could also lead to sharp arguments with many EU allies, as would a continued veto of Sweden's NATO membership. There may be calls for Turkey's NATO membership to be suspended – for which there is no mechanism.

Nevertheless, greater tensions are not inevitable. Erdoğan would have reason to dial down tensions with the West. The EU remains Turkey's most important trading partner, which provides strong incentives for Turkey to maintain decent relations with Europe. There is also a good chance that Erdoğan will lift his veto on NATO membership for Sweden, if he thinks he can no longer benefit from hindering Stockholm's accession.

*“An opposition victory would lead to substantial changes in Turkey's domestic and foreign policy.”*

At the same time, Erdoğan's ability to pursue his ambitions would continue to be constrained by the state of Turkey's economy, especially if he continues to pursue an unconventional economic policy based on low interest rates and remains unwilling to seek a loan from the IMF. Meanwhile, the near-guarantee of America's involvement (at least as long as Biden is president) would mean that a conflict with Greece would continue to be a remote possibility.

When it comes to relations with Russia, Erdoğan would be unlikely to align unequivocally with Moscow, aware that Turkey's Western allies would shun Ankara, making it weaker in its dealings with Beijing and Moscow. It is much more likely that Erdoğan would continue to value Turkey's economic ties to the EU and its NATO membership while at the same time trying to maintain and if possible deepen economic and political relations with Moscow and Beijing. Nevertheless, some European policy-makers worry that over time Turkey's economy may increasingly tilt away from the West, and that that could change Ankara's calculation about the value of maintaining alignment with Europe and the US.

### Scenario II: Government by the opposition

A victory by the opposition alliance would lead to substantial changes in Turkey's domestic and foreign policy, and in its relations with Europe and the US.

13: Alper Coşkun and Sinan Ülgen, 'Political change and Turkey's foreign policy', *Carnegie Endowment for International Peace*, November 14<sup>th</sup> 2022.

The opposition alliance says it wants to change the constitution back to a parliamentary system, restore the independence of the judiciary and the central bank, and pursue an orthodox economic policy. Opposition parties have been critical of the sidelining of the ministry of foreign affairs and of what they see as the overtly militarised and interventionist foreign policy pursued by Erdoğan. They say they want to prioritise diplomacy in resolving disputes like those with Greece and Cyprus and build better relations with the US and Europe. Opposition parties are committed to obtaining EU membership, although they recognise that this is a difficult and long-term undertaking for Turkey.<sup>13</sup> If the opposition does what it says it wants to do, relations between Turkey and its European partners would markedly improve and there would be an opportunity to relaunch EU-Turkey relations.

However, an opposition government may struggle to implement its agenda. First, there is the potential for squabbles given the fact that the Nation Alliance is a big tent housing parties ranging from nationalists to moderate islamists. Second, constitutional changes require a large majority in parliament, and the six parties making up the opposition alliance are unlikely to secure enough votes on their own. They would have to find more support in parliament, which would mean looking to the HDP, or to defectors from Erdoğan's Justice and Development Party (AKP). However, either path could be challenging. Finally, an opposition government would have to contend with a bureaucracy that is still dominated by figures from the AKP era. Reforming the civil service and the judiciary will consume time and effort, and could cause friction within the government, with different parties competing for influence.

Some areas of tension between Turkey and the EU would probably endure anyway. First, although Turkey's tone and actions towards Greece and Cyprus would mellow, the disputes with both will remain difficult to resolve and could continue to hinder efforts to build closer relations with the EU. Second, Turkish foreign policy on some issues may not change as much as Ankara's Western partners hope. When it comes to relations with Russia, Turkey would still have to work with Moscow in Syria, while the importance of trade with Russia and Ankara's reliance on Russian energy would not change. The policy of an opposition government towards the war in Syria is not fully clear, but it would probably continue to be driven by the wish to avoid more refugees coming to Turkey and by the need to contain the threat from the PKK. The opposition is also keen on repatriating refugees to Syria quickly. On other foreign policy issues, from Libya to the Western Balkans, the degree to which Turkey's policy would change is unclear. All these factors mean that there could still be friction with many member-states on foreign policy.

14: German Marshall Fund. 'Turkish Perceptions of the European Union 2022', April 2022.

Ultimately, Europeans should not expect a new Turkish government to simply go back to behaving as Ankara did before the AKP era. Despite its recent economic problems, Turkey is a much wealthier country than it was then, and a much more powerful one in diplomatic and military terms. The global context has also changed, with the West no longer as dominant as it was at the turn of the millennium. EU membership may still be

Turkey's favoured option, but a successful Turkey outside the EU is much easier to imagine than it once was. Public opinion polls suggest that distrust of the West is deeply embedded in Turkey, and this is likely to limit any government's room for manoeuvre, at least in the near term.<sup>14</sup> These developments mark a structural change in the EU-Turkey relationship, which Europeans will have to adapt to.

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## Dealing with Erdoğan

The EU's key challenge if Erdoğan remained in power would be to maintain co-operation on issues of mutual interest, while also steering Turkey away from policies that undermine the Union's interests. The EU would face tough choices in a scenario where there was evidence of widespread electoral manipulation, or if Erdoğan lost the election but did not allow an orderly transition of power. In that case, many member-states would probably favour quickly ending Turkey's EU accession bid, and some might push for sanctions on key Turkish officials. That would make even sustaining transactional EU-Turkey co-operation difficult, and Ankara would be much more likely to maintain its veto on Sweden's NATO accession. A long period of turbulence would probably be unavoidable.

*“Building a constructive relationship would remain very challenging.”*

Similarly, if Ankara clashed with Greece and Cyprus, there would be calls for the EU to sanction Turkey. While the Union already has a framework for sanctioning Turkey, additional measures require agreement between all the member-states. But consensus could be elusive, just as it was in 2020. While some member-states would be hawkish, others would not want to sanction a major NATO ally, unless Turkey sparked a military clash. If the US stance towards Turkey became much tougher, the hawks within the EU would be emboldened. Unless that happened, however, the EU might simply decide to respond to any Turkish actions more subtly by restricting the scope of the customs union arrangement with Turkey through trade measures that do not require consensus between the member-states. These steps could then easily be reversed if Ankara changed its policies.

If tensions around the election and Greece and Cyprus can be avoided, it will be much easier for the EU to work with Erdoğan. Building a constructive relationship would remain very challenging, and modernising the customs union would remain impossible so long as the EU was concerned with the state of democratic freedoms in

Turkey and there were bilateral disagreements with member-states. Still, Turkey would remain an important partner in the energy field as a major source of transit to the EU. Co-operation in areas like migration could conceivably improve, with the resumption of some co-ordination at the border – particularly if the EU took in some of the refugees currently in Turkey and tried to channel more support to helping refugees in the northern part of Syria. Turkey and Europe might also be able to work together on some foreign policy issues, like stabilising Libya or restraining Iran's influence in the Middle East. But any co-operation would be ad-hoc and highly transactional.

Turkey's EU accession bid would probably hobble on. Despite grumbling from the European Parliament, most member-states would be concerned about the negative consequences of ending the accession process without an alternative ready. The accession process does not in itself prevent Turkey from pursuing policies that harm the EU's interests, and ending accession talks would have a limited impact on Erdoğan's domestic and foreign policy choices. However, barring a rupture, the EU's preference will be to keep the membership talks alive. There are fears that ending the accession process would weaken pro-Western sentiment in Turkey, as it would be an unambiguous signal that the EU no longer sees Turkey as a potential member and that it has lost hope for a positive future political trajectory.

Nevertheless, if Erdoğan remains in power, EU leaders would have to seriously consider what a relationship with Turkey not structured around accession could look like. The alternative to the current model would be a Turkey-EU relationship based on intensive political dialogue, co-operation on issues like migration and energy, and a free trade agreement. Co-operation would continue to be hindered by Turkey's poor relations with many member-states and by its non-recognition of Cyprus. Nevertheless, it would be much easier for member-states to agree to a free trade agreement with Turkey than to deepening the customs union, as an FTA requires fewer shared rules than a customs union, and represents a lower level of trade integration.

## How the EU should deal with a new Turkey

An opposition victory would offer a big opportunity to relaunch the EU-Turkey relationship. But there may be divisions between member-states over how to deal with Ankara. With the EU's attention focused on helping Ukraine in resisting Russian aggression and on dealing with the economic consequences of the war, relaunching relations with Turkey may not be a major political priority. However, it would be a mistake for the EU not to help stabilize the new government and seize the momentum of an opposition victory to try to relaunch relations.

*“An opposition victory would offer a big opportunity to relaunch the EU-Turkey relationship.”*

The first and easiest step should be intensifying political dialogue at all levels. This will help each side understand the other's position and build trust to co-operate more. Then, the EU would have to help Turkey deal with its economic turmoil to help stabilise the new government. It will be easier for Europeans to provide Turkey with technical assistance than financial help, given the competing demands for funding, including for Ukraine's reconstruction. There is little leeway in the EU budget to give Turkey extra grant funding. However, the EU could agree to help Turkey through a sizeable programme of macro-financial assistance, which uses the budget as a credit guarantee to give out loans, and for which there may still be some breathing space. The Union can only do this if Ankara agrees on an IMF programme first. Second, the EIB, which has heavily curtailed its lending from 2019 after Turkey's drilling operations near Greek islands and Cyprus, could also decide to increase its lending for projects in Turkey if the new government signaled a less confrontational attitude towards the EU.

In the medium term, the main aim should be upgrading the EU-Turkey customs union. The member-states will not agree to give the Commission a negotiating mandate unless the new government shows that it is serious about improving democratic freedoms and reduces tensions with Greece and Cyprus, dropping talk of an autonomous state for the Turkish Cypriots. Ankara would also have to take steps to address the existing customs union-related trade frictions with the EU. Stronger relations, and the process of upgrading the customs union could re-inject momentum into the many Greek-Turkish disagreements and the now stalled efforts to resolve the Cyprus question. The conclusion of the negotiations

over the upgrade would have to be conditional on Turkey removing obstacles to the free movement of goods with Cyprus and establishing direct transport links with it. Realistically, the EU would also have to make some concessions on some of Ankara's long-standing complaints about the customs union, for example by offering to involve Turkey more closely in consultations over free trade agreements with third countries.

If the EU and Turkey negotiated an upgraded customs union, that would mean that the Turkish economy was more integrated with the EU's and that Ankara had progressed in aligning with the requirements of EU membership. If all member-states agreed, that would eventually allow the resumption of Turkey's accession negotiations. Turkey might benefit from the rethinking of the accession process sparked by Ukraine's bid for membership. The EU is shifting towards a 'phased' approach to membership which would allow more integration of candidate countries with the Union in different policy areas prior to membership. That means there could be plenty of scope for Turkey to integrate more closely with the EU even if it never becomes a member.<sup>15</sup>

If starting or concluding talks on the customs union upgrade proves impossible, there would still be potential for the EU and Turkey to deepen co-operation within the current framework. Giving Turkish citizens visa-free travel to the EU would help build closer ties, although for member-states to agree Turkey would have to meet all the conditions set by the Union, including co-operating with the judicial authorities of all member-states. In the migration field, the EU could increase support for refugees in Turkey and Syria, and offer to resettle considerable numbers. In the defence field, Turkey could conceivably join the EU's Permanent Structured Co-operation project on military mobility, as the US, UK and Canada have done. The project, which aims at improving physical infrastructure and easing regulatory obstacles to moving troops around Europe, is a key area of EU-NATO co-operation. In foreign policy, there are relatively few limits to how much Europeans and Turkey can co-operate when their interests align. For example, Europeans and Turkey could work together closely in trying to stabilise Syria and Libya, in supporting Ukraine, or in offering Central Asian countries alternatives to building closer ties to Russia and China. And, even though the Cyprus dispute imposes limits on co-operation between the EU itself and Turkey, individual member-states are free to build closer relations with Turkey, deepening bilateral ties through agreements on issues such as financial co-operation, trade facilitation, energy and infrastructure projects.

<sup>15</sup>: Luigi Scazzieri, 'Can EU enlargement gain momentum', CER insight, November 3<sup>rd</sup> 2022.

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## Conclusions

Whatever the outcome of the elections, Turkey and the EU will remain neighbours and have shared challenges to address. But the results of the elections will define the balance between co-operation and confrontation for years to come. If Erdoğan remains in power, relations will remain tense and any co-operation is likely to be purely transactional. There would be potential for additional turbulence, particularly over Turkey's foreign policy. The EU would have to be ready to respond to any tensions that might flare up, while trying to maintain ad hoc co-operation.

Conversely, an opposition victory would lead to a lowering of EU-Turkey tensions, and pave the way for

a revived and strengthened EU-Turkey partnership – although it is unrealistic to think that all sources of friction would disappear. If the opposition wins the elections, the EU should help stabilise the new government and try to relaunch relations, focusing on upgrading the customs union as a medium-term goal. A new era in EU-Turkey relations would be within reach if both sides invested energy in overcoming their differences.

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