

Turkish Delight
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On December 17th the European Council will decide whether to start accession talks with Turkey. This is a once-in-a-lifetime opportunity to do right what the United States has done so disastrously wrong in Iraq. Agreeing to EU-entry talks would help to make Turkey a beacon of democracy and prosperity in the Middle East. The United States is learning that one cannot foster democracy and a market economy at the barrel of a gun. By taking in Turkey, Europe can show the Muslim world that this can be done in partnership, not through conquest and occupation.

By accepting the *acquis communautaire*, as it must in order to gain entry, Turkey will further strengthen its democratic checks and balances, judicial independence, and minority rights. Opening its markets and streamlining regulation, as also required by the *acquis*, will help to maintain its impressive growth. The possibility of EU membership has been a powerful force for reform. To now weaken this by offering negotiations but no deadline, permanent curbs on labor mobility or, worse yet, a kind of second-class associate membership, as suggested by some French and Austrian politicians, would have equally negative effects.

There is no reason why Turkey cannot be a productive member of the European Union. It has a vibrant private sector. It is undertaking ambitious structural reforms; productivity rose by more than 10% per annum in 2001-3. To be sure, the country is behind where, say, Portugal was when it joined the EU, but it is not starting out behind Bulgaria and Romania, which everyone assumes will be included in the next wave of accession countries. It already is in a customs union with the EU and conducts fully half of its merchandise trade with it, including substantial exports of vehicles, vehicle parts and textiles. It should be able to bring its inflation rate down to the single digits next year. As its policies continue to strengthen and EU entry looms, it should thus enjoy the same virtuous cycle of growing trade, FDI inflows, falling interest rates and accelerating growth as other accession economies.

What about the objections, of which there are plenty? Turkey's public debt, at 87% of GDP, remains alarmingly high. Too little of that debt is financed by foreign direct investment, too much by volatile financial capital flows attracted by double-digit interest rates. The country's large current account deficit makes it dangerously dependent on the maintenance of those inflows.

But strong growth in combination with the fiscal restraint foreseen in the agreement with the IMF could bring the debt down to 70% of GDP by 2007 and 60% 2015. A deficit of 4% of GDP, as the IMF foresees by 2008, would be within shooting distance of the Maastricht value of 3%. And as EU membership looms, interest rates will come down while foreign direct investment flows will pick up of their own accord.

If, on the other hand, budgetary discipline breaks down, then Turkey simply will not qualify for EU entry. And even if Turkey's finances remain more fragile than those of other EU members, there is little reason to worry that the EU's own financial system will be destabilized, since at market exchange rates the Turkish economy is still only 2% the size of the European Union.

In terms of population, of course, Turkey is a large country, which creates worries about migration. But, as we have learned from previous enlargements, people, even people in less prosperous countries, prefer to live at home. Offer them the prospect of rapidly rising living standards, and the volume of migration is likely to be surprisingly low.

So if the real issues are not economic, then what are they? That Turkey is so populous means that the leverage of countries like France in the EU's weighted voting procedures will be further diluted by its accession. This is true but narrow minded. From the start, the goal of the EU has not been not to maximize the control of the incumbent member states but to pursue larger goals like peace and prosperity.

Turkey is also a predominantly Muslim society, prompting questions about its "Europeanness." European culture and society are grounded in Judeo-Christian values. Islam is less tolerant of the separation of church and state, less accepting of women's rights, and more insistent on atavistic practices like capital punishment. The September controversy in Turkey over punishing adultery is a case in point. If these differences do not derail accession negotiations, disappointing artificially high expectations and thereby fueling a fundamentalist backlash, they could cause all kinds of havoc for Europe when Turkey is let in.

In fact, however, Turkey is the paragon of a secular society and has been ever since Ataturk founded the modern state on that basis. There is now an open debate over everything from Kurdish rights to Cyprus to civilian control of the military. To be sure, the spread of fundamentalism raises questions about whether this will continue to be the case. But fundamentalism is not just a problem in Turkey – as we know from the rise of fundamentalist sects here in the United States. Grounding Turkey in a Europe where democratic values are deeply rooted is the best way of supporting this status quo and thus demonstrating to other countries in the Middle East the compatibility of religious values and democracy.

Since 2001, Europe has been arguing that it has a better approach to fostering rapprochement with and development in the Middle East. If it is less than fully welcoming of Turkey on December 17th, these will turn out to have been empty words.

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