

**WHITHER SYNCHRONIZATION? THE EUROPEAN
UNION TRANSPORT POLICY AND TURKEY**

by

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POLICY AND TURKEY**

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ABSTRACT

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Keywords: European Union, Europeanization, enlargement process, Turkey's accession process, institutionalism theories, EU Transport Policy, public policy.

This thesis mainly aims to identify opportunities and challenges for bolstering EU – Turkey cooperation on transport policy. The identification of the possible areas of cooperation is important since the accession process of Turkey has been stalled for seven years. By identifying opportunities and challenges in specific areas, the EU reform process in Turkey can be again revitalized. Focusing on transport policy, this study examines a central puzzle: why Turkey adjusts certain EU policies and technical standards while being reluctant to adopt in others. To explain the variance in the harmonization of EU policies, the Europeanization theoretical frameworks in the accession process are examined. And this study clearly shows that existing Europeanization approaches are not helpful in the Turkish case. It, then, suggests that this puzzle would be tackled by using novel theoretical framework which is borrowed from Public Policy literature developed in the United States. From this a pair of related hypotheses are developed mainly suggest that distributive policies will be more easily adopted than redistributive policies in candidate countries. To test them, two policy cases one with predominantly distributive implications and the other with mostly redistributive implications are selected and processed.

The main findings of this study are as follows: first, Turkey has mostly been successful in adopting of EU transport policies with distributive impacts. Secondly, synchronization of transport policies with redistributive impacts, however, has been less promising, especially without a full membership perspective.

ÖZET

SENKRONİZASYON NEREYE? AVRUPA BİRLİĞİ ULAŞTIRMA POLİTİKASI VE TÜRKİYE

ÇAĞRI YILDIRIM

Avrupa Çalışmaları Yüksek Lisans Programı, Tez, 2012

Danışman: Emre Hatipoğlu

Anahtar Kelimeler: Avrupa Birliği, Avrupalılaşma, genişleme süreci, Türkiye'nin giriş süreci, kurumsallık teorileri, AB Ulaştırma Politikası, kamu politikası.

Bu tez ağırlıklı olarak taşımacılık politikası üzerindeki fırsatları ve zorlukları tanımlayarak Türkiye ve Avrupa Birliği arasındaki üyelik sürecini yeniden canlandırmayı amaçlamaktadır. Türkiye'nin Avrupa Birliği'ne katılım sürecinin yedi yıldır tıkanıp gözüne alınca, işbirliğinin mümkün olduğu alanları tanımlamanın önemli olduğu anlaşılmaktadır. Belirli alanlardaki fırsatların ve zorlukların tanımlanması ile, Türkiye'deki reform süreci yeniden canlanabilir. Bu çalışmanın ana sorusu neden Türkiye'nin belli AB politikaları ve teknik standartlarını uyarlarken, diğerlerinde tereddütte kalmasıdır. AB politikalarının ve standartlarının uyarlanmasındaki bu değişkenliğe cevap vermek için öncelikle katılım sürecindeki Avrupalılaşma kavramının teorik çatısı incelenmiştir. Bu çalışma açık bir biçimde göstermiştir ki varolan Avrupalılaşma yaklaşımlarının Türkiye örneğine yardımcı olmamasıdır. Bu tez bu sorunun cevabının Amerika Birleşik Devletleri'nin kamu politikaları literatüründe geliştirilmiş olan yeni bir teorik çatı ile bulunabileceğini önermektedir. Bu teorik çatıdan geliştirilen birbiriyle ilişkili iki hipotez, dağıtıcı politikaların yeniden paylaştırıcı politikalara nazaran üye ülkelerde uygulanmasının daha kolay olduğunu belirtmektedir. Bu hipotezleri test etmek için, biri paylaştırıcı etkileri olan diğeri yeniden paylaştırıcı özelliği olan iki politik alan seçilmiş ve incelenmiştir.

Bu çalışmanın başlıca bulguları şunlardır: ilk olarak, Türkiye paylaştırıcı etkileri olan AB ulaştırma politikalarının uygulanmasında daha başarılı olmuştur. İkinci olarak, tam üyelik perspektifinin olmadığı durumlarda yeniden paylaştırıcı etkisi olan ulaştırma politikalarının senkronizasyonun da ise daha az başarılı olmuştur.

To my family

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ABBREVIATIONS

AKP:	Justice and Development Party
ANAP:	The Motherland Party
CEECs:	Central Eastern European countries
CDU:	Christian Democratic Union
CTP:	Common Transport Policy
DP:	Democrat Party
DSP:	The Democratic Left Party
EP:	European Parliament
EU:	European Union
LODER:	Logistic Association
MHP:	The Nationalist Action Party
SMEs:	small-medium sized enterprises
TCDD:	Turkish State Railways General Directorate
UND:	International Transporters' Association
YHT:	high speed rail

CHAPTER ONE

INTRODUCTION

Turkey's bid for becoming a full member of the European Union (EU) has been a long and troublesome process constituting many ups and downs. In October 2012, it will be the seventh anniversary of the EU's momentous decision to start formal negotiations with Turkey, which has not shown much progress since the beginning in 2005. In 2012, no additional chapters of the *acquis communautaire*, embodiment of laws, rules, and regulations of the EU, has been put into process yet. Nineteen chapters still remain either frozen or blocked due to unfriendly relations between Turkey and some of the EU member states, such as Cyprus and France. The internal fiscal and economic crisis within the EU have recently become another decelerator of Turkey's full membership process; due to this crisis, the member states have either lost their interests in Turkey, or they have taken a negative stand against Turkey's full membership. However, what is unique in this situation is the fact that Turkey still continues its harmonization process in specific policy areas despite its stalling relations.

While many argue Turkey's accession prospects from a general perspective,¹ few note that why Turkey progresses in certain areas of the *acquis* while stalling in others.² Focusing on transport policy, this thesis asks why Turkey adjust certain EU

¹ See for example: Tocci, N. 2005. "Europeanization in Turkey: Trigger or Anchor for Reform?," *South European Society and Politics*, 10 (1), pp. 73 – 83; Müftüler-Bac, M. 2005. "Turkey's Political Reforms and the Impact of the European Union," *South European Society & Politics*, 10(1), pp. 16 – 30; Oğuzlu, T. 2012. "Turkey and the European Union: Europeanization Without Membership," 13(2), pp. 229 – 243.

² See for example: Ertugal, E. 2011. "Institutional Change and Europeanisation: Explaining regional policy reform in Turkey," *Policy & Politics*, 39(2), pp. 257-273;

policies and technical standards while being reluctant to adopt in others. Therefore, being different from other studies, this study mainly focus on adjustment process in technical areas compared to political reforms during the accession process.

Through this question, this thesis seeks to make a significant contribution to Turkey's accession literature by dwelling on policy specific area, rather than meta-policy. I do this focusing on transport area since it is very interesting in the agenda of the EU. Moreover, transport policy is one of the suspended chapters. Therefore, it is a promising field to analyze the differential impacts on domestic politics. And also, this policy area fits well into the dominant EU regulatory category which comprises distributive, regulative and redistributive characteristics. Another contribution of the thesis is to the EU theory perspective. This study suggests a novel theoretical approach to the EU studies, at a time and place where the political conjuncture challenges and perhaps paralyzes existing the EU Europeanization enlargement approaches.

In a nutshell, I will argue and present evidence that existing offshoots of theoretical framework are at an impasse. I suggest overcoming this by borrowing from Public Policy literature developed in the United States. More specifically, I will adapt Lowi's business cycles models. From this I develop a pair of related hypotheses that suggest that distributive policies will be more easily adopted than redistributive policies in candidate countries.

As previously mentioned, I will focus on the Turkish transport policy to test the validity of my theoretical suggestions. I will select and process-trace two policy cases, one with predominantly distributive implications, and the other with mostly redistributive implications. The findings from my case study support my hypothesis: Reclaiming impetus between Turkey and the EU will be easier in the harmonization of EU acquis with distributive impacts.

This thesis is comprised of five chapters. The next chapter gives a broad overview of prevalent of theoretical framework that seek to explain the variances in the

Kirişci, K. 2011. "Reforming Turkey's Asylum Policy: Is it Europeanization, UNHCR-ization or ECHR-ization?" KFG Conference on Faraway, So Close? Reaching beyond the Pro/Contra Controversy on Turkey's EU Accession, 2-4 June, Istanbul, Turkey; Nas, Ç. and Özer, Y. 2012. Turkey and the EU: Processes of Europeanisation, Aldershot: Ashgate.

transposition of the EU rules by candidate countries. The chapter starts with the describing the current situation in the accession process of Turkey to underlie the reasons of variance in the transposition of the EU acquis. To explain this variance, the prevalent theoretical approaches will be analyzed and I will discuss to what extent can the prevalent theoretical approaches and domestic change account for the differential impact of the EU on Turkey.

The second part of the chapter will start with an analysis of the EU enlargement process. It is important since each enlargement introduces new concepts and the theoretical frameworks are built upon these concepts. The enlargement of Central Eastern European countries (CEECs) will be deeply analyzed since it brought the concepts of *Europeanization* and *conditionality* in the center of EU literature. The third part of chapter will continue with the introduction of *acquis communautaire* and its impacts on candidate countries will be examined.

In the fourth section of chapter I will analyze how far the accession process, as an external force, triggers reforms, and leads to internal change. I will also explore whether or not Turkey, as a candidate country, fits into the general Europeanization theoretical framework in the accession process. In order to answer these questions, I will start with an analysis of the theoretical framework of Europeanization. Studies on the Europeanization of candidate country situated within three variants of new institutionalism, namely rational, sociological or constructivist and historical institutionalism. To understand the relationship between Europeanization and new institutionalism is important since the latter informs theorizing Europeanization.

In the next section, the new institutionalism and its three variants will be examined in detail since the models of Europeanization are built upon this framework. The three variants of new institutionalism enable to derive distinct modes of the mechanism driving the Europeanization of candidate countries. Therefore, in the sixth section of chapter, I aim to show under which conditions the Europeanization of non-member and candidate countries is effective. In other words, which factors explain variation in the EU's influence across countries and issue areas? In order to come up with an answer to this question, I examined Schimmelfennig and Sedelmeier's study on candidate countries. Their framework analyses are composed of three models that

compare the explanatory power of a rationalist institutionalist “external incentives model” with that of sociological institutionalist “social learning model” and a “lesson-drawing model” emphasizing domestically driven rule adoption. The findings of Schimmelfennig and Sedelmeier’s study show that “external incentive model” is the main mechanism which explains the variance in the transposition of the *acquis* in candidate countries. To analyze their findings, I compare both the enlargement of CEECs and Turkey in the next two sections of chapters. After analyzing the CEECs case, I will turn to the Turkish case in the *Europeanization* process, which will enable me to understand whether Turkey fits well into this theoretical background or not. Providing that it does, I will ask which theoretical framework can explain the variances in the transposition of the *acquis* in Turkey.

In the third chapter, I will seek to answer why Turkey adjusts certain EU policies and technical standards while being reluctant to adopt others by providing a new theoretical approach. Before giving my theoretical suggestions, I will first point out the basic characteristics of European transport policy to identify areas in which convergence between Turkey and the EU is low and high. A brief history of European Transport Policy will be examined to define main concepts of the EU Transport Policy. Then, in the third section of chapter, the question of why do we need the ex-ante categorization of policy areas with respect to their domestic political implications will be examined. By depending on this question, the Lowi’s Business Cycle Model will be presented to predict specific policy areas where cooperation between Turkey and the EU will be promising, and those where achieving cooperation will be a challenging task. From this, I develop a pair of related hypotheses that suggest that distributive policies will be more easily adopted than redistributive policies in candidate countries. In order to test my hypotheses, I select two legislation piece of the EU in transport sector.

In the fourth chapter, I will analyze two legislation piece of the in transport sector to test my hypotheses. The chapter will start with the identification of area cooperation between the EU and Turkey. By taking the EU expectations and Turkey’s policy preferences into consideration, the case of railway modernization and liberalization and the reforms on road haulage will be analyzed by using Lowi’s model. The findings of this study will be examined in the conclusion.

CHAPTER 2

THE PREVALENT THEORETICAL FRAMEWORK

2.1 The Current EU – Turkey Relations

Turkey's journey to become a member of the EU exhibits unique characteristics. First of all, Turkey's accession process has lasted the longest. The relations between Turkey and EU started with the 1963 Ankara Agreement. According to this agreement, Turkey was recognized as an associate partner and future member of the Community. Turkey applied to be a member of the EU in 1987, and has been waiting for joining to club ever since. This long and complicated relation between the EU and Turkey enables academia to analyze different aspects of the process. This thesis argues that the domestic impact of EU accession on Turkey varies from policy to policy across different areas of integration. More specifically, it notes that Turkey has successfully synchronized some parts of its transport policy while being reluctant to adopt EU *acquis* in others.

Quite often, Turkey has experienced its intent to harmonize (some of) EU *acquis* regardless of the political climate that mapped EU-Turkey relations. In perhaps one of the most cited remarks, Turkish Prime Minister Recep Tayyip Erdoğan indicated in 2005 that *“Turkey should be accepted into the European Union. If not we will change the name of the Copenhagen criteria to the Ankara criteria and continue to the*

reforms.”³ Although the Prime Minister made this speech before the opening accession negotiations in 2005, following “Ankara Criteria” has become one of the main arguments of Justice and Development Party (AKP) government resorts to when the relations between Turkey and the European Union (EU) gets tense.

Until 2005, Turkey experienced a reform process under the AKP government rule in order to become a member of the EU. In fact, the EU – Turkey relations gained significant momentum after the Helsinki Summit of European Council in December 1999. With the Helsinki Summit, European Council granted Turkey candidacy and stated that “Turkey is a candidate country destined to join the EU.”⁴ In line with candidate status, Turkey started to try to align its institutions, legislations and policies with the EU acquis. To expedite this transformation process, the Commission prepared an Accession Partnership Document for Turkey in 2000. In line with the Accession Partnership Document, Turkey prepared and submitted its National Programme for the Adoption of the EU acquis in 2001.⁵ In this direction, the coalition government composed of the Democratic Left Party (DSP), the Motherland Party (ANAP), and the Nationalist Action Party (MHP) adopted a major Constitutional package that addressed the articles on freedom of expression and revised the death penalty with 34 amendments to the 1982 Constitution.⁶ Two more harmonization packages and one civil penal code package followed these reforms. The extensive third harmonization packages included the abolition of death penalty. It was the last constitutional package of the coalition

³ “Erdogan Copenhagen Criteria would become Ankara criteria.” *Journal of Turkish Weekly* (1 July 2005). Accessed in: <http://www.turkishweekly.net/news/14088/erdogan-copenhagen-criteria-would-become>. (20.07.2012).

⁴ Eliçin, Y. 2011. “The Europeanization of Turkey: Reform in Local Governments,” *International Journal of Economic and Administrative Studies*, Year:4(7), p. 107; Müftüler-Bac, M. 2005. “Turkey’s Political Reforms and the Impact of the European Union,” *South European Society & Politics*, March 2005, p. 17; Tocci, N. 2005. “Europeanization in Turkey: Trigger or Anchor for Reform?,” *South European Society and Politics*, 10(1), p: 74.

⁵ Müftüler-Bac, M. 2005. “Turkey’s Political Reforms and the Impact of the European Union,” *South European Society & Politics*, 10(1), pp. 19 -20.

⁶ *Ibid*, p. 21.

government in August 2001.⁷ When the AKP took control in the government, the reform process accelerated. Between 2002 and 2004, AKP government adopted six harmonization packages and New Turkish Penal Code.⁸ Therefore, at the 2004 Brussels summit, the European Council concluded that Turkey had complied sufficiently with the Copenhagen political criteria so that the accession process could officially begin on 3 October 2005. Paradoxically, the membership process of Turkey has since been stalled by a number of domestic and external factors.

As external factors, the accession process of Turkey has been slowed down because of the changing view on Turkish membership. Former accession processes clearly show that membership process strongly depends on the support of member countries, especially the more populous and economically advanced ones. Germany played a critical role in opening negotiations with Turkey in Helsinki summit in 1999. However, when Christian Democratic Union (CDU) under Angela Merkel came to power in Germany, the policy towards Turkey immediately changed after the opening of accession negotiations. The economic crises in smaller countries further eroded support for Turkey in the EU. Therefore, the views within individual EU member states seem to be coming together and hardening into an essentially negative position towards Turkey.⁹

On the domestic front, AKP government increasingly showed signs of “reform fatigue,” hesitating to push hard for implementation and enforcement of the rights-based reforms that it had so assertively legislated previously.¹⁰ Therefore, the question of whether EU’s political conditionality being lost its credibility over Turkey or not become one of the main topics in EU literature.

⁷ Tocci, N. 2005. “Europeanization in Turkey: Trigger or Anchor for Reform?,” *South European Society and Politics*, 10(1), p. 73.

⁸ Müftüler-Bac, M. 2005. “Turkey’s Political Reforms and the Impact of the European Union,” *South European Society & Politics*, 10(1), p. 23.

⁹ Müftüler-Baç, M. and McLaren, L. M. 2002. “Enlargement Preferences and Policy – Making in the European Union: Impacts on Turkey,” *European Integration*, 25, p. 19; Redmond, J. 2007. “Turkey and the European Union: Troubled European or European Trouble?” *International Affairs*, 83(2), p. 308.

¹⁰ Eliçin, Y. 2011. “The Europeanization of Turkey: Reform in Local Governments,” *International Journal of Economic and Administrative Studies*, Year:4(7), p. 108.

In 2010, Ankara's policy of creating more lee-way for itself in its synchronization efforts with the EU has been formalized with the publication of "European Union Strategy for Turkey's Accession Process" by the Turkey's Secretariat General of EU Affairs. Report clearly states that:

*"regardless of whether the chapters have been opened, suspended or blocked, the objective is to revive the commitments laid down in the programme for Alignment with the Acquis that was prepared earlier and based on Turkey's own priorities and timetables, and to keep on the agenda the priorities of Turkey's National Programme for the Adoption of the Acquis, prepared in line with the Accession Partnership."*¹¹

This statement clearly indicates that Ankara government aims to implement the EU acquis, albeit selectively, whether relevant chapters are opened or not. Since Turkey rejects to open its ports and airports to traffic from South Cyprus, eight chapters have been frozen by the European Council. Eleven others are blocked by France, Greece and South Cyprus because of their problematic bilateral relations with Turkey. Paradoxically, these adverse circumstances create a unique situation where Turkey can choose which parts of the acquis to implement relatively without the pressure of EU conditionality and negotiations.

That being said, following Ankara criteria is not without political ramifications. Such reforms carry various domestic implications. To illustrate, Börzel and Soyaltin identifies that reform process has continued with regard to specific policies such as minority rights or asylum policy while stalling in some areas such as the Cyprus conflict, and Armenian problem.¹² However, rather than general policy areas, main focus of this study is technical areas. Therefore, this study aims to focus on the domestic impact of EU accession on specific policies in Turkey's accession process.

The focus of this paper will be on transport policy to develop a better understanding of the variance observed in the harmonization of the EU technical

¹¹ Secretariat General for EU Affairs. 2010. "European Union Strategy for Turkey's Accession Process." January 2010, Ankara.

¹² Börzel, A. T. and Soyaltin D. 2012. "Europeanization in Turkey: Stretching a Concept to its Limits?" *KFG Working Paper Series*, No. 36, p. 6.

requirements. Three main reasons underlie this selection decision. Firstly, transport policy is one of the suspended chapters. Therefore, it is a promising field to analyze the differential impacts on domestic politics. Secondly, this policy area fits well into the dominant EU regulatory category which comprises distributive, regulative and redistributive characteristics. Thirdly, different subsections – maritime, air, road, and rail – give a diverse set of observations to test my hypotheses.

To develop expectations regarding the variance observed in the harmonization of different policy areas, I will first give an account of the Europeanization of domestic public policy in the field of transport sector in Turkey. Then, I will discuss to what extent can the prevalent theoretical approaches of Europeanization and domestic change account for the differential impact of the EU on Turkey. This discussion will lead me to introduce a new theoretical framework, namely Lowi's (1964) theory on issue areas.

2.2 EU Enlargement and Europeanization

Enlargement is one of the key policy areas of the EU.¹³ It has become a policy tool for governing relations with EU's close neighbor countries. Therefore, enlargement is a permanent and continuous item on the EU agenda.¹⁴ Indeed, since the foundation of the EU, enlargement has been on the top agenda of the EU. Article 237 of the 1957 Treaty of Rome clearly states that "any European state may apply to become member of the Community." Therefore, this clause left an open door to be a member of the club. During its lifespan from 1952 to 2012, the EU grew from six¹⁵ to 27 member states. Until the end of Cold War, each enlargement in 1973 (the UK, Denmark and Ireland), 1981 (Greece), 1986 (Spain and Portugal), and 1995 (Sweden, Austria and Finland) has

¹³ Schimmelfening, F. and Sedelmeier, U. 2002. "Theorezing EU enlargement: research focus, hypotheses, and the state of research," *Journal of European Public Policy*, August 2002, p. 500.

¹⁴ Peterson, J. and Jones E. 1999. "Decision-making in an enlarging European Union." In: James Sperling (ed.), *Two Tiers or Two Speeds: The European security order and the enlargement of the EU*. Manchester, Manchester University Press, p. 25.

¹⁵ Germany, France, Italy, the Netherlands, Belgium and Luxembourg are the founding member of the EU.

been the result of ad hoc individual negotiations and as a series of compromises designed to accommodate the specific needs and requirements of both the EU's and the applicant states' evolving needs.¹⁶

With the end of Cold War, the European Union encountered with a new dynamics in enlargement process. Both the collapse of the bipolar order and the fall of Soviet Union considerably affected the process of European integration.¹⁷ The transformation of Central and Eastern European countries (CEECs) and the aspiration of these countries to join the EU introduced new challenges to the EU. Since these countries were excluded from any initiatives of European integration for 50 years, the existence of differences between two sides constituted significant hurdles. Under these circumstances, CEECs were not ready to be part of the Union as long as they did not have efficient market and democratic system. Therefore, *misfit* and the concept of *conditionality* emerged as a key element to transform these countries. At the meeting of the European Council in Copenhagen in 1993, the Copenhagen criteria were introduced to deal with the immanent enlargement problems. The criteria were set to establish clear benchmarks against which a large number of candidates would be evaluated towards their accession. As such, these criteria aimed at establishing effective democratic institutions, respect for human and minority rights and install market economy in the countries. Through such criteria, EU membership became one of the foreign policy cards of the EU. With the help of Copenhagen Criteria, the EU aimed to bring these countries to EU's democratic and economic standards. Upon meeting the criteria, the first group of candidates was able to open the accession negotiations in 1998. Ten new countries completed negotiations in 2002 and joined the EU on 1 May 2004, bringing the member-state tally to 25. With the memberships of Romania and Bulgaria, the EU's membership grew to twenty-seven. Croatia is on the schedule to be a member in 2013. Iceland, Macedonia, Montenegro, Serbia and Turkey are official candidates of the EU which are waiting for joining to the club. The remaining countries of the Western

¹⁶ Burgess, M. 2009. "Federalism." In: Antje Wiener and Thomaz Diez (eds.), *European Integration Theory*, Oxford, Oxford University Press, p. 40.

¹⁷ Rosamond, B. 2000. *Theories of European Integration (European Union Series)*. Palgrave Macmillan, p. 45.

Balkans that are covered by the Stabilization and Association process launched in 1999.¹⁸

2.3 EU Enlargement and Transposition

Historical developments in EU enlargement have introduced a new foreign policy tool to the EU that its political conditionality has become the strongest external factor for political change in countries aspiring for membership.¹⁹ Related with the conditionality, “Europeanization” has become one of the fashionable concepts in the EU literature. More than *Copenhagen Criteria*, any candidate country has to implement the *acquis communautaire*, or simply referred to as “the *acquis*,” which is defined as “the body of common rights and obligations which bind all the member states together within the EU.”²⁰ In order to achieve a progress in the membership negotiations, the EU expects to see a progress in the implementation of the *acquis* by the candidate country. Starting the accession negotiations, the Commission gives a candidate country certain reform tasks that are framed in the *acquis*. For the purpose of screening and subsequent negotiations, the *acquis* is broken down into a number of chapters, each covering specific policy areas.²¹ In order to become a member state, the candidate country has to

¹⁸Schimmelfenning, F. and Sedelmeier, U. 2007. “Candidate Countries and Conditionality.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 88.

¹⁹ Müftüler-Bac, M. 2005. “Turkey’s Political Reforms and the Impact of the European Union,” *South European Society & Politics*, 10(1), p. 18.

²⁰ European Commission. 2000. *Glossary: Institutions, Policies, and Enlargement of the European Union*. Luxembourg: Office for Official Publications, 2000.

²¹ Currently Turkey does have 35 chapters to screen and complement them: “Free movement of goods,” “freedom of movement for workers,” “right of establishment and freedom to provide services,” “free movement of capital,” “public procurement,” “company law,” “intellectual property law,” “competition policy,” “financial services, information society and media,” “agriculture and rural development,” “food safety, veterinary and phytosanitary policy,” “fisheries,” “transport policy,” “taxation,” “economic and monetary policy,” “statistics,” “social policy and employment,” “enterprise and industrial policy,” “Trans-European networks,” “regional policy and

transpose these rules into domestic law.²² Within this context, *Europeanization* emerges as a key concept that defines under what circumstances both member states and candidate countries transpose *acquis communautaire* into their national legislation. Since this thesis dwells on the impact of *Europeanization* on candidate states, I will analyze how far the accession process, as an external force, triggers harmonization of EU *acquis*, and leads to internal change. I will also explore whether or not Turkey, as a candidate country, fits into the general *Europeanization* theoretical framework in the accession process. In order to answer these questions, I will start with an analysis of the theoretical framework of *Europeanization*. Then, I will turn to the Turkish case in the *Europeanization* process, which will enable me to understand whether Turkey fits well into this theoretical background or not. Providing that it does, I will ask which theoretical framework can explain the accession process of Turkey.

2.4 Europeanization: Theoretical Framework

Johan Olsen describes the research on *Europeanization* as a “growth industry.”²³ Various factors can be shown as the reasons for the increasing popularity. Vertical and horizontal integration process in the EU is one of the main factors. Driven by the dynamism in the integration process from the Single European Market, through the development of Economic and Monetary Union and other policy areas, researchers of

coordination of structural instruments,” “judiciary and fundamental rights,” “justice, freedom and security,” “science and research,” “education and culture,” “environment,” “consumer and health protection,” “Customs union,” “external relations,” “foreign, security and defence policy,” “financial control,” “financial and budgetary provisions,” “institutions,” and “other issues.”

²² For more information, Europa website:
http://ec.europa.eu/enlargement/enlargement_process/accesion_process/how_does_a_country_join_the_eu/negotiations_croatia_turkey/index_en.htm.

²³ Olsen, J. P. 2002. “The Many Faces of *Europeanization*,” *Journal of Common Market Studies*, Volume 40(5), p. 921.

the EU have been confronted with explaining the EU's subsequent impact upon the member states, accession states and near-neighbors.²⁴ Therefore, studies of the impact ranges from the specific policy areas to member states. Since this concept covers extensive areas, the need for developing a theoretical framework becomes necessary. Before building the theoretical framework on Europeanization, the definition of concept needs to be identified to narrow down the area.

Radaelli defines Europeanization as a “process of construction, diffusion and institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decision and then incorporated in the logic of domestic discourse, identities, political structures and public policies.”²⁵ Since the definition of Europeanization depends upon the different processes in European level, Olsen identifies five categories of Europeanization. Firstly, Europeanization is used in connection with changes in external boundaries of Europe, mainly through the enlargement. The accession process of CEECs is a good example of this definition. Secondly, he identifies Europeanization as building institutions and developing norms at the European level. This usage is about the governance of the EU. Thirdly, Europeanization is defined as a term covering the “central penetration of national systems of governance.” This definition considers adaptation of national and sub-national systems of governance to European institutions and norms. Fourthly, Europeanization is used as a term covering the “exporting the forms of political organization.” This definition contextualizes Europe into international system through exporting its values to states or regions. A final usage is Europeanization as “a political unification project.”²⁶ In a simple manner, Olsen's typology is based on the transfer

²⁴ Bulmer, S. 2007. “Theorizing Europeanization.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 46.

²⁵ Radaelli, C.M. 2000. “Whither Europeanization? Concept stretching and substantive change,” *European Integration Online Papers*, 4(8), p. 4.

²⁶ Olsen, J. P. 2002. “The Many Faces of Europeanization,” *Journal of Common Market Studies*, Volume 40(5), pp. 923 – 924; Bulmer, S. 2007. “Theorizing Europeanization.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 46; Quaglia et al. 2007. “Europeanization.” In Michelle Cini (ed.), *European Union Politics*. Oxford University Press, New York.

from the EU to other subjects and building European capacity. Related with the subject of topic, the Europeanization is confined with the Olsen's first definition in this study.

The Europeanization of candidate countries has emerged only recently as a separate research area. Originally research on "Europeanization" was concerned almost exclusively with domestic change in the EU member states.²⁷ As it is mentioned in the second part of the chapter, the developments during the accession process of CEECs extricate the Europeanization of candidate countries as a particular sub-field of Europeanization research.²⁸

Two main characteristics of CEECs case specified the Europeanization studies on candidate countries as a sub-field of Europeanization research. Firstly, the EU institutions can not apply its regular tools to influence adjustment process because of the status of candidates as non-members. However, they use alternative tools such as positive incentives, normative pressure and persuasion to accelerate the process. Second factor which make Europeanization studies on candidate country as a specific sub-field is related with the top-down process of rule transfer. Sedelmeier points out that since candidate countries had no voice in the formation of rules, the power asymmetry vis-à-

²⁷ See for example: Duina, Francesco. 1997. "Explaining Legal Implementation in the European Union," *International Journal of the Sociology of Law*, 25, pp. 155 – 179; Knill, Christoph. 1998. "European Politics: The Impact of National Administrative Traditions," *Journal of Public Policy*, 18, pp. 1 – 28; Kaeding, Michael. 2008. "Lost in Translation or Full Steam Ahead: the Transposition of EU Transport Directives across Member States," *European Union Politics*, 9(1), pp. 115 – 143; König, Thomas and Brooke Luetgert. 2009. "Troubles with Transposition? Explaining Trends in Member-State Notification and the Delayed Transposition of EU Directives," *British Journal of Political Science*, 39, pp. 163 – 194.

²⁸ See for example: Grabbe, Heather. 2001. "How does Europeanization affect CEE governance? Conditionality, diffusion, and diversity," *Journal of European Public Policy*, 8(6), pp. 1013 – 1031; Schimmelfenning, Frank and Ulrich Sedelmeier. 2005. "Introduction: Conceptualizing the Europeanization of Central and Eastern Europe," in *The Europeanization of Central and Eastern Europe*, (Eds) Schimmelfenning, Frank and Ulrich Sedelmeier, pp. 1 – 28, Cornell University Press, New York; Schimmelfenning, Frank and Ulrich Sedelmeier. 2005. *The Europeanization of Central and Eastern Europe*. Cornell Studies in Political Economy, Cornell University Press, Ithaca, New York.

vis the incumbents has led to top-down process of rule transfer, with no scope for uploading their own preferences to the EU level.²⁹

Therefore, the question of how far Europeanization on candidate countries can be effective when these two unique characteristics are taken into consideration. Which factors explain the variance in the adjustments of EU requirements in specific policy areas? In order to find the answer these questions, the studies on this field have dramatically increased.

The increasing number of studies on the subject matured the Europeanization of candidate countries as a research area. Accordingly, studies have become more systematic. After the accession of CEECs, the analysis of the EU's impact on accession countries started to be based on conceptual framework which can be applied to other cases.³⁰ These studies have made considerable contribution to the development of a common research agenda for the Europeanization of candidate states. They share considerable common ground, both with regard to their analytical frameworks and empirical findings. Their main aim is to find in which conditions non-EU member states adopt EU rules. Their framework of analysis is situated within three variants of new institutionalism, namely rational, sociological or constructivist and historical institutionalism.³¹ To understand the relationship between Europeanization and new institutionalism is important since the latter informs theorizing Europeanization.³²

²⁹ Sedelmeier, U. 2011. "Europeanization in new member and candidate states," *Living Reviews in European Governance*, 6(1), p. 6.

³⁰ See for example: Schimmelfenning, F. and Sedelmeier U. 2005. "Introduction: Conceptualizing the Europeanization of Central and Eastern Europe," in *The Europeanization of Central and Eastern Europe*, (Eds) Schimmelfenning, Frank and Ulrich Sedelmeier, Cornell University Press, New York; Schimmelfenning, F. and Sedelmeier U. 2005. *The Europeanization of Central and Eastern Europe*. Cornell Studies in Political Economy, Cornell University Press, Ithaca, New York.

³¹ Pollack, Mark A. 2009. "The New Institutionalisms and European Integration." In Antje Wiener and Thomaz Diez (eds.), *European Integration Theory (Second Edition)*, Oxford, Oxford University Press, p. 139.

³² Bulmer, S. 2007. "Theorizing Europeanization." In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 50.

2.5 The New Institutionalisms and EU Enlargement

Theoretically, most of the recent works in European integration is embedded in new institutionalism. New institutionalism aims to elucidate the role that institutions play in the determination of social and political outcomes while institutions are the rules of the game in a society and the humanly devised constraints that structure human interaction.³³ It is called as *new* institutionalism since the role of institutions on political had been neglected by the core body of theories – behaviorism, pluralism, Marxism and neo-realism – especially during the 1950s and 1970s.³⁴ Three primary institutionalisms developed during the course of the 1980s and early 1990s. According to March and Olsen, institutions are not simple and passive bodies within political process, they are the main bodies with provide contexts where actors can conduct a relatively higher proportion of positive sum bargains.³⁵

Although the new institutionalisms in political science were born in the field of EU studies, it has been applied with increasing frequency and success to the study of the Union as a polity and to European integration as a process. With the developments within the theory, the New Institutionalism evolves into plural institutionalisms which are rational choice, sociological and historical variants. Each of them provides distinctive sets of hypotheses and insights about the EU.³⁶ During the membership

³³ Gwiazda, Anna. 2002. “Europeanisation in Candidate Countries from Central and Eastern Europe,” *Paper prepared for the EPIC workshop in Florence, EUI*, 19 – 22 September 2002, p. 7.

³⁴ Pollack, Mark A. 2009. “The New Institutionalisms and European Integration.” In Antje Wiener and Thomaz Diez (eds.), *European Integration Theory (Second Edition)*, Oxford, Oxford University Press, p. 125.

³⁵ March, J. G. And Olsen, J. P. 1984. “The New Institutionalism: Organizational Factors in Political Life,” *American Political Science Review*, p. 78.

³⁶ Ibid.

process of CEECs, this theoretical framework is embedded into Europeanization of candidate countries.

2.5.1 Rational Choice Institutionalism

Rational choice institutionalism sees the institutions as formal legalistic entities and sets of decision rules that impose obligations upon self-interested political actors.³⁷ Actors preferences are shaped within this institutional venue and actors take these preferences in the pursuit of their self-interests. Within this context, institutions constrain self-interested action of actors by defining the strategies that political actors adopt in the pursuit of their self-interest.³⁸ According to this approach, institutions are created by states since states see benefits of having institutions to achieve their political goals in international arena.³⁹ Therefore, rational actors engage in strategic interactions using their resources to maximize their utilities. In this respect, the EU facilitates domestic change through changing opportunity structures for domestic actors.⁴⁰

The system of Europeanization works in two steps according to rational choice approach. Firstly, the misfit between the EU and domestic norms creates demands for domestic adoption. Secondly, the implementation of EU policies and institutions by candidate countries is embodied by cost/benefit calculations of strategic actors.⁴¹ The

³⁷ Rosamond, B. 2000. *Theories of European Integration*. London, Macmillan Press Ltd. p. 115.

³⁸ Ibid, p. 116; Gwiazda, Anna. 2002. "Europeanisation in Candidate Countries from Central and Eastern Europe," *Paper prepared for the EPIC workshop in Florence, EUI*, 19 – 22 September 2002, p. 8.

³⁹ Keohane, R. O. 1984. *After Hegemony: Cooperation and Discord in the World Political Economy*. New Jersey, Princeton University Press, p. 55.

⁴⁰ Knill, C. and Lehmkuhl, D. 2002. "The national impact of European Union regulatory policy: Three Europeanization mechanisms," *European Journal of Political Research*, 41(2), p. 269.

⁴¹ Börzel, A. T. and Soyaltin D. 2012. "Europeanization in Turkey: Stretching a Concept to its Limits?" *KFG Working Paper Series*, No. 36, p. 6.

actions of rational actors are limited or enabled by the institutions which render some options more costly than others. From this aspect, rational actors perceive Europeanization as an emerging political opportunity structure that enables to some actors additional resources to present influence while constraining the ability of others to pursue their aims.⁴² Domestic change becomes available if the EU incentive is strong enough to overcome resistance of veto players against to EU requirements. Accordingly, credible incentives of the EU can also empower domestic reform coalitions over the opposition by providing them with additional resources to benefit the opportunities offered by Europeanization.⁴³

2.5.2 Sociological (Constructivist) Institutionalism

Contrary to rational institutionalists, sociological institutionalism (constructivists) emphasize on the cognitive dimension of institutions. According to Hall and Taylor (1996), “sociological institutionalists stress on the way in which institutions influence behavior by providing the cognitive scripts, categories and models that are indispensable for action, not least because without them the world and the behavior of others cannot be interpreted.”⁴⁴ Therefore, they are concerned with the

⁴² Ibid, p. 8.

⁴³ Further studies on rational choice approach: Börzel, A. Tanja and Digidem Soyaltin. 2012. “Europeanization in Turkey: Stretching a Concept to its Limits?” *KFG Working Paper Series*, No. 36, p. 8; Gwiazda, Anna. 2002. “Europeanisation in Candidate Countries from Central and Eastern Europe.” *Paper prepared for the EPIC workshop in Florence, EUI*, 19 – 22 September 2002, p. 8; Simon Bulmer. 2007. “Theorizing Europeanization.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 50; Pollack, Mark A. 2009. “The New Institutionalisms and European Integration,” in *European Integration Theory (Second Edition)*, (Eds) Wiener, Antje and Thomas Diez, Oxford University Press, Oxford, p. 139; Schimmelfenning, Frank and Ulrich Sedelmeier. 2007. “Candidate Countries and Conditionality.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 90.

⁴⁴ Hall, P. And Taylor, R.C.R. 1996. “Political Science and the Three New Institutionalisms,” *Political Studies*, 44(5), p. 948.

realm of norms, ideas, discourse, organizational culture and the psychology of politics.⁴⁵ In this respect, collectively shared understandings of what constitutes proper, socially accepted behavior guides actors. As differently from rational institutionalism, actors seek to meet social expectations in a given situation instead of maximizing their egoistic self-interest. From this point, Europeanization is perceived as the emergence of new rules, norms and structures of meaning to which candidate countries are exposed and which they have to transpose into domestic rule structures.⁴⁶ Börzel and Soyaltin define the process of transposition of EU rules as follows:

“If there is such a misfit, it also takes agency to bring about domestic change. However, the ways in which domestic actors engage with reforms are different. Norm entrepreneurs such as epistemic communities or advocacy networks socialize domestic actors into new norms and rules of appropriateness through persuasion and learning, a process through which they redefine their interests and identities accordingly. The more active norm entrepreneurs and EU allies are and the more they succeed in making EU policies resonate with domestic norms and beliefs, the more successful they will be in bringing about domestic change. Moreover, collective understandings of appropriate behavior strongly influence the ways in which domestic actors download EU requirements. For example, a consensus oriented or cooperative decision-making culture helps to overcome multiple veto points by rendering their use for actors inappropriate. Such consensus oriented political culture allows for a sharing of adaptational costs which facilitates the accommodation of pressure for adaptation.”⁴⁷

⁴⁵ Bulmer, S. 2007. “Theorizing Europeanization.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 50.

⁴⁶ Börzel, A. T. and Soyaltin D. 2012. “Europeanization in Turkey: Stretching a Concept to its Limits?” *KFG Working Paper Series*, No. 36, p. 8.

⁴⁷ Ibid.

Therefore, sociological institutionalists claim that international social learning and the diffusion of legitimate norms play a central role in transition of candidate countries.⁴⁸

2.5.3 Historical Institutionalism

Historical institutionalist perspective is another important variant which is used in the studies of Europeanization for both member and candidate states. Historical institutionalists mainly argue that institutions can shape the goals and the preferences of actors.⁴⁹ They are concerned with the role of time in the integration process. The path-dependent nature of national institutions and national policies is one of the subject matter areas of this approach. The variation in the acceptance and transposition of EU norms by candidate countries is also analyzed by historical institutionalism approach.⁵⁰ According to this approach, path dependent processes continue irrespective of whether the initial decision still makes sense, and explains why actors stick to their guns even though their short term instrumental interests might have changed.⁵¹ Therefore, the Europeanization in candidate countries is related with the past experience and also the structure of institutions.

⁴⁸ See for example: Börzel, Tanja A. and Thomas Risse. 2000. "When Europe Hits Home: Europeanization and Domestic Change," *European Integration online Papers (EIoP)*, Vol. 4; Checkel, J. 2005. "International Institutions and Socialization in Europe: Introduction and Framework," *International Organization*, 59(4), pp. 801 – 826; Epstein, R. 2005. "Diverging Effects of Social Learning and External Incentives in Polish Central Banking and Agriculture." In Schimmelfenning, F and Sedelmeier, U. (eds) *The Europeanization of Central Eastern Europe*, New York, Cornell University Press, pp. 178 – 198; Gheciu, A. 2005. *NATO in the 'New Europe': The Politics of International Socialization after the Cold War*. Stanford, Stanford University Press.

⁴⁹ Rosamond, B. 2000. *Theories of European Integration*. London, Macmillan Press Ltd. p. 116.

⁵⁰ Pollack, Mark A. 2009. "The New Institutionalisms and European Integration." In Antje Wiener and Thomaz Diez (eds.), *European Integration Theory (Second Edition)*, Oxford, Oxford University Press, p. 139.

⁵¹ Müftüleri-Baç, M. And McLaren, L. M. 2002. "Enlargement Preferences and Policy – Making in the European Union: Impacts on Turkey," *European Integration*, 25, p. 21.

The three different variants of new institutionalism enable to derive distinct models of the mechanism driving the Europeanization of the candidate states. By using these models, researches aims to find out under which conditions the Europeanization of non-member and candidate countries is effective. In other words, which factors explain variation in the EU's influence across countries and issue areas?

2.6 Models of Europeanization

As institutionalism approaches provide a highly promising framework to structure the research agenda on candidate country Europeanization, most theoretically – informed studies of the Europeanization of candidate countries are generally set within the framework of institutionalist theory.⁵² However, these studies differ among each other in response to their models. While some models focus on the use of conditionality which is the strategy of rational choice institutionalism, other constructs their model on persuasion and socialization strategies that sociological institutionalism.⁵³ By making comparison between two approaches, they seek to find solution. Within these conceptual framework analyses, Frank Schimmelfennig and Ulrich Sedelmeier's findings are the most accurate one since they explicitly seek to test

⁵² See for example, Bauer et al. 2007. "Differential Europeanization in Eastern Europe: The Impact of Diverse EU Regulatory Governance Patterns," *Journal of European Integration*, 29(4), pp. 405 – 423; Dimitrova, Antoaneta L. 2002. *Driven to Change: The European Union's Enlargement Viewed from the East*. Manchester University Press, Manchester; Epstein, R. 2005. "Diverging Effects of Social Learning and External Incentives in Polish Central Banking and Agriculture." In Schimmelfennig, F and Sedelmeier, U. (eds) *The Europeanization of Central Eastern Europe*, New York, Cornell University Press, pp. 178 – 198; Goetz, Klaus H. 2002. "Europeanization in West and East: A Challenge to Institutional Theory," *1st Pan-European Conference on EU Politics*, Bordeaux, 26 -28 September 2002, conference paper; Grabbe, Heather. 2006. *The EU's Transformative Power: Europeanization through Conditionality in Central and Eastern Europe*, Palgrave Macmillan, Basingstoke, New York.

⁵³ Sedelmeier, U. 2011. "Europeanization in new member and candidate states," *Living Reviews in European Governance*, 6(1), p. 11.

alternative rationalist and constructivist hypotheses about the effect of EU membership.⁵⁴ It is important to point out that their conceptual framework analysis is built upon CEECs' cases. The question needs to be answered that how far their conceptual framework can explain the variance in Turkish case? At the end of this chapter, I will seek to answer this question.

Frank Schimmelfennig and Ulrich Sedelmeier study is composed of three models which compare the explanatory power of a rationalist institutionalist “external incentives model” with that of sociological institutionalist “social learning model” and a “lesson-drawing model” emphasizing domestically driven rule adoption.⁵⁵

2.6.1 External Incentive Model

External incentive model is derived from rational choice models of bargaining, focusing on the asymmetrical bargaining power of the EU and its applicant states and in particular on EU “conditionality.” According to this model, conditionality is the dominant mechanism of Europeanization in accession countries that variance in Europeanization outcomes can largely attributed to conditions of effective conditionality bargaining. In order to achieve effective conditionality bargaining, some conditions need to be met. First of all, interdependence between the EU and candidate countries should favor the EU. Candidate country must depend on the EU market. Therefore, the possibility of being member of the EU should promise higher benefits to candidate country. In this way, the EU can use its superior bargaining power to influence candidate country if its conditions have not been met by candidate country. In

⁵⁴Schimmelfennig, F. and Sedelmeier, U. 2005. “Introduction: Conceptualizing the Europeanization of Central and Eastern Europe,” in *The Europeanization of Central and Eastern Europe*, (eds.) Schimmelfennig, Frank and Ulrich Sedelmeier, Cornell University Press, New York, pp. 1 – 28.

⁵⁵ Schimmelfennig, F. and Ulrich S. 2007. “Candidate Countries and Conditionality.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 90.

other words, the “golden carrot” should be big enough to draw candidate countries closer to Europe.⁵⁶ Secondly, the credibility of incentives is another important factor to achieve effective conditionality bargaining. It directly influences the cost-benefit calculations of candidate countries. The credibility of rewards can easily be affected by EU-intra politics. For example, political conflicts inside the EU can make candidates doubt that the EU will deliver the promised rewards. Moreover, the credibility also suffers when the EU discriminates some candidate countries by rewarding membership although they did not meet all the requirements (the start of negotiations with Bulgaria, Romania).⁵⁷ Although the credibility of incentive is easily damaged, it can be re-fixed once accession negotiations starts with candidate countries. The cases of CEECs show that the rule adoption increased dramatically once these countries achieved candidate status by the EU. Thirdly, the EU’s salience on some specific areas is one of the key factors in rendering the EU’s conditionality credible. Therefore, the rule adoption in that area automatically increases.⁵⁸ During the enlargement process, EU member states and the Commission give more weight to certain policy areas in their enlargement decisions. For example, CEECs knew that the EU institutions directly monitor the adoption of Schengen rules the compliance to which was a key condition for membership.⁵⁹ Therefore, the EU’s effective conditionality bargaining is high in these specific policies. Lastly, domestic politics of candidate countries is another important variable that influence the EU’s effectiveness. If there is absence or weakness of veto players in candidate country, the main potential domestic obstacle to effective conditionality would be removed. However, the EU still needs to have domestic allies in target countries to have effective conditionality bargaining since domestic costs of adopting

⁵⁶ Sedelmeier, U. 2011. “Europeanization in new member and candidate states,” *Living Reviews in European Governance*, 6(1), p. 12.

⁵⁷ Ibid.

⁵⁸ Schimmelfenning, F. and Ulrich S. 2007. “Candidate Countries and Conditionality.” In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 93.

⁵⁹ Ibid.

rules can cause a problem in the implementation of EU rules.⁶⁰ Here, Schimmelfennig and Sedelmeier (2007) differentiate the impact of conditionality on candidate countries according to its context as democratic conditionality and *acquis* conditionality. In the context of democratic conditionality, the measurement of Europeanization impacts is made according to the adoption of democratic and human rights norms. In other words, the reform process in general policy area is the main focus. In the context of *acquis* conditionality, Europeanization effects are measured by the adjustments of specific policies' rules as a result of EU conditionality in countries outside the EU.⁶¹ While adjustment costs and domestic veto players play a decisive role in the case of democratic conditionality, these costs do not play an important role in individual policy areas.⁶² According to Schimmelfennig and Sedelmeier (2007), the governments generally fear that the costs of rule adoption in political system (such as civilian control over the military) can cause to a loss of office. However, costs in individual policy areas can be discounted against the benefits of EU membership. Hence, these factors influence the EU's impact on the accession country according to 'external incentive model'. Under these circumstances, a general proposition of external incentive model can be made: if the benefits of EU rewards exceed the domestic adoption costs, a state adopts the rule.⁶³

2.6.2 Social Learning Model

⁶⁰ Sedelmeier, U. 2011. "Europeanization in new member and candidate states," *Living Reviews in European Governance*, 6(1), p. 14.

⁶¹ Schimmelfennig, F. and Ulrich S. 2007. "Candidate Countries and Conditionality." In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, pp. 91 – 92.

⁶² *Ibid*, p. 91.

⁶³ Schimmelfennig, F. and Sedelmeier U. 2004. "Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe," *Journal of European Public Policy*, 11(4), p. 672.

As opposed to “external incentive model,” Schimmelfennig and Sedelmeier introduced “social learning” and “lesson-drawing” models which are derived from sociological institutionalism. ‘Social learning model’ is one of the core tenets of social constructivism. In contrast to the rationalist model of conditionality, the social learning model assumes logic of appropriateness. In regards to this approach, the main motivations of actors are internalized norms, values and identities. Instead of bargaining about conditions and rewards, this approach argues about the legitimacy of rules and appropriateness of behavior. Rather than coercion, persuasion is the main tool for the transfer of rules.⁶⁴

In this perspective, the EU is defined by a specific collective identity and a specific set of common values and norms. Whether a non-member state adopts EU rules depends on the degree to which it regards EU rules and its demands for rule adoption as appropriate in light of these collective identity and norms.⁶⁵ Therefore a general proposition of the social learning model can be drawn as: a state adopts EU rules if it is persuaded of the appropriateness of EU rules.⁶⁶ The legitimacy of the EU rule is one factor which affects the persuasion of it. If substantive rules are codified in the EU’s own *acquis*, they are more likely to be perceived as legitimate.⁶⁷

2.6.3 Lesson Drawing Model

⁶⁴ Ibid, p. 675; Sedelmeier, U. 2011. “Europeanization in new member and candidate states,” *Living Reviews in European Governance*, 6(1), p. 15; Pollack, Mark A. 2009. “The New Institutionalisms and European Integration.” In Antje Wiener and Thomaz Diez (eds.), *European Integration Theory (Second Edition)*, Oxford, Oxford University Press, p. 140.

⁶⁵ Schimmelfennig, F. and Sedelmeier U. 2004. “Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe,” *Journal of European Public Policy*, 11(4), p. 676.

⁶⁶ Ibid.

⁶⁷ Sedelmeier, U. 2011. “Europeanization in new member and candidate states,” *Living Reviews in European Governance*, 6(1), p. 15.

The lesson drawing model is another alternative model to external incentive model. It basically argues that non-member states adopt EU rules without EU incentives or persuasion. It is about domestic dissatisfaction with current rules and norms. Policy makers review policies and rules in operation elsewhere and make a prospective evaluation of their transferability. A state adopts EU rule if it expects these rules to solve domestic policy problems effectively.⁶⁸

The findings of Schimmelfennig and Sedelmeier which is based on a series of case studies cutting across multiple countries and multiple issue-areas provide support for external incentive model when the CEECs cases are taken into consideration. Although two alternative models are partly competing, partly complementary explanations, they are not dominant model that explains the variance. Moreover, since “social learning model” is based on norms and values, it does not explain the adjustments in technical areas. Norms and values mainly play role in the general reforms in social-political arena, but not in technical areas. Therefore, observed variations in rule adjustments are explained in large part by a *credible membership perspective* and *clear political conditionality*. Therefore, credible political conditionality is the most important source of EU leverage and policy change in candidate countries while socialization and lesson drawing have a much weaker and more variable impact.⁶⁹ In the next section, the findings of ‘external incentive model’ will be analyzed in CEECs case in order to compare with the case of Turkey.

2.7 The Case of Central Eastern European Countries

⁶⁸ Schimmelfennig, F. and Sedelmeier U. 2004. “Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe,” *Journal of European Public Policy*, 11(4), p. 676.

⁶⁹ Pollack, M. A. 2009. “The New Institutionalisms and European Integration.” In Antje Wiener and Thomaz Diez (eds.), *European Integration Theory (Second Edition)*, Oxford, Oxford University Press, p. 140.

The membership process of Central Eastern European Countries (CEECs) began with the first manifestation of Euro-enthusiasm from the new born independent countries (particularly Poland and Hungary) in the early 1990s. When the EU officially set out its definition of EU membership criteria in response to CEECs request to join the club, the process officially started in June 1993. In March and April 1994, Hungary and Poland applied and then were followed by Slovakia, Romania, Estonia, Bulgaria, Latvia, Lithuania, Slovenia, and the Czech Republic.⁷⁰ With the official application for the EU membership, the transformation of these countries accelerated in the *democratic conditionality* area. Once the EU announced that they met with Copenhagen criteria, the negotiations began with first six countries (Czech Republic, Cyprus, Estonia, Hungary, Poland and Slovenia) in 1998 and further six (Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia) began to negotiate EU entry in 2000.⁷¹

The accession of CEECs case shows that the key condition for the success of EU rule transfer is whether the EU sets its rules as conditions for countries with credible membership perspective. Before EU's conditionality was spelled out, transposition of EU enactments was rather patch and selective. However, once the given area became the subject of EU conditionality, the transposition of EU rules into national legislation dramatically increased.⁷² Therefore, the external incentive model of Schimmelfennig and Sedelmeier is highly successful in explaining rule transfer in CEECs.

Once accession negotiations start with candidate countries, the credibility that the EU will reward rule adoption with membership emerges as the most important factor influencing the cost-benefit calculations of CEEC governments. Political developments in CEECs shows that reinforcement by reward was strong enough to overcome the resistance of veto players against the substantial costs entailed in compliance with the adoption of *acquis communautaire*. Therefore, adjustment costs

⁷⁰ Bardi et al. 2002. "Enlarging the European Union: Challenges to and from Central and Eastern Europe – Introduction," *International Political Science Review*, 23(3), p. 227.

⁷¹ Ibid.

⁷² Schimmelfennig, F. and Sedelmeier U. 2004. "Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe," *Journal of European Public Policy*, 11(4), p. 679.

and veto player did not play decisive role in these countries since adjustment costs in individual policy areas are discounted against the benefits of membership in CEECs.⁷³ According to Schimmelfennig and Sedelmeier, adjustment costs and veto player just explain variation in the speed of rule adoption across issue areas and countries, not the systematic variation in the likelihood of rule adoption as such.⁷⁴ For example in the area of environmental policy, the harmonization of control and command instruments in Czech Republic was only made once the EU's conditionality set in.⁷⁵

Lastly, the Eastern enlargement reveals that EU's political priority area affects the transposition of EU rules. In other words, the salience that the EU attaches to a particular area appears as a key factor that renders the EU's conditionality credible, and therefore increases the success of rule transfer.⁷⁶ For example, in the area of Schengen rules, candidate countries know that it was a key condition for membership since EU actors clearly defines it. In sum, in the area of *acquis* conditionality, a credible membership perspective and the setting of rules as conditions are the main elements which explain variance in the EU influence and across countries.

Schimmelfennig and Sedelmeier do not eliminate the importance of alternative models in the explaining of variance in the implementation of EU rules in candidate countries. While rationalist mechanism of 'differential empowerment through conditionality' dominates accession Europeanization, social learning and lesson drawing models play role. During the enlargement of CEECs, the impact of strong domestic consensus to join the EU was very influential. Therefore, the domestic veto players inside and outside government could not react the reform process in an opposite way. Since the most part of CEECs society see themselves as part of the EU, EU rules

⁷³ Ibid, 680.

⁷⁴ Schimmelfennig, F. and Ulrich S. 2007. "Candidate Countries and Conditionality." In: Paolo Graziano and Maarten P. Wink (eds.), *Europeanization: New Research Agendas*, Palgrave Macmillan, p. 93.

⁷⁵ Schimmelfennig, F. and Sedelmeier U. 2004. "Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe," *Journal of European Public Policy*, 11(4), p. 679.

⁷⁶ Ibid, 680.

are easily adopted. Moreover, the lesson drawing model explains which specific rules the CEECs adopt or how they interpret and use these rules. If the specific policies and rules of the EU are good for domestic country, the transposition of them becomes much easier than others.⁷⁷ Furthermore, these models explain cases which included the adoption of EU policies without EU adjustment pressures or the internalization of EU rules by actors in the candidate countries even if the policies were initially adopted instrumentally.⁷⁸ However, these alternative models are limited in the explanation. It is hard to prove that there is a direct relation between the legitimacy of EU rules and conditions with EU impact on rule adoption in the candidate country.

In sum, external incentive model did fairly a good job in accounting the differential impact of accession on the Central and Eastern Europe. In the case of CEECs, the model works well, since there was a *credible membership perspective* and *clear political conditionality*. And also, these factors were also supported by the conditions such as asymmetrical dependence or absence of veto player. For this reason, the Europeanization process of CEECs is explained well by the model of Schimmelfennig and Sedelmeier. The question is that this model can be generalized to other cases, such as Turkey? How far the existing approaches of Europeanization and domestic change account for the differential impact of the EU on Turkey?

2.8 The case of Turkey

In the new millennium, the Europeanization process in Turkey can be divided as pre-2005 and post-2005 periods. Before the opening of accession, Turkey seems to be

⁷⁷ Börzel, A. T. and Soyaltin D. 2012. "Europeanization in Turkey: Stretching a Concept to its Limits?" *KFG Working Paper Series*, No. 36, p. 9; ⁷⁷ Schimmelfennig, F. and Sedelmeier U. 2004. "Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe," *Journal of European Public Policy*, 11(4), p. 682.

⁷⁸ Sedelmeier, U. 2011. "Europeanization in new member and candidate states," *Living Reviews in European Governance*, 6(1), p. 23.

textbook example of the external incentive model.⁷⁹ Between 1999 and 2004 EU accession created pressure for the adoption for deep seated reforms since the credibility of EU conditionality towards Turkey was still high. However, since 2005, the credibility of EU accession perspective has dropped dramatically. Due to this decrease, the reform process in Turkey has been stalled. CEECs case shows that external incentive model can only works when there is credible membership perspective and clear political conditionality. Moreover, the EU needs to have effective conditionality bargaining which affects the Europeanization process. Therefore, Turkish case becomes the reverse example of external incentive model that explains how the Europeanization process could be stalled.

Various factors erode the EU's effective bargaining conditionality over Turkey. First of all, the relations between Turkey and EU have become less asymmetrical with the increasing economic power of Turkey. As the degree of interdependence crucially shapes the pressure for adoption, the less dependence of candidate country on EU badly affects EU's effective bargaining conditionality.⁸⁰ After the 2001 economic crisis in Turkey, Turkey desperately needed the EU's incentive to reinvigorate the economy. Therefore, the reform process of Turkey dramatically increased after 1999 earthquake and 2001 economic crisis. The asymmetrical relations between EU and Turkey at that time increased the EU's effective bargaining conditionality. However, this relationship between the EU and Turkey has dramatically changed with the economic development in Turkey. In the nine years following AKP' incumbency, Turkey became 17th biggest economy in the world.⁸¹ Moreover, Turkey's economic policy has decreased its dependence on European market. Although the EU market still constitutes the biggest economic partner of Turkey, the dependence of Turkish economy on EU market is not high as much as CEECs or Western Balkan accession candidates. Furthermore, the

⁷⁹Börzel, A. T. and Soyaltin D. 2012. "Europeanization in Turkey: Stretching a Concept to its Limits?" *KFG Working Paper Series*, No. 36, p. 6.

⁸⁰ Börzel, A. T. and Soyaltin D. 2012. "Europeanization in Turkey: Stretching a Concept to its Limits?" *KFG Working Paper Series*, No. 36, p. 11.

⁸¹ Lejour, A. M. and Ruud A. de Mooij. 2005. "Turkish Delight: Does Turkey's Accession to the EU Bring Economic Benefits?" *KYKLOS*, 58 (1), p. 91.

financial crisis within the EU market is another factor which plays the role in the erosion of the EU's effective bargaining conditionality over Turkey.

The fading credibility of the membership perspective also reversely affects the Europeanization process in Turkey. The credible membership perspective was the key factor in the transformation of CEECs. Several reasons can be laid down for the weakening of credible membership perspective in Turkey. Firstly, the increasing opposite view for Turkey membership in the EU countries caused to decrease the credibility of EU membership. The constant opposite public speeches of various leaders of EU countries badly affect the Europeanization process in Turkey. For example, the speech of Nicolas Sarkozy, the former President of France, insistently underlined his negative position against Turkey's accession process in his various public statements:

*"I do not believe that Turkey belongs to Europe, and for a simple reason: because it is in Asia Minor. What I wish to offer Turkey is a true partnership with Europe, but not integration into Europe."*⁸²

These kinds of speeches from some leading figures of the EU have raised doubts on the credibility of EU's membership perspective with regards to Turkey. At the same time, the public support for EU membership in Turkey has been also decreasing because of discriminative policies of the EU towards Turkey.⁸³ Therefore, the decreasing support for EU membership also contributes the fading credibility of the EU membership perspective. The EU conditionality has also been undermined with the fading credibility of the EU membership.

External incentive model explains well the reasons of stalling accession process in the political reforms. However, it cannot explain why we do find instances of domestic change that conforms to EU demands in some technical areas and not in others

⁸² "Sarkozy : La France et l'Asie mineure," *Turquieeuropéenne* (16 January 2008). Access in: <http://turquieeuropéenne.eu/sarkozy-la-france-et-l-asie-mineure.html> (25/07/2012).

⁸³ Börzel, A. T. and Soyaltin D. 2012. "Europeanization in Turkey: Stretching a Concept to its Limits?" *KFG Working Paper Series*, No. 36, p. 15.

since the credibility of accession conditionality declines over time.⁸⁴ Although 17 chapters are frozen because of EU suspension on negotiations or refusal to open them, Turkey's strategy is to continue the harmonization of EU acquis.⁸⁵ Therefore, the adjustments of EU policies are continued in some technical areas.

As a result, Turkey is not a case *sui generis*. The harmonization process in Turkey cannot be explained by external incentive model since there is absence of Europeanization pressures. Domestic change in Turkey is less driven by the EU and its fading conditionality, but it is driven by the domestic factors. Therefore, there is a need for fine-grained analysis to figure out where the cooperation is possible. With the external incentive model, it is not possible to define a policy coordination area under these circumstances. It is clear that Europeanization appears to be most effective where domestic policy choices align with the EU demands for change. Instead of top-down Europeanization process, Europeanization in Turkey appears to be 'bottom-up'. It is the domestic actors which mainly shape Europeanization process in Turkey. Therefore, the new framework of analysis should be more fine-grained approach and more based on domestic actor preferences.

⁸⁴ Ibid, p. 14.

⁸⁵ Secretariat General for EU Affairs. 2010. "European Union Strategy for Turkey's Accession Process." January 2010, Ankara.

CHAPTER 3

NEW THEORETICAL FRAMEWORK

3.1 Public Policy Analysis in the Europeanization Process

Existing Europeanization approaches based on institutionalist theories provide general overview about the accession process in Turkey. External incentive model mainly clarifies why Europeanization process in Turkey has been stalled. However, it cannot explain the continuous harmonization process in some areas. Therefore, I suggest overcoming this problem by borrowing from ‘public policy’ literature developed in the United States. More specifically, I will adapt Lowi’s business cycles models.⁸⁶ By using his model, I aim to identify areas in which cooperation is possible. From this, I develop a pair of related hypotheses that suggest that distributive policies will be more easily adopted than redistributive policies in candidate countries. I will focus on the Turkish transport policy to test the validity of my theoretical suggestions.

Before giving my theoretical suggestions, I will first point out the basic characteristics of European transport policy to identify areas in which convergence between Turkey and the EU is low or high. After giving basic objectives of the EU, the current situation in Turkish transport sector will be analyzed.

⁸⁶ Lowi, T. J. 1964. “American Business, Public Policy, Case-Studies and Political Theory,” *World Politics*, 16(4), pp. 677 – 715.

3.2 European Transport Policy

Free movement of goods and people is one of the main principles of the European Union. Electronic trade is improving with technological developments, but all products, except for virtual ones, should be transported eventually. Transportation is an important aspect of foreign trade, tourism and our daily life. Transportation has direct and indirect effects on economy, social life and environment. EU has put the need of a common transportation policy into reality by regulations in the *acquis*. Hence, the EU has been trying to remove all barriers preventing market economy and free competition.

Before analyzing main features of the EU transport policy, a definition of transport policy should be generated in order to clarify whether this policy area is regulatory or not. Transport policy can be understood as a governmental field of responsibility, which refers to the general existence provision, pursuing the goals of planning and implementing the transport infrastructure anticipatorily, of coordinating and controlling the use of transport ways and of enabling economically, ecologically compatible and socially well-balanced transportation.⁸⁷

Transport policy is regulated in a supranational level since it is one of the policy fields in the EU level. In other words, the top-down approaches of Europeanization exist in this policy field. Therefore, the transport policy field is one of the popular research areas in the study of Europeanization. However, the transport sector is differentiated from the other policy field that even current member states still have state-led approach toward transport. Therefore, domestic factors play a decisive role particularly in the specific areas of transport sector. For this reason, it is worth taking the historical process of European transport policy into account.

⁸⁷ Alias, C. 2008. "Transport Policy in Europe: Concepts and Objectives for a Sustainable Transport System," *Grin Verlag*, Seminar Paper, Winter Term 2007/2008, p. 5.

3.2.1 The History of the European Transport Policy

The history of European transport policy traces back to the Treaty Establishing the European Union (Rome Treaty). In 1957, the Treaty of Rome was signed by the six founding members of the European Economic Community. Transport policy was one of the policy areas with a specific title under the Articles 74 and 80.⁸⁸ These Articles aimed to achieve the harmonization of transport infrastructure in the Union level to bolster the free movement of people and goods in the Community. However, these objectives were not adequately realized because transport policy stayed under the control of individual governments during the first thirty years of the EC.⁸⁹ Member states considered transport as a public service, and thus, were reluctant to leave it solely to the private sector. Hence, the willingness to deregulate the national transport markets was quite low due to different competitive conditions in the member states.⁹⁰

The year 1985 was a turning point for the European transport policy. In that year, it was changed into a supranational policy of the Europe through the initiative of European Parliament, which took a step to change the structure. The reason for the European Parliament (EP) to take initiative is because the EP realized that the existing transport system had come to its limits in terms of passenger and goods numbers. Between 1965 and 1989, the volume of passenger numbers and goods, kilometers by car, train, shipping, air and inland waterways transport in the EU had increased by

⁸⁸ Ünalımsı, M. 2005. "Maritime Transportation in Turkey and European Union with Special Reference to Privatization of Ports," *Master Thesis*, Marmara Üniversitesi, p. 50.

⁸⁹ Kaeding, M. 2007. *Better regulation in the European Union: Lost in Translation or Full Steam Ahead? The transportation of EU transport directives across member states*. Leiden University Press, p. 43.

⁹⁰ Alias, C. 2008. "Transport Policy in Europe: Concepts and Objectives for a Sustainable Transport System," *Grin Verlag*, Seminar Paper, Winter Term 2007/2008, p. 8.

246%.⁹¹ Therefore, the state-led transport system could not meet the growth expectations in the meantime. Moreover, Europe was experiencing an ideological change at that time. Neo-liberal economic policies of the European countries gave way to a shift towards regulatory policies favoring market mechanisms. Responding to increasing demands for mobility and ideological shift in politics, European transport policy acquired a supranational characteristic, when the Single European Act changed the institutional settings of the Council of Ministers by replacing unanimity with qualified majority voting.⁹² After increasing efforts for supranational efforts, the European Commission published a White Paper advising for liberalization and harmonization of the transport policy.⁹³ Therefore, *liberalization* became the motto of the EU transport policy during the 1990s. In 1992, the first Transport Policy White Paper was recommending the further “opening-up of the transport market.”⁹⁴ Following these White Papers, liberalization and intensified competition took place in the European transport sector. For example, the introduction of the right of non-resident transport haulers to operate in foreign markets materialized at that term.

In the Treaty of Amsterdam (1997), further liberalization was pointed out as a solution to the upcoming enlargement. According to this Treaty, efficiency in transport sector can only be achieved through liberalization of state led enterprises. Furthermore, *sustainability* became another main concept of this policy. The enlargement of Sweden, Finland, and Austria introduced another solution to growth. Their high environmental standards bolstered the development of the sustainability concept.⁹⁵ In 2001, the

⁹¹ Kaeding, M. 2007. *Better regulation in the European Union: Lost in Translation or Full Steam Ahead? The transportation of EU transport directives across member states.* Leiden University Press, p. 46.

⁹² Ibid.

⁹³ White Paper. 1985. “Completing the Internal Market.” COM85 (310), White Paper from the Commission to the European Council, Milan 28-29 June 1985.

⁹⁴ Alias, C. 2008. “Transport Policy in Europe: Concepts and Objectives for a Sustainable Transport System,” *Grin Verlag*, Seminar Paper, Winter Term 2007/2008, p. 9.

⁹⁵ Kaeding, M. 2007. *Better regulation in the European Union: Lost in Translation or Full Steam Ahead? The transportation of EU transport directives across member states.* Leiden University Press, p. 47.

Commission launched a new White Paper, titled “European transport policy for 2010 – time to decide.” It mainly emphasized the *integrated approach* towards transport policy in which inter-modality played an important role. This approach aimed to increase the share of railway in transport sector. As a result, two rail freight liberalization packages were introduced by 2001. The first package granted freight operators access to the Trans European Rail Freight Network by 2003.⁹⁶ Moreover, the common rules for railway licensing⁹⁷ and principles to govern non-discriminatory allocation of capacity, charging infrastructure use and safety certification⁹⁸ were established by this package. The main step towards the integration of the rail transport market was taken with the adoption of the second railway package. This package aimed to remove obstacles to cross border services with a complete liberalization of the European market for rail freight set for January 2007.⁹⁹ In all other areas of transport policy, the EU brought various reforms from technical areas to social dimension. Since this study just aims to explore the main concepts of EU transport policy, the detailed analysis of EU transport policy will not be given.

In sum liberalization, free market competition and sustainability are the main concepts of EU transport policy. The liberalization of market is one of the challenging areas for both member states and candidate countries. Therefore, the liberalization reforms in road sector and railway sector are promising areas to analyze Lowi’s theoretical model.

3.3 Policy Reform in Transport Sector

⁹⁶ Directive 2001/12.

⁹⁷ Directive 2001/13.

⁹⁸ Directive 2001/14.

⁹⁹ Kaeding, M. 2007. *Better regulation in the European Union: Lost in Translation or Full Steam Ahead? The transportation of EU transport directives across member states.* Leiden University Press, p. 54.

Transport policy constitutes one of the most significant policies in the creation of the European Union since an effective transport system is an essential element of creating an integrated and prosperous European economy.¹⁰⁰

Analyzing all aspects of transport policy is an insurmountable task, since European transport policy entails a number of sub-policies on various transport modes and geographies. That states have historically committed themselves to different standards and modes of infrastructure on these issues makes this project even more complicated. This rugged landscape makes the identification of how a country can articulate itself to the EU's transport policy a theoretical and practical challenge. This thesis is concerned with the former challenge; the main aim is to identify the specific areas in transport policy through which Turkey can introduce domestic reforms required by the European Union.

The EU *acquis* covers a wide range of issues, provisioning for actors at all levels across different geographies. For instance, it requires capital provisions for trucking companies for each vehicle in their fleet to operate in the EU. Moreover, it encourages states to reimburse semi-trailers that utilize water and railways on a substantial part of their journey. Furthermore, it seeks to achieve a consensus on how the local population will be compensated in transport nodes and congested areas, and officially recognizes more than 30 projects which are supported through the trans-European transport network (TEN-T) inevitably puts other projects (thus areas) in Europe in the periphery, and therefore at a disadvantageous position. The burden and benefits from compliance with the *acquis* are unevenly distributed across different sectors, classes and geographies. These burdens and benefits need not be solely pecuniary. Naturally, such far-reaching reforms have resonated in all levels of politics. For the national level implications, studies are divided into two groups: studies covering all different modes of transport¹⁰¹ and those focusing on only a single mode.¹⁰² Therefore, the various studies

¹⁰⁰ Barnes, I. and Pamela, B. 1995. *The Enlarged European Union*. Longman Publishing group, p. 80.

¹⁰¹ Erdmenger, J. (1983) *The European Community Transport Policy*, Aldershot: Gower; Abbati, C. degli (1987) *Transport and European Integration*, Luxembourg: EC Publications Office; Whitelegg, J. (1988) *Transport Policy in the EEC*, London:

on the impact of EU transport policy have been made in the literature since it affects every aspect of politics. Stevens depicts the multitude of influences on transport policy making akin to a “kaleidoscope.”¹⁰³

The asymmetry with which the costs and benefits of various parts of the transport policy reform are distributed across different countries or over the population of a country raises a key challenge.¹⁰⁴ One needs to come up with an ex-ante categorization of policy areas with respect to their domestic political implications. This

Routledge; Ross, J. F. L (1998) *Linking Europe: Transport Policies and Politics in the European Union*, Westport,CT: Praeger; Aspinwall, M. (1999) ‘Planes, trains and automobiles: transport governance in the EU’, in: Beate Kohler-Koch and Rainer Eising (eds.), *The transformation of Governance in the EU*, London:Routledge; Stevens, H. (2004) *Transport Policy in the European Union*, London: Palgrave, Macmillan.

¹⁰² Road: Button, K. (1984) *Road haulage Licensing and EC Transport Policy*, Aldershot: Gower; Héritier, A. (1997) ‘Market-making policy in Europe: its impact on member state policies. The case of road haulage in Britain, the Netherlands, Germany and Italy’, *Journal of European Public Policy* 4(4): 539-55; Kerwer, D. and M. Teutsch (2001) ‘Transport Policy in the European Union’, in A. Héritier et al. (eds.), *Differential Europe, The European Union Impact on National Policymaking*. Lanham, Md: Rowman & Littlefield, pp.23-56; Rail: Dobbin, F. (1993) ‘What do markets have in common? Toward a fast train policy in the European Community.’, in Kjell Eliassen and Svein Andersen (eds) *Making Policy in Europe: The Europeification of national policy-making*, London: Sage, pp. 69-91; Dobbin, F. (2001) ‘Rail and Transport Policy: National Paradigms and Supranational Structures’, in S. Andersen and K. Eliassen (eds), *Making Policy in Europe*, London: Sage; Knill, C. and Lehmkuhl, D. (2000) ‘An Alternative Route of European Integration: The Community’s Railways Policy’, *West European Politics* 23(1): 65-88; Maritime: Aspinwall, M. (1995) *Moveable Feast*, Aldershot: Avebury; Paixao, A. C. and P. B. Marlow (2001) ‘A review of the European Union shipping policy’, *Maritime Policy & Management* 28(2): 187-198; Air: Weatcroft, S. and G. Lipman (1986) *Air Transport in a Competitive European Market*, London: The Economist Publications Ltd; Stevens, H. (1997) ‘*Liberalisation of Air Transport in Europe*’, Working Paper at the European Institute, London School of Economics and Political Science; Armstrong, K. and S. Bulmer (1998) *The Governance of the Single Market*, Manchester: Manchester University Press; Lawton, T. C (1999) ‘Governing the Skies: Conditions for the Europeanisation of Airline Policy’, *Journal of Public Policy* 19: 91-112.

¹⁰³ Stevens, H. 2004. *Transport Policy in the European Union*, London: Palgrave, Macmillan, p. 5.

¹⁰⁴ The subject of this paper suggests we focus on variations within a country. The theoretical framework presented, however, can easily be applied to understand variations within higher and lower level of governance units.

typology should, in turn, predict specific policy areas where cooperation between Turkey and the EU will be promising, and those where achieving cooperation will be a challenging task.

3.4 Lowi's Business Cycle Model: Policy Enactment as a Process of Coalition

Theoretically, proposed policy reforms need to satisfy all the veto points in a political system.¹⁰⁵ In practice, however, strong coalitions seem to suffice for policy change in democratic systems. Therefore, the formation of coalition is depending on the attitudes of these veto points.

Theodore Lowi's "arenas of power" presents a useful categorization of policy types with respect to the political processes that underlie their execution.¹⁰⁶ This categorization, further improved by William Zimmerman, is based on the policies' "impact or expected impact on society."¹⁰⁷ More specifically, the model argues that the way costs and benefits are dispersed over the electorate varies from policy to policy. Some policies' impacts are relatively isolated, and those impacts seem to be pareto-optimal (i.e. making some better off while making no one worse off). Deregulation and liberalization of an already defunct industry (such as state-owned railroad company operated deep sea-ports) may exemplify such pareto-optimal policies. Other policies may regulate a government's decision to invest over another. Lowi's model collapses this plethora of policies into three distinct categories, namely *distributive*, *regulatory*

¹⁰⁵ Tsebelis, G. 2002. *Veto Players: How Political Institutions Work*. Princeton University Press.

¹⁰⁶ Lowi, T. J. 1964. "American Business, Public Policy, Case-Studies and Political Theory," *World Politics*, 16(4), pp. 686 – 687.

¹⁰⁷ Zimmerman, William. 1973. "Issue Area and Foreign Policy Process: A Research Note in Search of a General Theory," *the American Political Science Review*, 67(4), p. 1206.

and redistributive. What separates one issue area from another is the extent and manner in which political goods in a case in point can be disaggregated.¹⁰⁸

Distributive policies are policies that do not necessarily need to pit the winners against the losers. In a sense, distributive policies pertain to how to allocate the extras stemming from *increasing the size of the pie*. Growth, trade, increase in productivity, technological development and the like tend to increase the resources available for public policy. Distributive policies are concerned with how to allocate these extra resources without making other parties worse off. Surely, one can argue that all politics is redistributive; the government uses tax dollars for each investment made. However, in many issue areas, decisions are made on a short-term basis, thus related “decisions can be made without regard to limited resources.”¹⁰⁹ Lowi predicts such policies accrue on an ad hoc basis, since their enactment does not provoke reaction, each policy “unit can be more or less in isolation,” resembling somewhat a “patronage” scheme.¹¹⁰ Government procurement, infrastructure investments that do not necessarily crowd out other investments exemplify such distributive policies. In line with this definition, policies that create new business areas will belong here.

In the arena of *regulation*, the political goods are not as subject to disaggregation as they are in distributive policies. These policies are mainly concerned with setting the “rules of the game.” There are always losers in the regulatory arena in the short term.¹¹¹ For example, the prohibition of the use of leaded fuel led to immediate increases in fuels costs for road freighters. Still, such regulations tend to be the product of bargaining and consensus building among a number of interest groups. Therefore, a significant part of the “cost-bearers” of regulations get something in return (e.g. a decrease in environmental impact tax imposed on road freighters for using unleaded

¹⁰⁸ Ibid.

¹⁰⁹ Lowi, T. J. 1964. “American Business, Public Policy, Case-Studies and Political Theory,” *World Politics*, 16(4), p. 690.

¹¹⁰ Ibid.

¹¹¹ Zimmerman, William. 1973. “Issue Area and Foreign Policy Process: A Research Note in Search of a General Theory,” *the American Political Science Review*, 67(4), p. 1206.

fuel). Besides pecuniary benefits and/or costs to their parties, regulatory policies may also provide political benefits to their proponents as they may be manifestations of political stance.¹¹² For instance, while strict regulation on nuclear energy may be economically costly to all parties involved, such regulation sends strong signals to environmentally conscious polities.

Redistributive policies are like regulatory policies in the sense that relations among broad categories of private individuals are involved. However there are great differences in the nature of impact. While distributive policies that focused on how to divide the extra perks, redistributive policies are mostly concerned with how to *divide* a pie – thus essentially focus on from whom to take from and to whom to give. Lowi argues that issues that “involve” redistribution “cut closer than any others along class lines and activate interests in what are roughly class terms.”¹¹³ Redistributive issues are therefore, and require substantial political capital to build achieve consensus on them. The classification of transport policies can be according to Lowi and Zimmerman’s model policy types (Table 1).

Table 3.1 The Lowi (1964) and Zimmerman (1973) Model of Policy Types

Type of Policy	Benefactors/Interested Parties	Political Environment	Example
Distributive	Individual, firm, cooperation	Non-conflictual elite with support groups	Privatization of railway sector
Regulative	Group	Pluralistic, multi-centered, “theory-of-balance”	Regulation of truck drivers’ working hours
Redistributive	Association	Class, ideology	The right of non-resident transport hauliers to access national market.

¹¹² Lowi, T. J. 1964. “American Business, Public Policy, Case-Studies and Political Theory,” *World Politics*, 16(4), p. 691.

¹¹³ *Ibid*, p. 707.

Building our theoretical framework on the Lowi-Zimmerman model entails a number of advantages. First, the model leads to a parsimonious conceptualization of an otherwise number of intractable numbers of dimensions. Second, identification of individual reforms with these three major categories leads to testable hypotheses regarding which policy reforms are more likely to succeed in Turkey. Finally, the Lowi-Zimmerman model has a considerable promise for external validity; the model can be applied in other areas of reform, within, in relation to, and outside of the EU.

3.4.1 Transport Policy and Potential Cooperation: Some Hypotheses

Transport policy is not one monolithic effort. Rather, it entails a number of areas, the interaction between them. There are plenty of stakeholders. The Lowi-Zimmerman model, however, suggests that the level of opposition/need to build a coalition will vary from policy to policy. In doing so, we will treat EU's preferences as constant – little change is observed over time in yearly reports regarding what is expected of Turkey in transport.

For analytical ease, we will assume that the EU's preferences are exogenous, and thus not subject to bargaining with Turkey. This assumption confines our analysis to Turkey's reactions to a pre-defined set of reforms.

[Hypothesis 1: Reclaiming impetus between Turkey and the EU will be easier in reforms with distributive impacts.

Hypothesis 2: Reclaiming impetus between Turkey and the EU will be hardest in reforms with redistributive impacts.

By testing these hypotheses, my main aim is to identify the specific areas in transport policy through which Turkey can introduce domestic reform required by European Union. According to my predictions, Turkey can introduce domestic reforms required by the EU where the impact of reform shows redistributive characteristic. In order to test my hypotheses, I select two legislation piece of the EU in transport sector.

CHAPTER 4

POLICY CASES

4.1 Identifying the Areas of Cooperation

The establishment and effective integration of the Turkey's transport system has gained considerable salience for the EU, both on economic and strategic grounds during the last decade. Turkey's increasing role as a provider of intermediate and final goods to the European market has put the focus on ensuring the reliable transport of these goods. The EU's interest in Turkish transport system also relates to regions beyond Turkey's internal market. More specifically, the EU's strategic outlook towards the Caucuses and the Middle East has put further importance on Turkey as a connection hub. The Caucuses and its hinterland (i.e. the Turkic republics to the East of the Caspian Sea) has been an emerging area of interest for the EU. Similarly, the (potential) political transformation of Turkey's Middle Eastern neighbors has placed Turkey as a strategic transportation hub to these countries. Finally, the exponentially growing air-passenger traffic from East Asia to Europe suggests Turkish airports –especially Istanbul Ataturk Airport- may operate as an alternative gateway that connects India and China to Europe.

A strategic partnership with Turkey renders three important advantages to the EU in connecting these areas to the European market. First, establishing connections via Turkey circumvents politically risky areas for rail and road transport. High levels of risk of internal conflict in Southern Russia (e.g. South Ossetia), the Ukraine, Lebanon, Syria and of international conflict on the Georgia-Russia and Iraq-Syria border put a premium on routes that provide alternatives to such sensitive areas. Second, Turkey's geography

and its existing infrastructure allow feasible investments that would promote transport inter-modality, especially for energy and passenger transport.

In light of these facts, the integration of Turkish transportation system with Europe is vital for European interests. For the Turkish side also, the adjustments of EU technical standards are important for Turkish modernization in transportation since EU's *acquis* promise highly competitive and resource efficient transport system. Therefore, the modernization of infrastructures and liberalization of Turkish transportation system are the key mechanisms to achieve this objective. Hence, the liberalization and modernization of road and rail sectors emerge as two main sub-sectors where cooperation is promising. However, the success of cooperation depends on the domestic opportunity structures. Hence, I will analyze two specific policy cases that the EU expects Turkey to transpose into its legislation. One of them is related with the liberalization and modernization of railway sector in Turkey. The other one is liberalization of road haulages. While the former is promising cooperation, the latter is not. I will explain this by using the Lowi and Zimmerman's model.

4.2. The Case of Railway Modernization and Liberalization – Distributive Impact

I choose the “Second Railway Package of 2004” as a specific policy case to illustrate why certain harmonization process in Turkish railway sector are more conducive to cooperation with the EU. The “second Railway Package of 2004” is composed of three directives and one regulation.¹¹⁴ This package was legalized through

¹¹⁴ Directive 2004/49/EC of 29 April 2004 on safety on the Community's railways and amending Council Directive 95/18/CE on the licensing of railway undertakings and Directive 2001/14/CE on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification; Directive 2004/50/EC of 29 April 2004 amending Council Directive 96/48/EC on the interoperability of the trans-European high-speed rail system and Directive 2001/16/EC of the European Parliament and of the Council on the interoperability of the trans-European conventional rail system; Directive 2004/51/EC of 29 April 2004 amending Council Directive 91/440/EEC on the development of the Community's railways; Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency.

the favoring vote of both European Parliament and the Council in 2004. The measures of package aimed at revitalizing the railways through the liberalization of rail freight services by fully opening the rail freight market to competition as of 1 January 2007. Moreover, the package introduced common procedures for accident investigation and established Safety Authorities in each Member states.¹¹⁵ Regarding the package, Former Vice-President of the Commission, Loyale De Palacio stated that “this is the end of the physical and technical barriers in the European Freight Railway Transport: this new context will change radically the picture for the rail transport and will really boost it.”¹¹⁶

When the liberalization measures are taken into consideration, the reform process could lead to redistributive impacts on most of the member states. For example, the amendment of EU Directive 91/440 aims to full open access for freight throughout the EU by 1 January 2007.¹¹⁷ It is not surprising that this reform would raise challenges for existing protected national rail freight markets.¹¹⁸ If there is an existing domestic structure who is opposed to any liberalization reform of the railway market, the possibility of success in the reforms is very low since these reforms constitute redistributive characteristics. Therefore, the liberalization of railway freight would mean one’s gain and one’s loss in this situation. On the other hand, the absence of strong opposition against any reform attempts would ease the success of cooperation. Since the existing domestic structure is not dominated by any coalition or interest group, the fragmented interest groups can benefit from the reform process through the liberalization and modernization of market which would lead to increase in productivity. In sum, the success of cooperation depends on the domestic opportunity structures.

¹¹⁵ For further information look at European Commission website: http://ec.europa.eu/transport/rail/packages/2004_en.htm (11/08/2012).

¹¹⁶ Hoquee, S. 2004. “The second railway package: A platform for integrated European rail”, *Ashurst*, June 2004, p. 1.

¹¹⁷ Directive 2004/51/EC of 29 April 2004 amending Council Directive 91/440/EEC on the development of the Community's railways; Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004 establishing a European Railway Agency.

¹¹⁸ Hoquee, S. 2004. “The second railway package: A platform for integrated European rail”, *Ashurst*, June 2004, p. 1.

In the case of EU member states, the Second Railway Package has to be transposed into national legislation until 2007 since they are obligatory legislations of the EU. The domestic structure can only influence the timing of transposition of EU laws since the infringement procedures of the EU can punish any candidate countries which violate the EU laws. Therefore, Lowi's business cycle is not helpful in the explanation of cooperation when there is external pressures model.

In the case of candidate countries, the situation is different. Candidate countries have to transpose this reform package since it belongs to *acquis communautaire*. If *credible membership perspective* and *clear political conditionality* exists for the candidate country, the transposition of EU law into national legislation is possible without looking at whether distributive or redistributive. Therefore, Schimmelfennig and Sedelmeier's external incentive approach can explain the success of cooperation. However, if the EU does not provide credible membership perspective for a candidate country, the candidate country would not transform EU law into national legislation. Hence, the external incentive model eliminates any possible reform process in the absence of credible membership perspective. Although Schimmelfennig and Sedelmeier are aware of selective rule adoption in the absence of credible membership perspective, they did not give conceptual framework which can explain the selectiveness.

In the case of Turkey's membership process, the selectiveness in the reform process causes to the nullity of external incentive model. Although the EU does not provide credible membership perspective for Turkey, Turkey still continues to transpose EU *acquis* into its national legislations in some specific areas. Lowi's cycle model can explain this variance. The Second Railway package is one of the promising areas for cooperation in Turkey since it has distributive impacts.

Railway sector in Turkey is controlled by the government agency Turkish State Railways General Directorate (TCDD). TCDD has custody over all inner and inter city railway networks in Turkey operating under the Ministry of Transport. The rail market in Turkey has not developed well since the investments on rail industry have been neglected by the recent governments.

Many factors have impeded the growth of the rail industry in Turkey. Establishing a nationwide rail network was of paramount importance to the early

Republican regime. This focus on consolidating the nascent Republican People's Party government's hold on the country often came at the expense of other public investment projects and overtaxing the war-ridden population.¹¹⁹ While this rail network indeed connected the east of the country to the West, a significant portion of the rural areas still remained too peripheral to offer their products to the internal and world markets. The government often chose to establish strategic linkages (e.g. linking coal production to steel factories and deep sea ports) at the expense of popular demand. In terms of the Lowi-Zimmerman model, rail investment had substantial redistributive impacts, often satisfying strategic imperatives at the expense of popular demands in the first year of Republic. Thus, it is hardly surprising that most of the rail investments were made during the quasi-authoritarian first two decades of the republic.¹²⁰

The passage to the multi-party system in 1946, and the subsequent turnover of the incumbency to the populist Democrat Party (DP) changed the investment patterns of transportation in Turkey. Infrastructure investment has gargantuan costs, necessitating the involvement of the state. The more populist a government is, the more likely the rail projects may find themselves pushed back in the agenda. Not surprisingly, the Democrat Party effectively froze rail investments and instead opted for establishing road networks. Although comparatively inefficient, refocusing on road networks allowed the DP to connect most parts of Turkey to the markets at a lower cost. Furthermore, road networks allowed private enterprises to flourish; compared to the rail network, entry barriers were virtually non-existent. In other words, the focus on road-transport distributive: from a private enterprise perspective, road-transport did indeed enlarge the pie. The favoring of road transport as the main means of goods and passenger transportation continued until the new millennium. As a result, 95% of all the freight, movement and the bus transportation 90% intercity passenger traffic in Turkey. In contrast, almost half of Turkey's rail network still belongs to the investments made between 1923 and 1946. (When Turkish Republic was founded in 1923, it had 3660 km

¹¹⁹ Weiker, F. W. 1973. *Political Tutelage and Democracy in Turkey*. Netherlands, Brill Academic Publishers, p. 48.

¹²⁰Note that private investments have been successful at forming rail-lines from scratch in certain countries (e.g. the U.K. , the U.S. and the East India Company's various investments in India during the colonial era).

lines from Ottoman Empire. Between 1923-1940, the length of line reached to 8637 km. Starting from 1950, just 1871 km length of railroad was opened to service. When AKP government came to power, Turkey had 10917 km railway line).¹²¹

Despite such political hurdles emanating from redistributive impact of rail liberalization, the AKP government has been simultaneously pushing liberalization reforms and infrastructure investments. As recently laid by the minister of transportation, Turkey pursues a strategy of decoupling infrastructure and rail services, and focusing on the privatization of the latter.¹²² From the Lowi-Zimmerman framework, one can argue that decoupling infrastructure investments from rail services is tantamount to repackaging the redistributive impacts of reform into (at least partially) a distributive framework. The privatization of the rail services is expected to cut down on costs while improving the efficiency and the reliability of the services. While these privatized services will initially compete with the road haulers on most profitable routes (i.e. Istanbul-Ankara and Ankara-Konya routes), the sustained growth in Turkish economy has been creating a steady demand for both road and rail services, thus making it easier for AKP to sustain the coalition to promote the modernization of the rail infrastructure in Turkey.

In sum, the Second Railway Package has distributive impacts in Turkish railway sector because of various factors. Firstly, the absence of a strong coalition in favor of status quo in the Turkish railway sector enables entries to the market. Since the Turkish railway sector has been regulated by the state led company, the sector has been stayed as an untouched by private sectors. Therefore, any reform which would increase efficiency is welcomed by domestic actors to get more advantages from the reform results. Secondly, the liberalization and modernization of defunct railway industry will automatically lead to increase the size of the market. Therefore, the allocation of extra stemming from increasing the size of the pie is the area of distributive policies. Moreover, the AKP government policy in railway sector is converged with the EU Second Railway Package. Hence, the cooperation on this policy cases is very high

¹²¹ Karaşahin, M. 2007. "Railway Projects in Turkey," *Mechanics Transport Communications*, Issue 3, p. 1.

¹²² Atakan, T. "2010, Sector Report – Railways," UK Trade & Investment: Deloitte, Investors' Guide Turkey 2009, p. 4.

because of distributive impacts and convergent domestic policy. Therefore, reclaiming impetus between Turkey and the EU is easier in Second Railway Package since it has distributive impacts.

4.3 The Case of Road Haulage – Redistributive Impact

I select my second policy case in the area of road sector to illustrate why the reclaiming impetus between Turkey and the EU is not easier in reforms with redistributive impacts. The protections on the liberalization of road haulage services removed with the introduction of a new Council regulation on 26 March 1992. This regulation brought a right of access to the market in the carriage of goods by road within the Community to or from the territory of a Member State or passing across the territory of one or more Member States.¹²³ This regulation is followed by a series of new adjustments which aim complete liberalization in road haulage sector. On 25 October 1993, the Council passed a new regulation which lay down the conditions under which non-resident carriers may operate national road haulage service within a Member State.¹²⁴ This regulation was a turning point in the name of EU Common Transport Policy (CTP), since it came in the form of liberalization of international transport and the introduction of the right of non-resident transport hauliers to operate in foreign markets.¹²⁵ In this respect, it was a first step to change “cabotage system” in member states. Knill and Dirk clearly points out that “the cabotage directive allowed for highly regulated domestic markets and for quantitative restrictions and price controls to co-exist alongside a deregulated international market.”¹²⁶ Therefore, this regulation

¹²³ Council Regulation No 881/92.

¹²⁴ Council Directive 93/3118.

¹²⁵ Knill, Christoph and Lehmkuhl, Dirk. 2002. “The national impact of European Union regulatory policy: Three Europeanization mechanisms”, *European Journal of Political Research*, Vol. 41, p. 269.

¹²⁶ Ibid.

aimed to remove internal barriers in road sectors. In this respect, the impact of this reform is the redistribution of powers and resources between domestic actors.

When European cases are taken into consideration in this policy area, the variances of implementation between countries is so high that shows the redistributive characteristic of the reform. The study of Knill and Lehmkuhl compares Britain, France, Germany and Italy in respect to impact of the law in these countries. According to their analysis, Britain and Italy are distinguished from France and Germany since their policy arena was dominated by group of actors favoring the existing regulatory regime.¹²⁷ Therefore, the changes in these markets are not supposed to be easy task when Lowi's cycle model is taken into consideration. As I pointed in my first case, the enforcement procedures of the EU force these countries to imply EU laws into their national legislation. However, Italian experience in this field gives some clues for Turkish case.

In 1993, the liberalization of transport sector was not an easy task for Italy because of a dominance of actors opposing any liberalization of the transport sector. The strong position of domestic hauliers was very powerful that did not give any chance to reform attempts. Knill and Lehmkuhl define the situation as:

*“Neither was there significant change in the polarized patterns of interest intermediation through which the huge number of smaller hauliers’ associations successfully pressurized public actors, whereas the more moderate, pro-liberal stance of the larger firms’ associations went virtually unheard. As a consequence, European policies did not increase the capacity of public actors to formulate policy goals autonomously and implement them in the face of group opposition.”*¹²⁸

The powerful associations shaped reform process of Italy since redistributive policies do not focus on how to divide extra perks but how to divide a pie. It essentially focuses on from whom to take from and to whom to give. Therefore, the existing

¹²⁷ Ibid, p. 270.

¹²⁸ Ibid, p. 270.

associations who are benefiting status quo seek to block reform process. In this respect, the issue of cabotage is the toughest nut to crack in the process of European transport policy.¹²⁹

Turkish case shows differences from 4 countries in respect to road haulage. In Turkey, 96 percent of passengers and 92.9 percent of freight are transported by road.¹³⁰ Thanks to these numbers, more than 1600 companies employing 400.000 people are working in the road haulage sector.¹³¹ These numbers make Turkey the leader in the region. The sector is represented by several associations which are differentiated between each other according to their objectives. International Transporters' Association (UND) is the one which is established to solve and present sector problems in national and international problems. It approximately has 940 members.¹³² Moreover, Logistic Association (LODER) is another occupational organization which focuses on conferences, education and information logistic companies and it has 2505 members.¹³³ Hence, road haulage sector in Turkey is represented by strong coalition elements.

Turkey's geostrategic position makes it natural hub for logistic sector. Turkey's foreign trade is mainly made through road. According to figures which is published by TUIK, after shipping, road has the biggest share in the foreign trade with 41 percent for exports and 23.6 percent for import.¹³⁴ At the same time, more than 50% of foreign trade is realized with the EU.¹³⁵ Therefore, Turkey has made adjustments in its

¹²⁹ Ibid, p. 269.

¹³⁰ OECD. 2009. "Intermodal Transport – National Peer Review: Turkey," *Organisation for Economic Cooperation and Development*, p. 45.

¹³¹ UND. 2011. "Türkiye Uluslararası Karayolu Taşımacılığı," *Uluslararası Nakliyeciler Derneği*, p. 1.

¹³² Deloitte. 2010. "Transportation and Logistic Industry Report," p. 19.

¹³³ Ibid.

¹³⁴ Republic of Turkey- Ministry of Transport and Communications. 2011. "Country Report: Transportation in Turkey," p.27

¹³⁵ Emrah Onur. 2006. "Avrupa Topluluğunun Ortak Ulaştırma Politikası ve Türkiye için Ulaştırma Faslında Katılım Müzakereleri Süreci," *Master Thesis for Ankara University*, p. 59.

transportation policies and standards to be consistent with the EU standards. With the introduction of Road Transport No. 4925 which entered into force in 2003, the access to Turkish road haulage market becomes available.¹³⁶ However, regulation on market access still constitutes differences in regards to EU, just like within the EU.

In 2009, the EU passed a new regulation which aims to modernize, simplifies and streamlines rules in the road haulage transport sector to improve the efficiency of the EU by harmonizing the cabotage and minimizing the administrative burden to the industry.¹³⁷ Turkey has not harmonized this regulation into its national law yet because of several developments in the sector which make the further cooperation in this area of policy difficult. Since the sector is represented by the strong coalition elements, any harmonization attempts must coincide with interests of lobbies when the credible membership perspective does not exist.

Harmonization process in road haulage sector had been supported by coalition elements until 2008 since these adjustment worked for the sector in a two way. First of all, any costs are caused by the changes of technical standards were covered by the increasing trade rate with EU. Between 2003 – 2006 Turkey’s export to the EU increased in 103 percent.¹³⁸ Moreover, 90 percent of trucks which transport these goods were from Turkey.¹³⁹ Secondly, with the help of EU standardization effects, Turkey logistic sector become more valuable. However, this positive situation turned back to negative one with the EU’s changing policy to Turkey in road haulage sector. Although Turkey is a part of Custom Union (CU), the EU imposed a quota policy to Turkish trucks. According to report of OECD, around 200000 truck load per year are operated

¹³⁶ OECD. 2009. “Intermodal Transport – National Peer Review: Turkey,” *Organisation for Economic Cooperation and Development*, p. 44.

¹³⁷ Regulation no 1072/2009.

¹³⁸ Selim Çalık. 2008. “Avrupa Birliği Ulaştırma Politikası ve Türkiye’nin Uyumu,” *Master Thesis to 9 Eylül Üniversitesi*, p. 83.

¹³⁹ “Arkadan Dolanmayın Türkiye’ye Girmenin Bedelini Ödeyin,” *Hurriyet* (26 March 2007). Accessed in: <http://hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=6200536>. (05.09.2012)

by road, but the limited number of Turkish truckers get permits from the EU. Although the export rate to EU increase in 103 percent, this sector has only seen 50 percent increase in the quota of permits.¹⁴⁰ Moreover, this problem is aggravated with Bulgaria's entry charge policy. After 28 June 2008, Bulgaria started to impose 271\$ on per Turkish truck.¹⁴¹ Therefore, EU policies on Turkish haulage sector create a situation of unfair competition. EU advisor of UND clearly stated that EU policies toward the sector deter the companies in Turkey to follow EU standards. Under these circumstances following the EU policies can just cause further losing of market.¹⁴² Therefore, two important points in the EU's reform agenda, working hour regulations and mandatory capital provisions for each vehicle employed in a company's fleet may have significant political backlash.

Moreover, the associations of road haulage constantly push the government to follow same policies as EU imposes on Turkish sector. Therefore, under these circumstances, continue of harmonization process would not be possible. The leader of UND states that "the asymmetric relation between EU and Turkey started to damage the trucking industry and the government has to take some precaution to protect Turkish logistic sector."¹⁴³

In sum, the re-introduction of harmonization process in the road haulage sector is a difficult task because of redistributive impacts of reforms. As long as the EU does not provide credible membership perspective to Turkey, the possibility of adjustments in this area is very low. If only EU changes its policy to Turkish road haulage industry, coalition elements can influence the government for further harmonization. In other words, the Europeanization can be used for further modernization of industry and for

¹⁴⁰ OECD. 2009. "Intermodal Transport – National Peer Review: Turkey," *Organisation for Economic Cooperation and Development*, p. 46.

¹⁴¹ "Nakliyeciler Bulgaristan'ı Ankara'da protesto etti," *Hurriyet* (12 July 2008). Accessed in: <http://hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=9419709> (05.09.2012)

¹⁴² "Avrupa'nın Gerçek Yolcuları Nakliyeciler," *Hurriyet* (03 March 2008). Accessed in: <http://hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=8357335> (05.09.2012)

¹⁴³ "2007 Nakliye Sektörü İçin Zor Bir Yıl oldu," *Hurriyet* (01 February 2008). Accessed in <http://hurarsiv.hurriyet.com.tr/goster/ShowNew.aspx?id=8149446> (05.09.2012).

the increase of trade. In the absence of these factors, the reclaiming impetus between Turkey and the EU is not easier in the transposition of road haulage acquis since it has redistributive impacts.

CHAPTER 5

CONCLUSION

This thesis mainly aims to identify opportunities and challenges for bolstering EU – Turkey cooperation on transport policy. The identification of the possible areas of cooperation is important since the accession process of Turkey has been stalled for seven years. By identifying opportunities and challenges in specific areas, the EU reform process in Turkey can be again revitalized. Focusing on transport policy, this study asks why Turkey adopts certain EU policies and technical standards while being reluctant to adopt in others.

To explain the variance in the harmonization of EU policies and technical standards, the Europeanization theoretical framework in the accession process are examined. And this study clearly shows that existing Europeanization approaches based on institutionalist theories provide general overview about the accession process in Turkey. External incentive model mainly clarifies why Europeanization process in Turkey has been stalled. However, it hardly explains the continuous adjustments of EU policies in some areas. Therefore, I suggest overcoming this problem by borrowing from ‘public policy’ literature developed in the United States. More specifically, I adapted Lowi’s business cycles models. By using his model, I identified areas in which cooperation is possible. From this, I develop a pair of related hypotheses that suggest that distributive policies will be more easily adopted than redistributive policies in candidate countries. I focused on the Turkish transport policy to test the validity of my theoretical suggestions.

I analyze two specific policy cases that the EU expects Turkey to transpose into its legislation. One of them is related with the liberalization and modernization of railway sector (the Second Railway Package) in Turkey. The other one is liberalization

and modernization of road haulages. Analysis on both policy areas shows me that the cooperation on the liberalization and modernization of railway sector is very high because of distributive impacts and convergent domestic policy. Therefore, reclaiming impetus between Turkey and the EU is easier in Second Railway Package since it has distributive impacts. On the other hands, the introduction of harmonization process in the road haulage sector is a difficult task because of redistributive impacts of reforms. As long as the EU does not provide credible membership perspective to Turkey, the possibility of adjustments in this area is very low. If only EU changes its policy to Turkish road haulage industry, coalition elements can influence the government for further harmonization. In other words, the Europeanization can be used for further modernization of industry and also for the increase of trade. In the absence of these factors, the reclaiming impetus between Turkey and the EU is not easier in the transposition of road haulage acquis since it has redistributive impacts.

Lastly, this thesis seeks to make significant contribution to Turkey's accession literature by dwelling on specific area, rather than meta-policy. In the literature most of studies argue Turkey's accession prospects from a general perspective while empirical studies on the domestic impact of EU accession on specific policies, political institutions and political processes in Turkey are still rare. I did this focusing on transport area since the studies on transport is very rare. There are just several master thesis but they are mostly descriptive. This study introduced a novel theoretical approach to the EU studies, at a time and place where political conjuncture challenges and perhaps paralyzes existing EU Europeanization accession approaches. In this respect, this approach can be seen as complementary to the existing approaches rather than contradictory. Therefore, this approach can be applied across policy and country areas.

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