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**NEO-FUNCTIONALISM AND THE CHANGE IN THE DYNAMICS OF TURKEY-EU RELATIONS**

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The principal question to which we have tried to find an answer in this article is whether neo-functionalism, as a comprehensive and largely accepted international integration theory, remains valid in explaining different kinds of integration movements towards a political end. In order to test the neo-functional integration model we have adopted the case study method, and the Turkey-European Union integration movement has been chosen as the case.

Neo-functionalism is an integration theory proposing a model to achieve establishing a political community at the end of the integration process. In this model neo-functionalism creates a linkage between economic and political integration. Neo-functionalists claim that after the creation of an economic integration within the framework of a supranational organisation, political integration would come into existence almost automatically. By pursuing this way of integration, the neo-functionalists anticipate to reach a federal or a confederate State at the end.

To test the neo-functionalist integration model, we have applied its hypothesis to the Turkey-EU integration process and we have tried to observe especially the differences and similarities between this hypothesis and the changing dynamics of Turkey-EU relations throughout this integration process. Meanwhile, we have tried to analyse the historical developments of Turkey-EU relations and the economic and political issues stemming from this relationship in the theoretical framework of neo-functionalism. Thus, we have assumed to explain on the one hand the dynamics of the Turkey-EU integration movement, and on the other, the fragility of neo-functionalism as an international integration theory.

In order to assure a better understanding, we have analysed the Turkey-EU integration in two phases. The first phase commences with the establishment of the association relationship between Turkey and the European Economic Community and progresses until the beginning of the eighties, while the second phase begins in the eighties and extends to present day.

The change taking place in the dynamics of the Turkey-EU integration movement in these two different phases and the hypothesis of neo-functionalist integration theory formed the central issues of our research and we have tried to answer the question of whether there is any controversy between the neo-functional theory and the changing dynamics of Turkey-EU integration. Thus, we have aimed to revise neo-functionalism as an international integration theory and to determine the aspects which are lacking in this theory, in order to shed some light to this question.

NEO-FUNCTIONALISM AND ITS PRINCIPAL HYPOTHESIS FOR CREATING A

## SUPRANATIONAL POLITICAL COMMUNITY

Neo-functionalism is a relatively new approach to the international integration problem. In the writings of Ernest B. Haas and especially through his book "Uniting of Europe"<sup>1</sup>, neo-functionalism has found its primary foundation. This approach has its origins in the critique of functionalism<sup>2</sup> and has been structured on the initiative of the passage from the European Coal and Steel Community to the European Economic Community. In this context it would not be wrong to say that neo-functionalism is an attempt of theorisation of the European integration movement.

Neo-functionalism, as an international integration theory, aims to reach a political community larger than a nation-state and looks for the conditions in which this new type of political community will evolve. With this characteristic, the neo-functionalist theory resembles federalism. Both project a model of the end-product, a supranational state or political community. However, neo-functionalism differs from federalism by virtue of its method reaching that ultimate goal. The method of integration pursued by neo-functionalism is taken from functionalism. Contrary to federalism and similar to functionalism, neo-functionalism proposes a step by step method starting from economic sectors and spreading through political fields for creating a supranational political community. We can say in the light of these characteristics that neo-functionalism is an amalgam of federalism and functionalism.

Neo-functionalism has started to build up its theoretical construction with the description of "political community." Haas, as the founding father of neo-functionalism, describes the political community as "a condition in which specific groups and individuals show more loyalty to their central political institutions than to any other political authority, in a specific period of time and in a definable geographic space".<sup>3</sup> According to this description we can say that Haas views central political institutions and loyalty to them as the landmarks of a political community as a set of conditions in a given period of time and in a definable geographic space. To conclude, those conditions, given in a specific time frame, shape the loyalty of groups and individuals bestowed to their central political institutions. Having said that the set of conditions which shape the loyalty of a population can change in a different frame of time, then the loyalty of a population can shift from one central political institution to another which can cause the formation of a new political community in a different frame of time.

Haas seeks, in his essay, to define the dynamics of this shift of loyalty from the national level to a larger regional level and tries to determine the conditions of the evolution of a regional integration model. This regional integration model, larger than a nation-state is "a supranational community" in the neo-functionalist integration approach. In the neo-functionalist approach, the States participating in supranational integration will create a common supranational sphere of sovereignty over the fields of national jurisdiction. This sphere of supranational sovereignty will conduct by means of a supranational organisation possessing supranational power. In the process of the neo-functionalist integration, the supranational organisation concurs, at first, with the nation-states in its circle of supranational sovereignty and thereafter, the circle of supranational sovereignty will spread out to the detriment of national sovereignty. Neo-functionalists see this process of widening, as an almost automatic process and explain this with the concept of "spill-over."

Neo-functionalists accept that the integration starting in an economic sector would spread over to other sectors by creating a strong interdependence and wealth. Neo-functionalists call this automatic process "functional spill-over" and attach very big importance to that concept.<sup>4</sup> Lindberg defines the spill-over as a "situation in which a given action, related to a specific goal, creates a situation in

which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action, and so forth".<sup>5</sup> The concept has been used by Haas to show that integrating one sector of the economy - for example coal and steel - will inevitably lead to the integration of other economic activities. As a result of this process, economic integration starting in a limited sector spreads primarily to other sectors of economy and eventually covers all spheres of national economies participating in the integration. According to Haas, the initial creation of such an agency demands a creative compromise among the states party to the effort, based on the realisation that certain common interests cannot be attained in any other way.<sup>6</sup> Once a supranational organisation is created which increases benefits of all participants, this will force, in the neo-functional concept of integration, widening out of the existent scale of supranational organisation.

Haas sees the political field in two distinct parts as high and low politics. High politics, including diplomacy, strategy, defence and national ideologies, is the hard field to start an integration. In the neo-functional concept, nation-states are reluctant to lose their sovereign authority in the field of high politics. Therefore Haas proposes to start the integration process by low politics embodying economic and technical spheres.<sup>7</sup> The integration in the field of high politics would be a natural consequence of the spreading integration process.

During the functional spill-over process, the supranational organisation created on the principle of the delegation of sovereign authority, gains new areas in exercising its supranational control. Neo-functionalists anticipate that after the integration of national economies and markets into a single supranational organisational framework, loyalty of the peoples would be directed from the national level to the supranational level.

In the neo-functional viewpoint, the nation-state is not a monolithic structure, on the contrary this approach perceives it as a combination of interests and issue-areas consisting of different interest groups, elites, bureaucratic officials and political leaders; and in the neo-functional integration paradigm, those different groups create different types of co-operations and coalitions for maximising their benefits. They also interact with their transnational counterparts.<sup>8</sup> Therefore, Haas describes the concept of integration on the basis of shifting coalitions of convergent interests represented by government officials, interest groups and the elite.<sup>9</sup> According to Haas, as the integration process proceeds, interests of different groups and elites forming a political community would be redefined in terms at a regional – rather than a purely national – level.<sup>10</sup> It is in this phase that, for neo-functionalists, the shift from economic integration toward political integration would start. Haas defines his “political integration” concept as a “process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing nation-states” and argues that “the end-result of a political integration process is a new political community, superimposed over the pre-existing ones”.<sup>11</sup> In conclusion, neo-functionalists anticipate to reach a federal or confederate State at the end of this integration process.

To reach a political community for neo-functionalists, especially for the founding father of neo-functionalism Ernest B. Haas, it is necessary to start with the integration of economic sectors under a supranational organisational framework. The supranational organisation created on the principal of the delegation of sovereign authority, gains new areas in exercising its supranational control. Neo-functionalists anticipate that after the integration of national economies and markets into a single supranational organisational framework, loyalty of the peoples would be directed from

the national level to the supranational level thus creating a new regional political community that transcends the limits of a nation-state.

## FUNDAMENTAL DYNAMICS AND CHANGE IN TURKEY-EU RELATIONS

One can separate into two categories the dynamics determining the position of Turkey in the evolution of the European integration. These categories are the political and economic dynamics which is highly significant for the neo-functionalist theory. Neo-functionalists argue that economic factors are the initial determinants of an integration process leading to integration under a supranational model. Therefore, the premise of neo-functional theory is based on the view that an integration movement aiming to reach a new political community is bound to start with the economic sectors' integration under a supranational organisational model.

When one evaluates the EU-Turkey integration process which has the final aim of achieving a political end within the framework of the neo-functionalist integration concept that is essentially designed to explain the process pursued by the European integration movement, there emerges a clear necessity to consider this integration within its economic and political dynamics. These economic and political dynamics have followed two obvious yet different patterns of development in Turkey-EU integration process. Thus, it is necessary to study these dynamics under two different phases.

The first phase starts with the late 1950's when Turkey decided to sign the Ankara Agreement, and lasts until the late 1980's, at which time Turkey experienced a structural economic transformation and the world at large witnessed important political changes. The second phase begins in the late 1980's and has continued to the present day. These two phases represent a considerable amount of change in the economic and political dynamics of Turkey-EU relations.

### Dynamics of the First Phase in Turkey-EU Relations

#### Determining Political Dynamics (the Soviet Threat and the Greek Factor)

There are two political factors which determined the Turkish will in taking part in the European integration process during the first phase. Initially, it was the "Soviet threat" that forced Turkey to become a member of all kinds of organisations within the Western Bloc because of its weakened sense of security during the Cold War era. The second factor was and is Greece, a country with which Turkey has had various kinds of political disputes.

The Soviet threat on Turkish territorial integrity and demand of political influence in the wake of the Second World War have been analysed in different books of diplomatic history<sup>12</sup>. Thus, it is not necessary to explain in detail the Soviet threat as perceived by Turkey during the Cold War. However, suffice it here to say that the Soviet threat perceived by Turkey continued during the entire Cold War period. There was a convergence of Turkish and US-dominated Western Bloc interests during this period against the Soviet Union and the international communist threat. To participate in all western organisations, starting with NATO, was considered a crucial aspect of Turkish security policies and shaped the country's foreign policy to a great extent. Therefore, Turkey saw in European integration ideas of the early 1950's and the continuation of western formations in the 'heyday' of Cold War confrontations, and thus showed strong interest in these developments. Already a member of the OECD, Council of Europe and NATO, Turkey saw the continuation of the same process in the formation of European Communities, and displayed the same determination to

become a member.

The Six, which had started their journey in the European integration looked at Turkey within the Cold War framework and considered her as a country whose strategic importance and support could be valuable. Despite the fact that there was no doubt about the economic backwardness of the country, when faced with the Turkish demand for participating in the “Common Market” still in formation, the Six –far from dismissing it– started to develop models to prepare Turkey for economic integration. Thus, there was a certain political and economic readiness to accept Turkey as a future member although economic conditions were far from satisfactory. This positive approach from the Six can be rationalised within the framework of principal determinants of the time such as the Cold War, common perception of the Soviet threat and the strategic importance of Turkey.

Another important element of the period’s political dynamics is the Greek factor. Turkey’s strategy had been one of avoiding isolation. Greece, as a member of the international fora where Turkey was absent, would find allies for her own interpretation of problems with Turkey. The fact that Greece applied for an association agreement on 15 May 1959 with the European Community had been an instigation for Turkey in that sense. As a matter of fact, Turkey applied soon after Greece, on 31 July to the European Communities with such concerns in mind.

As it has been pointed out, the logic behind the Six’s encouragement of Turkey’s efforts to find a place in the European integration process was fundamentally political. The weight of these dynamics has varied according to different times and events, however, it is possible to discern a pattern of paramount importance during the whole of the Cold War era, i.e. the first phase in Turkey-EU relations. Consequently, political dynamics had been the principal determinants during the first phase, while economic dynamics had been confined to a secondary degree of importance during the same time-frame.

#### The Weakness of Economic Dynamics Despite the Agreements Concluded on Economic Integration

The year the initiative taken by Turkey to launch an association relation with European Communities, 1959, was a critical period with regard to economic aspects for Turkey. Turkey had followed an outward-oriented economic program supported by foreign credits at the beginning of the 1950’s under the administration of the newly elected Democrat Party. As a result of this economic policy aiming to attain a high rate of growth despite the lack of strong domestic sources, Turkey ran into a problem of large budget deficits, high rates of inflation and the lack of new financial sources.<sup>13</sup> In spite of these negative economic conditions, Turkey announced her will to enter a relationship of economic integration with the European Communities at the time.

One of the major economic motives leading Turkey to opt for an economic relation with European Communities was the difficulty to find new financial sources. Turkey, faced with problems in obtaining new credits from the United States, saw European Communities, at the time, as a new and a strong financial centre to give her new credits. Turkey believed that establishing a new type of economic integration with European Communities which would transcend a simple type of economic relation, could assure her some advantageous position in that prospected financial relationship.<sup>14</sup>

The second incentive considered by Turkey for launching an economic integration with European Communities was the Greek factor. Greece had applied to the European Community on 15 May

1959; Turkey's export products were very similar to those of Greece. Turkey feared a probable Greek integration with the European market because if Turkey were left out, Turkish exports to the European market – which were already quite weak at the time<sup>15</sup> - could be further hampered.

As one can observe, Turkey decided to establish economic integration with European Communities despite its economic weakness and the significant structural insufficiency of its economy. In the late 1950's, agricultural products accounted for 80 per cent of total Turkish exports. In 1970, the year of the signing of the Additional Protocol, the total volume of Turkish foreign trade was only US\$721.3 million.<sup>16</sup> In the light of these evaluations, it is possible to say that the actual incentive leading Turkey to seek a close relationship with European Communities was not the desire to participate in the developing common market of the Six. On the contrary, the economic data indicated that Turkey could not assume the responsibilities of an eventual economic integration. The Six were also aware of this fact. However, they considered that it could be disadvantageous to refuse the Turkish demand which would attach her more closely to the western camp under the Cold War climate.

Although Turkey was in a difficult economic situation, the Ankara Agreement was signed on 12 September 1963 and came into effect on 1 December 1964.<sup>17</sup> The Ankara Agreement was aiming to create a customs union between Turkey and the European Community and thereafter, the Turkish full membership to the European Community. According to the Ankara Agreement, the creation of a customs union was an incremental process. Its details would be determined later via an additional protocol. This Additional Protocol establishing the timetables of tariff reductions and so on, was signed on 27 July 1971 and its articles bearing commercial effects came into effect on 1 September, 1971.<sup>18</sup>

The Additional Protocol foresaw a long process (at least 22 years), to create a customs union between Turkey and European Community. According this legal engagement, the European Community would abolish all restrictions on trade relations with Turkey, with a few reservations, on 1 September 1971, and Turkey would start to fulfil its obligations as of 1973 and proceed for 22 years until 1996. However, Turkey fulfilled only the first two obligations – one in 1973 and the second in 1976 – and then announced she would not be able to pursue the understanding on her tariff reductions and other obligations stemming from the Additional Protocol in 1978.<sup>19</sup> The harmful effects of the oil crisis in the 1970's, to a certain extent, played a role in this act of suspension.<sup>20</sup>

The economic dynamics of Turkey-European Community relations in the first phase of the relations were quite weak, resulting from the structural problems of the Turkish economy. Both sides to the Ankara Agreement saw the unrealistic economic targets of this agreement. However, they were very willing to go ahead with Turkey's eventual full-membership to the European Community. This observation was shared by the two contracting parties. The strong determination in developing the relationship and extending integration bearing pretentious aims, has been shaped by political dynamics rather than economic. The initial economic difficulties of Turkey and its agriculture-tilted economic structure, plus Turkey's unilateral suspension of legal obligations following the oil crisis have shown quite clearly that the economic dynamics were not the principal determinant of the first phase of the relations.

#### Dynamics of the Second Phase in Turkey-EU Relations

The Weakened Political Dynamics and International Developments Drawing Turkey Away from Full Membership as a Political End

Contrary to the first phase, the political dynamics of the second phase of Turkey-EU relations, as of the end of the 1980's, pushed Turkey, in the new international political environment, to the periphery of the European Union. The second phase of the Turkey-EU relations, characterised by the termination of the Cold War, marked on the one side the weakened political importance of Turkey in the eyes of the European Union, and on the other, the diversified political and geographical interests of Turkey. These two facts issued on the international scene as a natural outcome of the ending of the Cold War, changed the flow of the Turkey-EU relations dramatically.

From the midst of the 1980's on, political developments have changed course first in Europe and then throughout the entire world. The advent of Gorbachev to a leading position in the Soviet Union, and its new policies of Glastnost and Perestroika, transformed the totalitarian structure of the leader of the communist world. Gorbachev pursued a foreign policy giving Eastern Bloc countries their independence in their relations with Western Bloc countries.<sup>21</sup>

The possibility to determine their own political destiny has drawn East European countries closer to the European Union. Consequently, East European countries, the ex-members of the communist bloc, have started to change their political system in line with those of Western countries. The growing democratic and liberal movements defending an open market economy in these East European countries, have attracted the attention of the Western World and especially of the European Union to a great extent. The European Union, seeing the possibility of the continent's reunification, divided ideologically, politically and militarily with the re-launching of the Cold War, has shown eagerness to solidify these movements to tie Eastern Europe to the West.<sup>22</sup>

The growing importance of Eastern Europe and the mission to consolidate the economic and the political security of the Central and the East European countries in the eyes of the European Union, have placed Turkey in a disadvantageous political position in the process of European integration. Turkey, which used to be at the centre of Europe in security matters, moved to the periphery of the continent as the "new" Eastern Europe emerged.

The European Commission has reviewed the Turkish application for membership, submitted to the European Community in 1987, during the days of this big transformation and concluded its "Avis" in 1989<sup>23</sup>, the year of the fall of communist regimes in East Europe. The Commission's response to Turkey's application was not affirmative. Still, this was not a rejection at all. Via the Avis, the Commission postponed processing Turkey's full membership application, and as a matter of fact, showed first signs of the rising central and eastern Europe on the new European agenda.

The Gulf War was a second political episode which weakened Turkey's political situation within the European integration movement in the second phase of the Turkey-EU relations.<sup>24</sup> The outbreak of the Gulf War against Iraq, despite the initial positive approach, did not improve Turkey's peripheral political position in the post Cold War era. On the contrary, this War was an indication to European public opinion, of Turkey's proximity to the Middle Eastern crisis and instigated fears of it being included in a confrontation with Syria, Iraq or Iran because of Turkey's own geographical, political and strategic positioning. After these developments, the European public opinion started to perceive Turkey as a Middle Eastern country rather than a European – unlike Cold War years.

On the other hand, Turkey recognised that its political and strategic positioning was going under an extensive change. The newly independent countries of Central Asia and Caucasus, bearing deep historical, cultural and linguistic ties with Turkey, have offered to her, with their vast natural

resources and developing markets, a new geography of manoeuvre for creating sound economic and political relations<sup>25</sup> This new development helped Turkey avoid political isolation in the new post Cold War era. Secondly, the growing threats perceived by Turkey from its western, southern and south eastern neighbours<sup>26</sup>, have concluded with the split of the threat perceived commonly by Turkey and Western Europe during the Cold War years and marginalised and isolated Turkey on the security matters in the post Cold War era. These two developments, namely the independence of the Central Asian and Caucasian countries and the new threats perceived by Turkey from its neighbours, caused weakening of the Turkey-EU political relations as far as Turkey was concerned during the second phase of relations.

Turkey's political shift towards the European Union periphery as a result of international developments that we have analysed above and the varied and diversified interests of Turkey after the disintegration of the Soviet Union, weakened the political dynamics of the Turkey-EU relations in the second phase of relations. The Luxembourg Summit of 12-13 December 1997 has demonstrated obviously the results of these developments and the new attitude of the European Union against Turkey in the post Cold War era. Positioning Turkey as a "strategic partner" and not as a potential full member in the different Conclusions of the Presidencies of the Summits the European Council, accentuated the completion of the customs union as a final stage of the relations.<sup>27</sup> Finally the Luxembourg Summit demonstrated clearly the attitude of the European Union toward Turkey. The Conclusions of the Presidency of this summit <sup>28</sup>, did not include Turkey in the enlargement project of the Union consisting of ten Central and East European countries. And in the Conclusions of the Luxembourg Summit, the European Council reserved a title, "A European Strategy for Turkey" for Turkey, which consisted of five articles for increasing the rapprochement with her without mentioning the full membership issue.

In conclusion, one can say that the political dynamics of the second phase of the Turkey-EU relations have shown a dramatic decrease in importance due to international and regional developments. As a matter of fact, Turkey-EU relations have lost political dimension yet have continued to develop in the economic field. The weakening political dynamics was the primary difference between the first and second phase of the Turkey-EU relations.

#### Changing Economic Dynamics (Structural Adjustment Policies, Completion of Customs Union and Turkey's Economic Integration with Europe)

The beginning of the 1980's was marked by the adoption of "structural adjustment policies" for Turkey in the field of economics. The Demirel Government drafted the 24 January 1980 Programme for the realisation of an outward-oriented free-market economy at a time when its bargaining power, vis-à-vis its international creditors, was at its lowest. The aim was to pledge to the OECD Consortium and the World Bank, along with the IMF, the implementation of policies which they would wholeheartedly endorse and thereby secure their approval for a new debt rescheduling and the extension of fresh funds. Kazgan, as a matter of fact, evaluates the adoption of the 24 January Programme as a conclusion of external pressures – International financiers - independent of the integration with the EC or the stipulations of the Ankara Agreement and its Additional Protocol.<sup>29</sup>

The 24 January Programme was an important beginning for changing Turkey's state-dominated economy, closed to international competition and administrated under five-year indicative plans. The full implementation of these policies was realised by the Özal Government which came to power following the 1983 elections. During the first year of the programme, almost all price controls were

abolished and agricultural price supports and input subsidies were gradually reduced.<sup>30</sup> Financial-sector reforms and the encouragement of foreign direct investment were the major supplementary measures. A mechanism was introduced in 1985 to allow the markets to set interest rates. In 1986, an interbank market was established and since its inception, has flourished. The Istanbul Stock Exchange (IMKB) was re-opened in 1986. In 1989, a new regime was introduced under which foreign exchange transactions were further liberalised. This allowed foreign investors to participate in the Turkish capital markets and permission was given for the establishment of foreign investment funds.<sup>31</sup> Privatisation work for State Economic Enterprises was initiated in 1985. The government was expected to confine its economic activity to constructing infrastructure and providing basic services, leaving the rest to the private sector. Balkar evaluates this process as: “the policy measures embodied were not only crucial to the economic stabilisation programme but also for orientation of economic policy away from government control towards greater reliance on market forces. Foreign investment and foreign competition were considered means to promote efficiency and better resource allocation”.<sup>32</sup>

As a result of these open market and free trade oriented economic policies, Turkey's exports grew rapidly, increasing from US\$2.9 billion in 1980 to US\$10.2 billion in 1987. This level was only US\$234 million in 1967, but by 1996, it had reached US\$23.1 billion. Total foreign trade was only US\$1.2 billion in 1967, but in 1987 this volume rose to US\$24.3 billion, and in 1996 to US\$54 billion. Foreign direct investment was US\$975 million during the 1980-1984 period. However, between 1984-1996, this figure hit US\$19.5 billion.<sup>33</sup>

As one can see from the figures above, the structural adjustment policy pursued during the second half of the 1980's assured the opening up of the Turkish economy to world competition and contributed to a large extent to the integration of its market with the world economy. Turkish economy's integration with the European market, as a result of these developments, gained a new and a genuine momentum as well. Therefore, it is possible to say that the structural adjustment policies which commenced in early 1980s independently of integration with the EC, accelerated to a large extent the integration of the Turkish and the European economies.

Turkey, following this broad economic structural change, started to evaluate its customs union project with the European Community from a different angle. As a natural conclusion of its new economic development policy, Turkey became eager to assume its responsibility stemming from the Additional Protocol and to establish a genuine customs union with the European Community. Under deep influence of these evaluations, Turkey initially applied for full-membership in 1987 and once again endorsed all obligations, including tariff reductions, of the Additional Protocol, which she unilaterally had suspended in 1978. The process of completion of the customs union reached its final stage at the end of 1995, and on 1 January 1996, the customs union between Turkey and the European Community began as an economic integration model rooted in the Ankara Agreement and the Additional Protocol.

Thus, one can say that economic dynamics gained a great importance in the second phase of the Turkey-EU relations contrary to the political considerations. The completion of the customs union was a huge step, displaying the actual capacity and the performance of the Turkish economy, which transformed totally with the implementation of the structural adjustment policies of the 1980's and 1990's. Today, despite the significant political misunderstandings, Turkey-EU relations pursue on the economic base of the customs union.

## A CRITICISM OF THE NEO-FUNCTIONALIST THEORY IN THE LIGHT OF THE TURKEY-EU SAMPLE CASE

The Turkey-EU integration process was not a case justifying the hypothesis of the neo-functional integration theory. The neo-functional theory claims, as a scientific hypothesis, that economic integration is an obligatory base of a political supranational integration and that the realisation of economic integration within a supranational organisational framework would lead –almost automatically– to a supranational political integration. However, the dynamics of Turkey-EU relations, analysed in two different phases in this work, have shown the existence of a different relationship between economic and political integration processes.

The analysis of the dynamics determining Turkey-EU relations has been displayed in detail under the previous sub-heading. To summarise, one can say that Turkey-EU relations have been determined and shaped, in the first phase, by political dynamics. During this period, it has been observed that economic integration was at a very weak and insufficient level. However, it was in this first phase that Turkey concluded an association agreement bearing detailed and comprehensive stipulations including an eventual full membership of Turkey as a political end. The European Community has shown strong and determined political will to maintain this integration model. The determination of the European Community to create an integration relation with Turkey could be explained only by the existence of political reasons of the Cold War years. European Community's determination to assign a time-frame for Turkey's integration could be explained only by the political conditions of the Cold War years. Turkey opted for the creation and maintenance of an association relation based essentially on an economic integration model despite its economic weakness. This was also a result of political considerations (the Soviet threat and the Greek factor) of the Turkish political decision-makers at the time. In other words, it was the political dynamics which assured the creation and development of this relationship in the first phase.

However, during the second phase, from the onset of the 1980's to present-day, economic dynamics have played a major role in determining Turkey-EU relations as the political integration has declined. Economic integration has gained momentum during the second phase of the relations, thanks to the fundamental economic changes that the Turkish economy went through at the beginning of the 1980's. The fact of the completion of the customs union, orchestrated through the Ankara Agreement and the Additional Protocol as an economic end at the beginning of the relations, has been realised in this second phase, under the heavy influence of the developing economic dynamics. But political dynamics which played a decisive role during the first phase, completely lost importance in the second. The disintegration of the Soviet Union, the rapprochement between Central and east European countries and the European Union, and the Middle Eastern crisis have all paved the way for Turkey's the political shift toward the European periphery in the eyes of the European Union.

Turkey-EU integration was launched at a time when Turkey was not ready economically, yet it nevertheless regained momentum thanks to the international political situation. However, when the economic basis of the relations gained ground on an easy-functioning customs union, Turkey-EU relations lost political dimension under the heavy influence of diverging political perceptions. This observation of the case study of Turkey-EU relations has demonstrated quite clearly the weakness of the neo-functional integration model.

It is believed by the author of this article that the existing differences between the neo-functional

theory and the Turkey-EU integration movement stem from the inadequacy of this theory: It fails to take into consideration two major factors in its theoretical analysis framework. These factors can be categorised namely as “peripheral” factors based on international conditions in which an integration would be shaped, and the “cultural” factors based on religion, language and ethnicity issues, in general, identity problems. The analysis of these two factors which are lacking in the neo-functional integration theory and an attempt of revision of the neo-functional theory would be the subject of another research, therefore, we prefer here not to embark on this problematic issue.

## CONCLUSIONS

Neo-functionalism is an international integration theory based on the initiative of European integration movement and especially on the transition from the European Coal and Steel Community (ECSC) to European Economic Community (EEC). The movement which was initiated with the European Coal and Steel Community towards an integrated Europe is not merely a simple international integration approach but also an international development whose limits go beyond a classic type of an international organisation. The most important factor distinguishing this approach from other integration efforts is the consideration of political integration as the main objective at the final stage.

The European integration movement, however, initiated with the creation of the ECSC, gives priority to the integration of economic sectors within a supranational framework in order to reach the desired political structure by a step by step method. Ernest B. Haas has observed this incremental evolution of the European integration process and has applied this method to the field of integration theories under the term of neo-functionalism. The Neo-functional theory asserts that dealing, at first, with the sensitive political aspects of national sovereignty is not an appropriate way for an integration movement which has a political goal to achieve in its conclusion. This theory considers that integrating initially, economic sectors under an umbrella of a supranational organisation, is a more appropriate method with a view to realising the desired supranational political integration. The integrated economic sectors would increase the interdependence and would also enable a broader welfare among people. Thus, all layers of society would be benefiting from this integration and there would be an increasing support for supranational integration.

This integration movement, starting with strategic sectors of the economy, would spread to other sectors as well. This is referred to as the “spill-over effect” of integration by the neo-functionalists. Such a supranational integration covering all sectors of the economy would enable nations to establish their political ties at a supranational level instead of a national one. It has always been advocated by neo-functionalists that a successfully progressing economic integration would bring along its own political integration. Hence, they have suggested that starting with economic integration to achieve the political one is a profound method.

As one can observe, the neo-functional integration approach has been justified to a large extent by the European integration. example. Nevertheless, integration efforts between Turkey and the EU have become an example which could not be justified by neo-functional assumptions. While the dynamics determining Turkey-EU integration had been bearing a political weight during the first phase, as we examined under the previous title, they gained an economic nature in the second phase.

Turkey-EU relations as a case study have given the opportunity to test and revise the neo-functional integration model elaborated essentially on the example of the European

integration movement. In this context, the Turkey-EU integration movement has demonstrated, first of all, that an integration movement bearing a supranational political end, can start and develop merely in the lead-way of political dynamics. This is the first point which diverges from the premise of the neo-functional integration approach. The second non-conforming point is that a sophisticated economic integration based on the principle of the delegation of sovereign authority would not necessarily lead to a supranational political integration under the influence of an inconvenient international environment.

Having mentioned these two diverging points, this study would be satisfied merely with highlighting two factors lacking in the neo-functional integration theory which could explain the theoretical difficulty observed in the Turkey-EU integration case. These are the “environmental factors” (conditions of the international environment in which the integration has been shaped) and the “cultural factors” (identity problems). The analysis of these two factors’ role in the process of a supranational political integration merits a separate comprehensive study.

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3 Haas, Ernest B., *The Uniting of Europe*, p. 5.

4 Georges, Stephan (1991), *Politics and Policy in the European Community*, New York, p. 21-22; Haas, Ernest B., *The Uniting of Europe*, p. 13-14; Haas, Ernest B. (1958), “The Challenge of Regionalism”, *International Organisation*, Vol. XII, No. 4, p. 450; Diebold, W. Jr., “Theory and Practice of European Integration”, *World Politics*, Vol. XI, No. 4, July 1959, p. 627.

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6 Haas, Ernest B. (1961), “International Integration: The European and the Universal Integration”, *International Organisation*, Vol. XV, No. 3, p. 368.

7 Pentland, Charles, *op. cit.*, p. 109.

8 Haas, Ernest B., *The Uniting of Europe*, p. 4; Pentland, Charles (1973), *International Theory and European Integration*, New York, p.122.

9 Haas, Ernest B. (1964), *Beyond the Nation-State*, Stanford, p. 35.

10 Haas, Ernest B., *The Uniting of Europe*, p.13.

11 *Ibid*, p.16.

12 See Bilge, Suat A. (1992), *Güç Komşuluk: Türkiye-Sovyetler Birliği İlişkileri 1920-1964*, (The Difficult Neighbourhood: The Turkey Soviet Union Relations 1920-1964), Ankara, pp. 261-264;

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18 Le Protocole Additional Signé le 23 November 1970, Annexé à l'Accord Créant une Association entre la Communauté Economique Européenne et la Turquie, JOCE, NO. L 293, du 29 Décembre 1972.

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