



EUROPE JOURNEY: TURKEY-CROATIA

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Abstract

In this study, public policies, legal obligations and regulations, and monetary and fiscal policies implemented by Croatia, the newest member state of the EU, and Turkey, which is negotiating its accession to the EU as a member state, during the EU membership process were analyzed comparatively. First, In the study, information was first provided on the harmonization processes and policies necessary for full membership to the European Union and the Union. In this regard, a focus was placed on the goals of the Union and how it can contribute to the world in the future. Afterward, the differences between Croatia and Turkey during the negotiation process were tried to be demonstrated. We believe that demonstrating the differences between the negotiation processes of the two countries will be important for Turkey to follow a more effective path in its process of full membership to the Union.

Keywords: Turkey, Croatia, European Union

JEL Codes: F02, F15, F50

AVRUPA YOLCULUĞU: TÜRKİYE – HIRVATİSTAN

Öz

Bu çalışmada Avrupa Birliği'ne tam üye olarak en son kabul edilen Hırvatistan ile Tam üyelik müzakere süreci devam eden Türkiye'nin bu süreç içerisinde uygulamış olduğu kamusal politikalar, kanuni yükümlülükler ve düzenlemeler, üyelik sürecinde izlediği para ve maliye politikaları karşılaştırmalı olarak analiz edilmiştir. Çalışmada, ilk önce Avrupa Birliği ve birliğe tam üyelik için gerekli uyum süreçleri ve politikaları hakkında bilgi verilmiştir. Bu kapsamda Avrupa Birliği'nin amaçları ve gelecekle ilgili dünyaya ne gibi katkılar yapabileceği incelenmiştir. Daha sonra, müzakere sürecinde Hırvatistan ile Türkiye arasındaki farklar gösterilmeye çalışılmıştır. İki ülke için sürecin işleyiş farkların ortaya konmasının, Türkiye'nin tam üyelik sürecinde daha etkili bir yolun nasıl izlenmesi gerektiğini ortaya koymasından önemli olacağına inanmaktayız.

Anahtar Kelimeler: Türkiye, Hırvatistan, Avrupa Birliği

JEL Kodları: F02, F15, F50

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Introduction

With global changes around the world and increasing consumption and production, human beings began to harm nature in an uncontrolled way. With the aim of preventing these damages caused by human beings, supranational organizations and integrations started to emerge since the early 1900s. One of these organizations is the European Union (EU), which was established with the aim of making countries more liveable and of enabling human beings to maintain their lives in a more prosperous environment through economic and public policy arrangements (Dağdemir, 2015).

In this study, firstly, the legal regulations, public regulations and economic policies implemented by Turkey and Croatia in the EU membership process were analyzed comparatively. Information about the founding goals and future goals of the EU was given, and the policies followed by Turkey and Croatia in their negotiation processes were compared. In doing so, the answer to this question was sought.

‘Why has Turkey not been admitted to the European Union?’ The reason why we decided to compare Turkey with Croatia is that Croatia is the newest member of the Union and both countries applied to join the Union around the same date. Furthermore, we analyzed the current situation of the two countries with regards to full membership criteria and tried to determine whether the reasons behind why Croatia was admitted and why Turkey’s negotiation process is continuing are the policies implemented by both countries or some political bias.

1. European Union And Full Membership Process

1.1. History of the European Union

Considering the historical process of the European Union, certain developments are worth paying attention to. The first of these is the Schuman Plan (1950) which was put forward in order to create an atmosphere of peace and security in Europe after the Second World War. This plan envisioned the finalization of the dispute between Germany and France with the European Coal and Steel Community, founded in 1951. This community expanded over time to include Belgium, Germany, Luxembourg, France, Italy, and the Netherlands. With this community, countries transferred some of their rights to a supranational organization with their own will. However, the member states did not find the movement of coal and steel sufficient in time, and with the Treaty of Rome signed in 1957, they decided to establish the European Economic Community to include other goods and services. The final decision stressed not only economic but also political union (www.ab.gov.tr, Accessed on 13.09.2018).

In line with the decisions taken at the Intergovernmental Conference, the Community decided to sign a new agreement on 10 December 1991 in Maastricht, the Netherlands, to amend the founding treaties of the European Union. Maastricht Treaty, also known as Treaty on European Union, was signed on 7 February 1992 and entered into force on 1 November 1993. The Maastricht Treaty consists of 200 articles, 17 additional protocols, and 33 appendices. With the Treaty of Maastricht, the European Economic Community was now known as the European Union (<http://akademikperspektif.com/2012/08/24/avrupa-birliginin-tarihsel-gelisimi/>, Accessed on 15.08.2018).

It is crucial to emphasize the main goals of the European Union when talking about its historical process. The European Union determines its economic and public policies in line with the main goals set and makes recommendations to the states wishing to join. According to the information received from the Republic of Turkey Ministry of Foreign Affairs Directorate for EU affairs, these goals can be listed as follows (www.ab.gov.tr, Accessed on 17.09.2018);

- be a reliable and effective foreign policy actor

- ensure and promote the values of freedom, democracy, human rights and the rule of law within and outside the EU
- combat all forms of discrimination; strive for equality between especially women and men in all areas,
- combat climate change,
- sustain economic growth with full environmental protection,
- ensure energy security,
- combat crimes such as illegal immigration, international terrorism, human, arms and drug smuggling, and be a true realm of freedom, security, and justice,
- contribute to the increase of employment and social protection in the member countries,
- promote economic, social and territorial cohesion among member states,
- ensure that European citizens have the highest standards of living and quality

The European Union is the most successful example of the unity created in the historical process. It aimed at combining small and numerous states with a sense of Europeanism under a common economic and political unity (Çelik, Usta & Şen, 2017).

The idea that the most effective way to achieve these goals is to act together brings and keeps member states together.

1.2. European Union Negotiation Process, Criteria, Chapters

The Copenhagen summit, held on 22 June 1993, set the criteria that countries applying for full membership must fulfill. These criteria are grouped under three main headings; (<https://www.ombudsman.gov.tr/contents/files/752d1--Kopenhag-Kriterleri.pdf>, Accessed on 13.07.2018)

1.2.1. Political Criteria: These criteria can be defined as the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.

- A stable and multi-party democratic system
- Being a state of law and abolishing the death penalty
- Respect for human rights
- Protection of minorities and their rights, elimination of gender or racial discrimination. (<https://bilgibirikimi.net/2012/06/06/kopenhag-kriterleri-nelerdir-abye-uyum-kriterleri/>, Accessed on 13.07.2018)

1.2.2. Economic Criteria: These are defined as the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union.

- Supply and demand balance, independent and mutually beneficial in the market
- Economic stability
- Stability in external balance
- An advanced financial sector; sufficient physical and human capital
- The existence of companies that can keep up with technology (<https://bilgibirikimi.net/2012/06/06/kopenhag-kriterleri-nelerdir-abye-uyum-kriterleri/>, Accessed on 13.07.2018)

1.2.3. Adoption of Community Legislation: This is defined as the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union. (<https://bilgibirikimi.net/2012/06/06/kopenhag-kriterleri-nelerdir-abye-uyum-kriterleri/>, Accessed on 13.07.2018).

- comply with the political, economic and monetary goals of the Union
- adopt the EU's common goals
- comply with partnership agreements
- comply with regulations in the
- fields of agriculture, communication and information technologies, environment, transport, energy, transport, consumer rights, justice, and home affairs, labor and social rights, education and youth, taxation, statistics, regional policies, general external and security policy.

In the accession negotiations, the EU Acquis is handled under 35 chapters to check whether the candidate country met the requirements under these three headings set by the Copenhagen Criteria.

During the negotiation process, chapters are opened depending upon the candidate country's fulfilment of opening benchmarks, which are determined by the EU Council, and once again chapters are provisionally closed depending upon the candidate country's fulfilment of closing benchmarks, which are also determined by the EU Council. Negotiations are conducted through intergovernmental conferences between the candidate country and the EU member states. Following the completion of the detailed screening process on the chapters, negotiations are started to evaluate each chapter separately. If the negotiations on the chapter finish successfully and approved by the EU Council unanimously, they are temporarily closed on the grounds that there is no need for further negotiation (Özpecne & İdikut Özpençe, 2008). "Temporarily closed" here means that if during the ongoing negotiation processes any problems arise related to the chapter, it can be reopened. One single member country by declaring her negative opinion can block the opening or closing of the chapters. (https://www.ab.gov.tr/katilim-muzakerelerinde-mevcut-durum_65.html, Accessed on 11.07.2018)

These chapters are grouped under the following headings; (https://www.ab.gov.tr/files/rehber/07_rehber.pdf, Accessed on 11.07.2018)

- | | |
|--|---|
| 1. Free movement of goods | 13. Fisheries |
| 2. Freedom of movement for workers | 14. Transport policy |
| 3. Right of establishment and freedom to provide services | 15. Energy |
| 4. Free movement of capital | 16. Taxation |
| 5. Public procurement | 17. Economic and monetary policy |
| 6. Company law | 18. Statistics |
| 7. Intellectual property law | 19. Social policy and employment |
| 8. Competition policy | 20. Enterprise and industrial policy |
| 9. Financial services | 21. Trans-European networks |
| 10. Information society and media | 22. Regional policy and coordination of structural instruments |
| 11. Agriculture and rural development | 23. Judiciary and fundamental rights |
| 12. Food safety, veterinary, and phytosanitary policy | 24. Justice, freedom, and security |

- | | |
|------------------------------------|--|
| 25. - Science and research | 31. Foreign, security and defense policy |
| 26. Education and culture | 32. Financial control |
| 27. Environment | 33. Financial and budgetary provisions |
| 28. Consumer and health protection | 34. Institutions |
| 29. Customs union | 35. Other issues |
| 30. External relations | |

2. Turkey And Croatia In The Context Of Political Criteria

Having declared its independence on June 25, 1991, Croatia also began the disintegration process of Yugoslavia. On January 15, 1992, the European Union officially recognized Croatia. The country became the 28th EU member country on 1 July 2013. Croatia's EU journey began with its application for EU membership and continued when candidate country status was granted by the European Council in 2004. Starting the negotiations with the EU in 2005, Croatia completed 35 chapters. The accession of Croatia to the EU took place on July 1, 2013 (www.gazetebilken.com, Accessed on 20.08.2018).

As mentioned above, Turkey's EU journey started around the same date as that of Croatia. Turkey was one of the first countries that wanted to establish close relations with, even to join in the European Economic Community in 1959. With the Ankara Agreement signed in 1963, the desire to establish a Customs Union can be considered as the first step. For the first time on April 14, 1987, Turkey applied for full membership. Negotiations for customs union began in 1993 and entered into force on January 1, 1996. Accession Partnership Document for Turkey was adopted in 2001 as a roadmap for Turkey's accession to the EU. In 2004, Turkey officially initiated full membership negotiations with the Council of Europe. In December 2005, the Council adopted the accession partnership document for Turkey (www.avrupa.info.tr, Accessed on 19.07.2018). It is, thus, clear that Turkey has long wanted to become a full member of the EU.

First of all, it is crystal clear that the EU attaches importance to the Balkans due to its enlargement policy. The EU granted accession to Romania and Bulgaria in 2007, and Croatia in 2013. The EU based its Balkan enlargement on security and emphasized the necessity of developing peace and welfare environment in the region. Croatia, on the other hand, has effectively implemented reforms and policies in the EU accession process and restructured its political culture since the 2000s. Croatia was able to start negotiations when it handed over to the International Criminal Tribunal for the Former Yugoslavia the war criminals, who were seen as national heroes even in the eyes of its citizens (Altun, 2013).

Given the different social structures and cultural differences of Turkey and Croatia, it is thought that it is difficult for Turkey to exhibit a similar attitude if faced with such a situation.

Another problem Croatia faced during its negotiation process that brought the negotiations to a dead end was the border dispute with Slovenia. This problem, which emerged after the dissolution of Yugoslavia, was solved by the mediation of the EU commission. One issue that needs attention is that this problem was solved in a way that caused no harm to either country (Altun, 2013, Toygur & Atak, 2009).

A similar issue in Turkey's EU membership process is the Cyprus dispute. After the negotiations that began in 2005, Turkey had to sign the Customs Union Additional Protocol, which encompassed ten new EU members, including the Greek Cypriot Administration of Southern Cyprus (GCASC). One of the mutual responsibilities introduced by the Ankara Agreement and the Additional Protocol is the free movement of goods between the EU and Turkey. However,

Turkey's refusal to allow GCASC ships and aircraft to enter Turkish ports and airports for the legitimate political reasons was interpreted as preventing the free movement of goods. Thus, Turkey was accused of failing to fulfill its obligations under the agreements. The EU Commission, which did not assume the role of mediator in this dispute as it had done in the Croatian-Slovenian border dispute, requested the complete fulfillment of this requirement (free movement of goods) and decided to close eight chapters otherwise (Sandikli & Akcadag, 2011).

Another issue leading to a slowdown in Croatia's accession to the EU was Croatia's failure to demonstrate a sufficiently active attitude to combat organized crime and corruption, and the slow progress of judicial and public reforms. Although it failed to implement judicial reforms fully, Croatia quickly introduced the necessary arrangements for the principle of separation of powers, one of the EU's political criteria (Toygur & Atak, 2009).

Turkey faced a similar situation. The referendum held on April 16, 2017, in Turkey brought the negotiations to a dead end. The Venice Commission of the Council of Europe report on the Presidential Government System in Turkey argued that the system is not sufficient regarding balance and supervision and jeopardizes the principle of separation of powers. This system was considered a "dangerous step backward from the democratic constitutional tradition of Turkey" in the report by the Venice Commission. According to the report, "there is a danger that the system will turn into an authoritarian and personal regime." The report stated the major disadvantage of the system as the failure to adopt the separation of powers principle. The report also warned that the negotiations could be stopped entirely if this is not resolved (www.artigercek.com/haberler/turkiye-nin-ab-katilim-surecinin-onundeki-engeller-neler, Accessed on 13.09.2018). By the above information, we can conclude that the European Commission assumed the role of a mediator towards Croatia's disputes while it imposed the complete fulfillment of its wishes when it came to Turkey.

Some of the key findings of the 2018 Report on Turkey by the European Commission can be listed as follows: more severe steps need to be taken for the full independence of the judiciary; the legal and institutional framework in the fight against corruption needs further alignment with international standards; progress needs to be achieved in the matters related to human rights and fundamental rights (European Commission, 2018). However, the EU Commission ignored the fact that Turkey is involved in a fight against terrorism. On the other hand in order to prevent leakage that immigration policy should apply to EU border migrants, candidate countries have to find ways to cooperate with Turkey. Thus, he tried to prevent the damage of his unit. (Çelik, Şen, Usta & Usta, 2018).

Another problem that Turkey has experienced during the negotiation process is the European Union's bilateral applications. The negotiations were officially launched on 3 October 2005, but only a total of 14 chapters have been opened since then. The point that should be noted here is that the problems that prevent these chapters from closing are not caused by Turkey. Also, the opening criteria of the chapters were not specified, the screening results were not reported, and no feedbacks were provided by the Commission (İnaç, 2016). As mentioned above, the EU's double standard against Turkey and various domestic problems that Turkey has experienced reflect better the problems faced by Turkey in the process of full membership (Sayin, 2016).

3. Screening Process

The screening process was completed in 2006 for Croatia, and despite the danger of being vetoed due to its border dispute with Slovenia, negotiated chapters were closed in 2011 after the two countries agreed mutually and the Croatian government fulfilled its promises, albeit delayed. On January 1, 2013, Croatia became the 28th Member of the European Union. However, the process of its inclusion in the Eurozone continues. It is therefore not a member of the monetary union.

The screening process of Turkey, on the other hand, was started in 2005 and was completed in 2006. However, the end-of-screening reports of 8 chapters were not approved by the Council. These chapters are chapters 2, 13, 14, 15, 23, 24, 30 and 31

So far, only sixteen chapters have been opened for negotiations. These chapters are as follows; (www.ab.gov.tr/katilim-muzakerelerinde-mevcut-durum_65.html, Accessed on 11.07.2018)

- 25) Science and Research (provisionally closed) (Austria, 12.06.2006)
- 20) Enterprise and Industrial Policy (Germany, 29.03.2007)
- 18) Statistics (Germany, 26.06.2007)
- 32) Financial Control (Germany, 26.06.2007)
- 21) Trans-European Networks (Portugal, 19.12.2007)
- 28) Consumer and Health Protection (Portugal, 19.12.2007)
- 6) Company Law (Slovenia, 17.06.2008)
- 7) Intellectual Property Law (Slovenia, 17.06.2008)
- 4) Free Movement of Capital (France, 19.12.2008)
- 10) Information Society and Media (France, 19.12.2008)
- 16) Taxation (Czech Republic, 30.06.2009)
- 27) Environment (Sweden, 21.12.2009)
- 12) Food Safety, Veterinary and Phytosanitary Policy (Spain, 30.06.2010)
- 22) Regional Policy and Coordination of Structural Instruments (Lithuania, 05.11.2013)
- 17) Economic and Monetary Policy (Luxembourg, 14.12.2015)
- 33) Financial and Budgetary Provisions (the Netherlands, 30.06.2016)

As can be seen, no chapters have been closed other than the “Science and Research” chapter.

14 chapters are blocked due to the political decisions of the EU Council and Southern Cyprus: Chapters 1, 3, 9, 11, 13, 14, 29 and 30 are blocked by the General Affairs and External Relations Council, and Chapters 2, 15, 23, 24, 26 and 31 are unilaterally blocked by the Greek Cypriot Administration

Furthermore, although the Commission has acknowledged that we have met the closing criteria in chapters 6, 20, 21, 28 and 32, these chapters cannot be closed temporarily due to the additional decision by the Commission.

Figure 1: Current Situation of Turkey in EU Accession Negotiations

 REPUBLIC OF TURKEY MINISTRY FOR EU AFFAIRS CURRENT SITUATION IN ACCESSION NEGOTIATIONS (30 June 2016)			
OPENED CHAPTERS		8 CHAPTERS OF WHICH OPENING BENCHMARK IS ADDITIONAL PROTOCOL	
25	SCIENCE AND RESEARCH (Provisionally closed)	1	FREE MOVEMENT OF GOODS
20	ENTERPRISE AND INDUSTRIAL POLICY	3	RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES
18	STATISTICS	9	FINANCIAL SERVICES
32	FINANCIAL CONTROL	11	AGRICULTURE AND RURAL DEVELOPMENT
21	TRANS-EUROPEAN NETWORKS	13	FISHERIES
28	CONSUMER AND HEALTH PROTECTION	14	TRANSPORT POLICY
6	COMPANY LAW	29	CUSTOMS UNION
7	INTELLECTUAL PROPERTY LAW	30	EXTERNAL RELATIONS
10	INFORMATION SOCIETY AND MEDIA	CHAPTERS BLOCKED BY SOUTHERN CYPRUS UNILATERALLY	
4	FREE MOVEMENT OF CAPITAL		
16	TAXATION		
27	ENVIRONMENT		
12	FOOD SAFETY, VETERINARY AND PHYTOSANITARY POLICY	2	FREEDOM OF MOVEMENT FOR WORKERS
22	REGIONAL POLICY AND COORDINATION OF STRUCTURAL INSTRUMENTS	15	ENERGY
17	ECONOMIC AND MONETARY POLICY	23	JUDICIARY AND FUNDAMENTAL RIGHTS
33	FINANCIAL AND BUDGETARY PROVISIONS	24	JUSTICE, FREEDOM AND SECURITY
		26	EDUCATION AND CULTURE
		31	FOREIGN, SECURITY AND DEFENSE POLICY
CHAPTERS WITHOUT POLITICAL BLOCKAGES			
5	PUBLIC PROCUREMENT	34	INSTITUTIONS (At the end of negotiations)
8	COMPETITION POLICY	35	OTHER ISSUES (At the end of negotiations)
19	SOCIAL POLICY AND EMPLOYMENT		

Source: https://www.ab.gov.tr/files/5%20Ekim/yatay_muzakere_tablosu_30_06_2016_tr.pdf (Accessed on 15.08.2018)

4. Turkey And Croatia In The Context Of Economic Criteria

One of the points the EU attaches great importance in the context of economic criteria is the full independence of the Central Bank. Turkey's problems in this regard continue. Efforts are still underway to overcome the division in the management of the economy and solve the coordination problems. Croatia, on the other hand, quickly and effectively solved its issues on the full independence of the Central Bank (Ozpençe & Idikut Ozpençe, 2008).

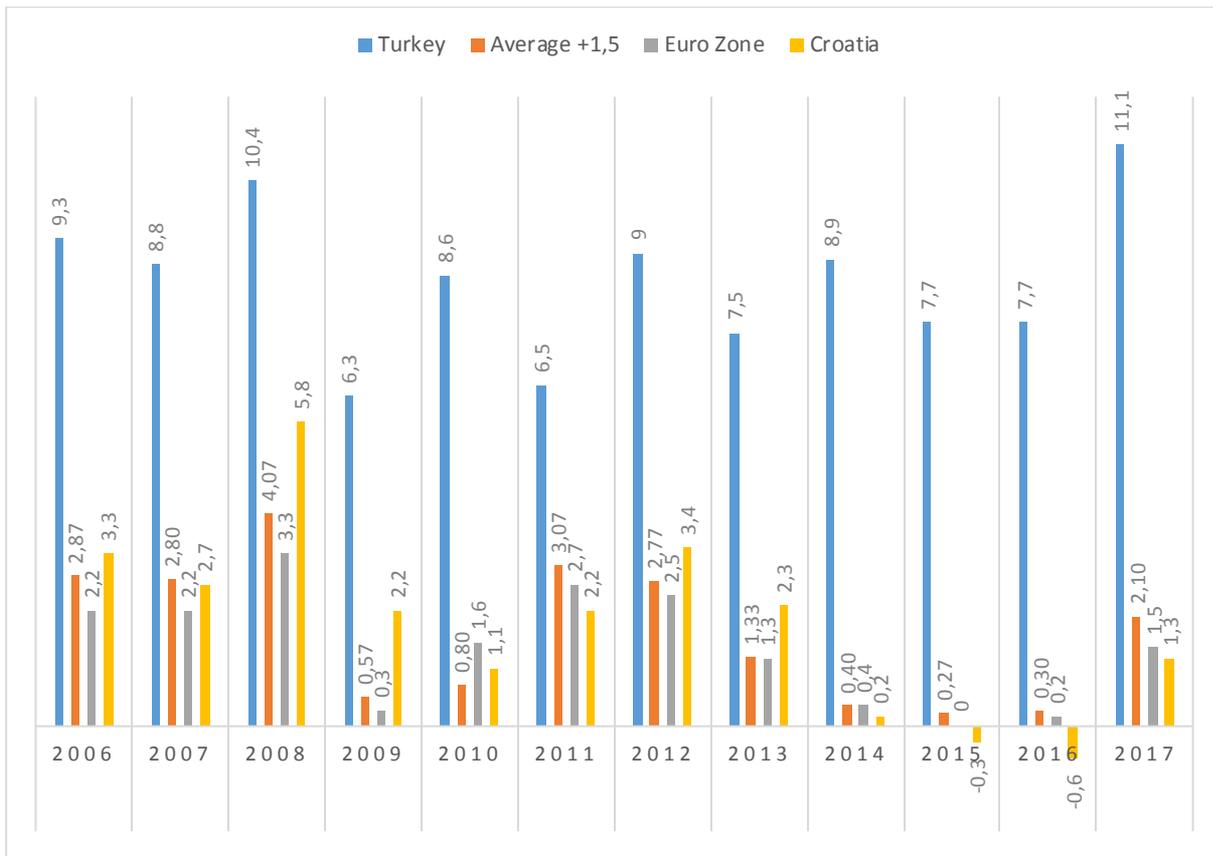
The Maastricht Treaty, signed on February 7, 1992 in Maastricht, the Netherlands, determined the necessary steps to be taken by the Community for the achievement of the Economic and Monetary Union (EMU) and to be included in the EMU. The provisions of this treaty, which entered into force on November 1, 1993, are as follows;

1. Inflation rates should be no more than 1.5 percentage points higher than the average of the three best performing (lowest inflation) member states of the EU.
2. Member State's budget deficit may not exceed 3% of its GDP
3. Member States should keep their debt-to-GDP ratio below 60%.
4. Long-term interest rates should be no more than 2 percentage points above the rate of the three best performing Member States regarding price stability.
5. The Member State shall not have devalued its currency's bilateral central rate against any other Member State's currency for the last two years.

The following charts examine these five criteria in detail regarding Turkey, Croatia, and the Eurozone. First, inflation rates are analyzed. The chart presents 1.5 percentage points higher than the average of the three best performing (lowest inflation) member states and the inflations rates of Turkey, Croatia, and the Eurozone. The inflation rate of the Eurozone was added to provide an additional comparison. When the inflation rates for the period between 2006 and 2017 are

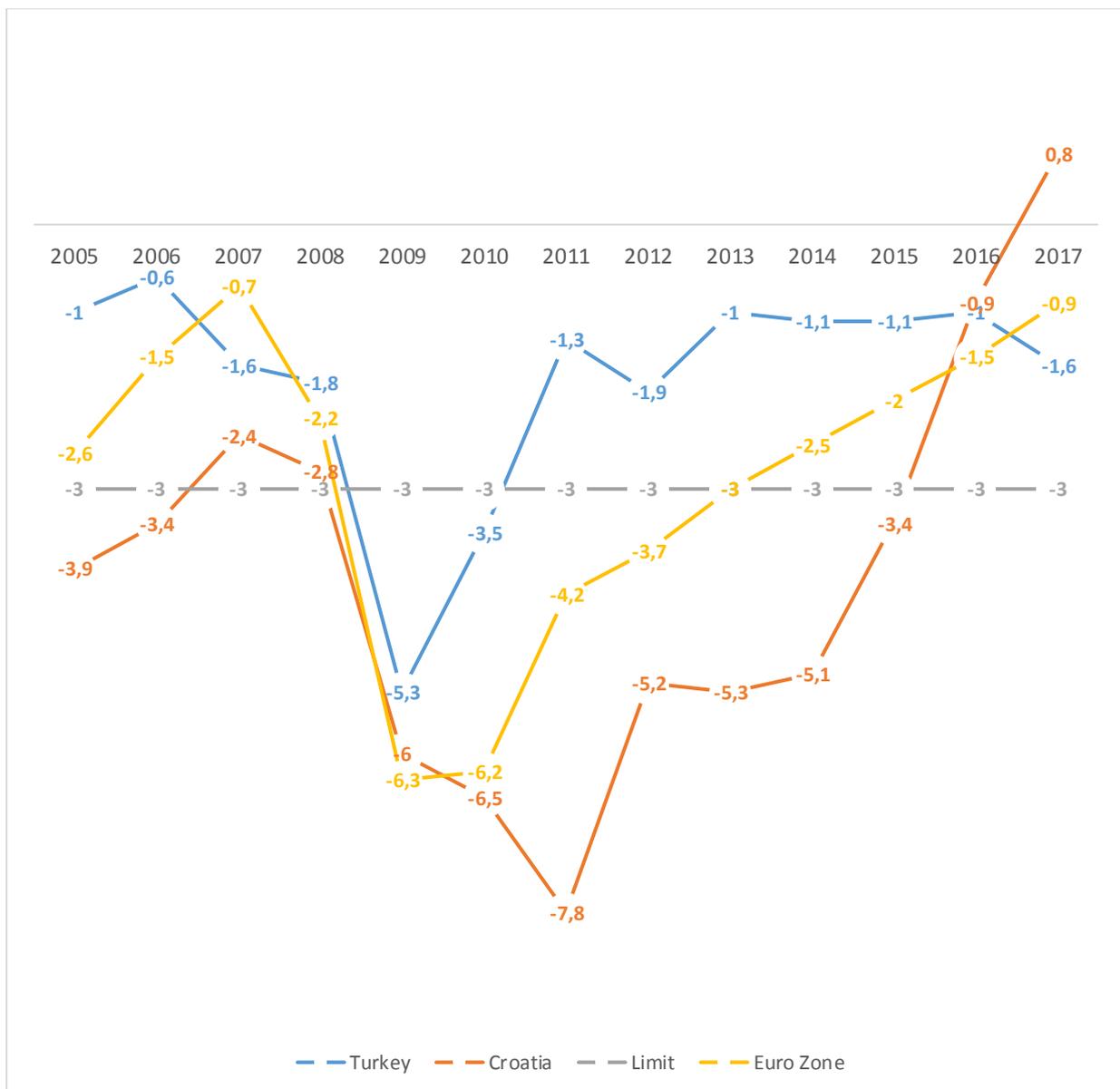
analyzed, it can be seen that among the five criteria, this is the criteria that Turkey has experienced the most difficulties. Inflation rates in Turkey during the period in question did not fall below the limit. Moreover, the lowest difference was 3.5 points, and the maximum difference was 9 points. Croatia’s inflation rates, on the other hand, remained volatile until 2013. In some years, it was above the limit while in some years, it was below the limit. After 2013, however, Croatia achieved significant stability and managed to keep inflation rates below the limit. Indeed, in 2015 and 2016, the inflation rate was below 0 (zero). In conclusion, if Turkey is admitted to the EU, the subject in which it will have to put the most effort for inclusion in EMU is the fight against inflation.

Figure 2: Inflation Rates (2006-2017)



Source: Eurostat, Accessed on 13.09.2018
 (<https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00118>)

According to the following chart showing the ratio of budget deficits to GDP, which is the second criterion, Turkey performed more successfully than Croatia and the Eurozone in almost all years except for 2017. Between 2005 and 2017, Turkey remained below the 3% limit in all years except in 2009 and 2010, when the global crisis peaked. Although Turkey was more successful than Croatia and the Eurozone in 2009 and 2010, it was still below the limit. Unlike with the inflation rates, Croatia was unable to meet this requirement until 2015, except for 2007 and 2008. After 2015, however, Croatia improved this rate significantly from -3.4% to +0.8%. It can be seen that it is the only curve that has a positive value compared to both Turkey and the Eurozone. It can also be seen that Turkey has not experienced any problems in this regard in the last decade.

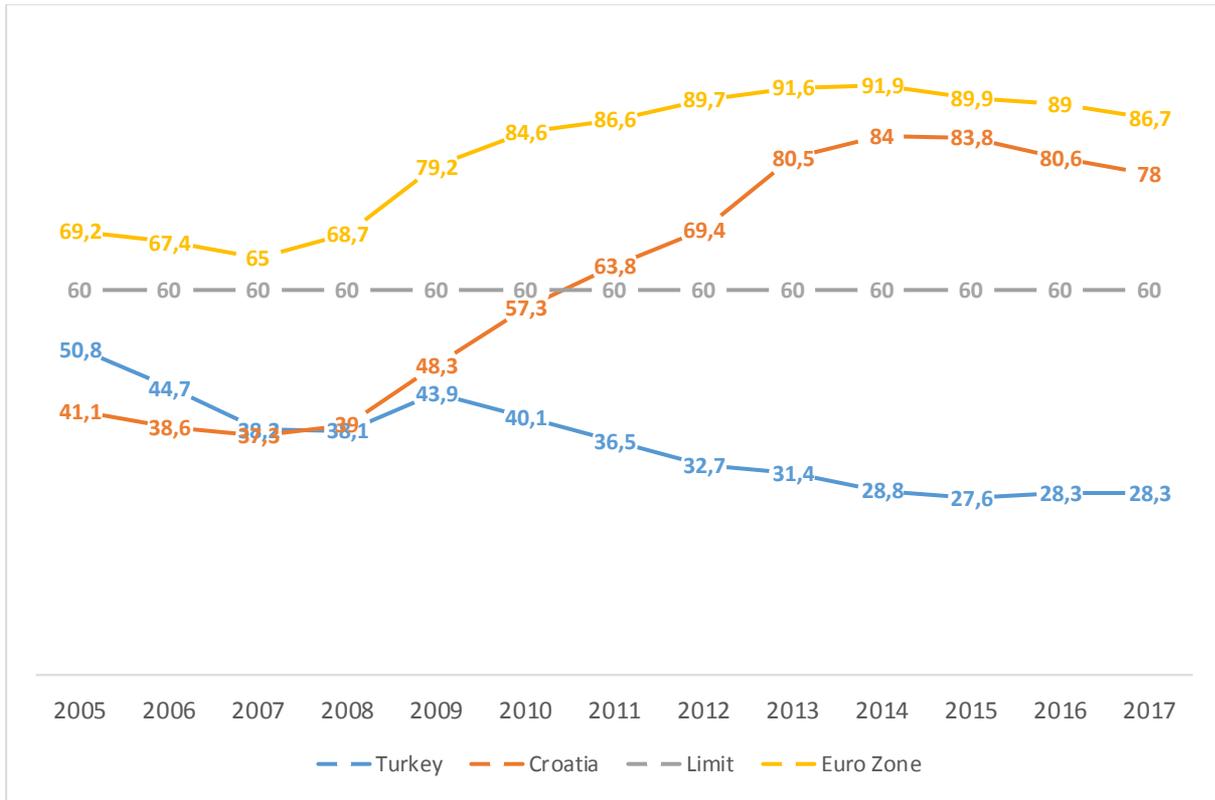
Figure 3: Ratio of Budget Deficits to GDP

Source: Eurostat, Accessed on 13.09.2018

(http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10dd_edpt1&lang=en)

Considering the ratio of government debts to GDP, which is the third criterion, it can be seen that Turkey has achieved the best data for the period in question. According to the chart below, which presents the data between 2005 and 2017, Turkey steadily lowered this ratio from 50.8% in 2005 to 20.8% in 2017. This rate is well below the limit of 60%. If we compare the ratio of Turkey with those of Croatia and Eurozone, Turkey has better ratios than both of them. Indeed, a comparison between Turkey and the Eurozone will demonstrate that the ratio of the Eurozone for the same period never went below 65% while that of Turkey never exceeded 60%. In 2014, this ratio increased to 92% in the Eurozone. On the other hand, Croatia, following a precisely opposite course than those it did for the previous two criteria, had a ratio that increased up to 85% in 2010 although it could keep it below the limit until 2010. If we make an assessment based on the data of the last decade, it is expected that Turkey will face no problem regarding this criterion.

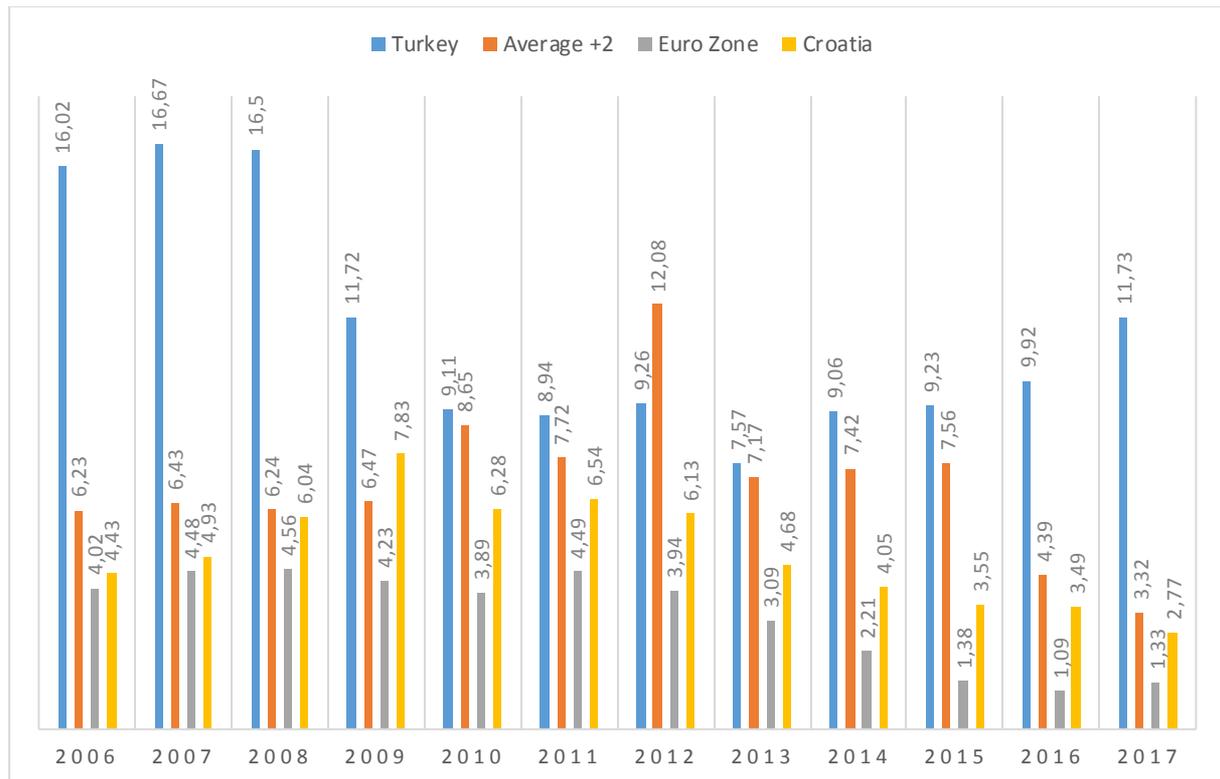
Figure 4: Ratio of Government Debts to GDP



Source: Eurostat, Accessed on 13.09.2018

(https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_17_40&plugin=1)

Another criterion that caused problems for Turkey is the long-term interest rates. Croatia’s long-term interest rates did not exceed the limit rate in any period between 2006 and 2017 except for the 2009 global crisis. Moreover, this rate remained under the limit even though it increased in 2009-2010-2011. The situation was exactly the opposite for Turkey. Turkey’s long-term interest rates did not go below the limit for the same period except for 2012. However, it is important to note that while Turkey’s interest rates fell to the lowest level during the crisis period, those of Croatia and the Eurozone went up to the highest level in the same period. A downward trend is visible in Turkey’s long-term interest rates since 2006: they fell to 7.5% in 2013 from 17%. After 2013, however, an upward trend is seen in the ratios: as of 2017, the rates increased to 12%. Indeed, considering the recent developments, it can be argued that with the interest rates exceeding 20%, this will be one of the most challenging criteria for Turkey.

Figure 5: Long-Term Interest Rates

Source: Eurostat, (http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=irt_lt_mby_a&lang=en), TCMB (<http://evds.tcmb.gov.tr/index.php?evds/serieMarket/#collapse-3>, Accessed on 13.09.2018)

Even though we consider the 24.8% devaluation of the Turkish Lira after the regime shift from fixed to floating to exchange rate in 2001, it can be said that Turkey will not have difficulty in meeting the criterion related to devaluation. Since the floating exchange rate regime has been continuing since 2001, no devaluation can take place during this period.

5. Conclusion

Croatia's accession to the Union has been an essential step in the EU's implementation of its policy of enlargement to the Balkans. One of the main reasons behind this enlargement policy is the idea that the EU project cannot be completed without the Balkan countries being included in the Union. Another reason is the idea that the enlargement to the Balkans will bring stability to the EU. The EU has always regarded Croatia both as a country that is easier to absorb and as an essential step in the enlargement to the Western Balkans. However, it should not be forgotten that Turkey's geographical position was regarded as a problem even at the beginning of Turkey's negotiation process (Kaya, 2016).

Turkey is the country that has waited for the most in the history of the EU for the negotiations to conclude. From time to time, the process of inclusion of Turkey in the Union accelerated, and from time to time, it came to a dead end due to problems. When the policies implemented and the decisions taken by both countries are compared in general, it can be seen that both countries made significant progress and that double standards were applied by the EU. In order to establish closer relations with the EU in the future, the reforms mentioned in the progress reports should be implemented, in particular, the applicability of the principles of openness and transparency in judicial and fiscal policies (Aytuğ, 2016). As mentioned above, Turkey, like all the countries that want to join in the Union, has to do its part. On the other hand, the EU Commission should also adopt a conciliatory attitude.

The process of EU accession is an essential process in which political and social balances are emphasized beyond the technical and legal harmonization processes. Different cultures and social structure, different ideologies, and different interest maximization can be considered among the reasons behind the fact that the process is different for Croatia and Turkey (Aytug, 2016). Responsibility for achieving the desired speed and benefit in the negotiation process falls to the EU, as well as to Turkey, which reveals its attitude to solve some of the problems. It cannot be denied that the solution of existing problems will provide gains for both sides (Sandikli & Akçadağ, 2011).

In the Accession processes, both countries experienced difficulties in the political spheres rather than in the economic sphere. Croatia experienced problems in two main issues: the delivery of war criminals from the Bosnian War to the International Criminal Court and the border dispute with Slovenia. However, it adopted a final and conciliatory approach to the solution of these two problems and succeeded in removing the obstacles in the short term. Six years after the start of negotiations, all the chapters were closed, and two years later, it gained full membership status.

Turkey, like Croatia, did not experience economic problems but rather problems related to other issues. It has been vetoed by the Greek Cypriot Administration, in particular. Many obstacles have been put in front of Turkey on the issues related to such as justice, freedom, causing the prolongation of the process. Moreover, the EU's unwillingness to compromise increased the tension in the relations and brought the relations to the point of breaking off.

In this study, it has been observed that even if the desired conditions are met in the harmonization process with the EU, these efforts are not taken into sufficient consideration. From the above analyzes, we conclude that both Turkey and Croatia met the economic criteria equally and that because of its political bias, the EU has not regarded the public policies of both countries objectively.

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