

Key positions:

- David Cameron's forceful remarks over the summer on Turkey's stagnant accession talks have hit a nerve in some circles in Brussels. Criticism of fellow German and French members of the EU by the prime minister on bias and playing to xenophobic political moods has addressed the elephant in the room over Turkey's much debated membership application. Brussels is predicted to endorse the recent referendum results from Turkey as a positive step in its long standing bid to join the EU.
- A Turkish court struck down the headscarf ban in public universities recently, but no major social disturbances have been reported. The lack of social unrest over such a divisive issue seems to further demonstrate that Turkey is enshrining the values of a law based democratic society where sensitive political issues are settled in the courts and at the ballot box rather than in the streets. Meanwhile the Ergenekon trial (Turkey's new national coup plot) has faded from national attention as the Istanbul prosecutor's office has declined to pursue the case citing lack of verifiable evidence.
- The Turkish National Petroleum Corporation has recently won two major contracts in developing the two largest Iraqi gas fields, further increasing Turkey's interests in its neighbour. This has not alleviated some concern in the business sector that warns a ballooning trade deficit over the past year has dire consequences for the long-term future of business growth.

The impact of the British Prime Minister's statement

Conservative Prime Minister David Cameron's speech in Turkey during the summer addressing the bias facing Turkish accession to the European Union, came with a forcefulness not heard before from such a well-known leader. Although his statement was forthright in its criticism of those countries that would block Turkish membership, some criticized the Prime Minister as playing to the crowd in Istanbul, where the speech took place. Present attitudes however; seem to indicate that the Cameron's stance has reverberated throughout the echo chamber that is Brussels, and with some surprising reactions. Some EU insiders have noted the plain spoken manner in which the Tory leader addressed the bias facing the Muslim majority nation in a time of heightened nativist sentiment throughout EU member states when he stated, "When I think about what Turkey has done to defend Europe as a NATO ally...it makes me angry that your (Turkish) progress towards EU membership can be frustrated the way it has been."

Some critics of Turkey's membership from French and German camps have accused the British leader of 'old British tricks towards Europe' by attempting to antagonize a split in the EU to halt Franco-German domination. But judging by the way the United Kingdom was originally treated in its accession talks in the 1970s, Britain is alone among the long standing EU members that can relate to a country being criticized by French and German leaders with reference to its application to EU membership.



Brussels set to endorse Turkey's 12 September referendum

Meanwhile, sources in Brussels have indicated that the EU will formally endorse Turkey's 12 September referendum vote and its calls for a new constitution. The statement, which should be announced on November 9, will also make note of positives and negatives in recent Turkish foreign policy measures. While the EU will continue to criticize Ankara's stance on the issue of Cyprus, it also praises the recent regional moves of Turkey as an "asset as long as it meets with the accession process".

Ankara's foreign policy, having significantly shifted to a much more pragmatic approach with a view to regional cooperation in recent years, will be shaped further by the recent review to the Turkish 'Red Book', or the National Security Policy Document. While the official text is kept undisclosed for security purposes, it is believed one important change concerns the government's stance on the slowing Turkish birth rate, which some experts have stated will soon be unable to keep up the Republic's current economic growth. Issues such as internal Kurdish issues, and relations with Cyprus, Iran, Greece also are said to have been addressed but not significantly altered from previous versions.

Reversal of head-scarf ban does not lead to violence

While the long standing law forbidding the wearing of headscarves in Turkish universities was recently overturned with much hot debate, little domestic stress resulted. Turkish secularists did not take to the streets en mass. The matter, while still having the capacity to polarise society, hardly had the effect of nearly toppling the government, as was the case little over two years ago. The headscarf ban has been a sensitive nerve in Turkey for the past generation, but the matter is no longer framed as a reactionary secularist vs. Islamic fundamentalist fashion, a debate that has long hindered the Republic's political and domestic debates. Indeed, the most vocal critics of the ban have not been radical religious figures, but rather the younger generation of Turkish women, many of who cite their own personal choice to wear a headscarf as a right as indelible for those who choose not to in a free society.

Turkey's national coup plot falling from the limelight

A recent ruling in the Ergenekon case by the Istanbul's prosecutors office has left the viability of the case in doubt as the office has stated that they can find no link between the diaries of former Naval head Ozden Ornek and the coup. Ornek's journals, dubbed the 'coup diaries' are said to have directly implicated former and current military officers and their civilian accomplices in several acts of terrorism intended to undermine the Islamist AKP party and return the Republic to the military's domination. With this latest setback it is hard to tell where the prosecution's case lies, as it is transferred back to the Ankara prosecutorial office for further review.

In a case unrelated to Ergenekon, nine military officers were recently indicted on charges of extortion and espionage for their role in the selling of state and corporate secrets. It is alleged the officers used high paid



prostitutes to seduce prominent individuals in government and business sectors, taped the encounters, and then used their possible exposure as a means of extorting classified information from the victims.

Energy and Business Developments

The Turkish National Petroleum Corporation (TPOA) has recently won two contracts to develop two of Iraq's three major natural gas fields. As one quarter of Iraqi exports transit via the Kirkuk-Ceyhan pipeline where they are distributed to Western markets, the deal will likely enhance Turkish interest in Iraq's future as a stable source for energy. While strained relations between Ankara and Baghdad were the epitome of the relationship under former Iraqi leader Saddam Hussein, the country's opening of its energy markets is a boon for current leaders in both capitals as demand in Western markets increases. Iraqi Ministry of Energy officials predict trade between the two neighbours will increase in four years time to \$20 billion a year from 2009's amount of \$6 billion.

Calik Holding Company has recently stated its desire to increase its presence in Albania, this time hoping to expand into the energy field of its Balkan neighbour. Celik already has an estimated \$500 million in Albanian banking and telecommunications assets.

While Turkey has fared relatively well in the recent years economic turmoil, its trade deficit has ballooned to almost 70% from September 2009. While imports and exports have both risen over the past year, the former has outpaced the latter by over five to one. Some business analysts have warned that the widening gap could overheat the economy and eventually damage the country's long-term growth as the rest of the world slowly emerges from the recession.