

Turkey's 2007 progress report

2007/2269(INI) - 06/11/2007 - Non-legislative basic document

CONTENT: this report reviews the progress made by Turkey in 2007 in preparation for accession. In particular, it details the efforts made by Turkey to comply with the Copenhagen criteria and supports the overall strategy document on the enlargement of the European Union (see [COM\(2007\)0663](#)) which indicates the way in which the renewed consensus, endorsed by EU representatives during the December 2006 Summit, will be implemented. The renewed consensus on enlargement is based on the principles of consolidation of commitments, fair and rigorous conditionality and better communication with the public, combined with the EU's capacity to integrate new members. The current enlargement programme concerns the Western Balkans and Turkey.

Specifically in terms of Turkey, the report notes that following the legislative and presidential elections, it is imperative that Turkey continues to make reforms in order to consolidate fundamental rights and freedoms. Since the December 1999 European Council granted candidate status to Turkey, the country has achieved major changes. The European perspective proved one of the main incentives for reforms of the political and legal system, as well as the economy in Turkey. The death penalty was abolished, the functions and composition of the National Security Council were changed to increase civilian control over the military, and a series of constitutional amendments enhanced democratic freedoms. Progress was made in areas such as women's and children's rights, and the fight against torture, with a further overall decline of reported cases of torture and ill-treatment. At the same time, in 2007, Turkey overcame a political crisis by fully respecting the rules of democracy. It must now relaunch political reforms, particularly those regarding fundamental freedoms, while respecting its international commitments.

The Commission expects progress to be made in the accession negotiations with Turkey throughout 2008.

Progress in the accession negotiations with Turkey: EU accession negotiations began with Turkey on 3 October 2005 and remain on track. Negotiations are continuing at a pace that reflects the pace of reforms in the country itself as well as Turkey's fulfilment of the relevant conditions. Four out of 33 negotiation chapters have been opened so far (statistics, enterprise and industrial policy, financial control) and one chapter has been provisionally closed (Science and Research). Opening benchmarks have been set as conditions for opening negotiations on 14 chapters (benchmarks are a new tool introduced as a result of lessons learnt from the fifth enlargement. Their purpose is to further improve the quality of the negotiations, by providing incentives for the candidate countries to undertake necessary reforms at an early stage. In general, opening benchmarks concern key preparatory steps for future alignment with the EU's legal order, such as strategies or action plans. In this case, benchmarks were adopted by the Council as conditions for opening negotiations with Turkey on the following chapters: Free movement of capital, Public procurement; Intellectual property rights, Competition policy; Agriculture, Taxation, Employment and Social policy, Customs union, Company law, Free movement of services, Food safety, Free movement of goods; Environment, Financial services). The Commission hopes that Turkey will be able to meet further benchmarks shortly, so that additional chapters can be opened.

On the whole, the 3 main criteria fixed at Copenhagen to allow a country to accede to the European Union have evolved in Turkey during 2007 as follows:

1. **Political criteria:** Turkey continues to sufficiently fulfil the Copenhagen political criteria. Turkey has smoothly overcome its political and institutional crisis. Early parliamentary elections were held in full respect of democratic standards and of the rule of law. The election of the President by Parliament in August 2007 took place in accordance with the Constitution and a new government was established swiftly. Democracy prevailed in a crisis in civil-military relations. There has been

some progress in legislative reform of the public administration, and some progress has been made in improving the efficiency of the judiciary. Additional action has been taken to improve women's rights. The reported number of cases of torture and ill treatment continued to decrease. Turkey has made progress on the ratification of international human rights instruments and in implementing the European Court of Human Rights judgements. However, there was limited progress on political reforms in 2007. Significant further efforts are needed on freedom of expression and on the rights of non-Muslim religious communities. Further progress is also needed in the fight against corruption, the reform of the judicial system, as well as children's and women's rights, cultural rights, and civilian oversight of the security forces. It is now important that the new government takes immediate action in these priority areas. Freedom of expression and freedom of religion are the most urgent issues, on which the government must take action without delay. There has been a further increase in terrorist attacks by the PKK, which is on the EU list of terrorist organisations. It is crucial that Turkey and Iraq continue to tackle this problem through cooperation between the relevant authorities and by respecting international law. There remains a need for Turkey to address the serious economic and social problems of the South East. Finally, the report expressed its regret that Turkey maintained its restrictions on direct transport links with Cyprus.

2. **Economic criteria:** Turkey can be considered as a functioning market economy. It should be able to cope with competitive pressures and market forces within the Union in the medium term, provided that it implements its comprehensive reform programme in order to address structural weaknesses. Economic growth remained robust due to increased exports and business confidence was strong. The strength of the lira and fiscal discipline enabled a reduction in public debt. The central bank led a cautious and responsible monetary policy. Foreign direct investment grew significantly, notably in the form of purchases of Turkish companies by foreign entities, and has played a greater role in reducing risks related to macroeconomic imbalances. However, a tax relief and higher infrastructure spending led to a fiscal loosening in 2007. Inflationary pressures have increased. Structural rigidities in the labour market and fiscal pressure on labour hamper job creation in the formal sector of the economy, in particular for the employment of women.
3. **EU legal order:** Turkey has further improved its ability to take on the obligations of membership. Owing to Turkey's non-compliance with its obligations related to the additional protocol to the Ankara Agreement, in December 2006, the EU decided to freeze eight chapters of the negotiations, but to continue with the other chapters. Progress was made in most areas, in particular in the chapters on free movement of goods, financial services, trans-European Networks, and science and research. However, alignment needs to be pursued, especially in areas such as free movement of services, state aid, agriculture, fisheries, food safety, veterinary and phytosanitary policies, and the environment. The fulfilment of short-term priorities under the Accession Partnership is lagging behind in many areas.

EU Financial Assistance under the Instrument for Pre-Accession Assistance (IPA): Turkey should benefit from the following amounts during the 2007-2011 period, in accordance with the envelope planned by the IAP:

- 2007 : EUR 497.2 million
- 2008 : EUR 538.7 million
- 2009 : EUR 566.4 million
- 2010 : EUR 653.7 million
- 2011 : EUR 781.9 million

Total : EUR 3037.9 million