Turkey: membership application, 12 April 1987

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PURPOSE: Presentation of the 1999 Report from the Commission on Turkey's progress towards accession. CONTENT : This Regular Report takes account of the conclusions of the Copenhagen European Council and: - describes the relations between Turkey and the Union, particularly in the framework of the Association Agreement; - analyses the situation in respect of the Copenhagen political criteria (democracy, rule of law, human rights, protection of minorities) - Assesses the situation with regard to the economic criteria set by the Copenhagen Council (functioning market economy, capacity to cope with competitive pressures and market forces within the Union.) - Addresses the question of Turkey's ability to assume the acquis communautaire - Gives a general evaluation of Turkey's situation and prospects on the road to accession with particular reference to the European strategy set out in the Commission communication of March 1998. - Covers judicial and administrative capacity as requested by the Madrid European Council. Since the adoption of the last Regular Report, bilateral relations have developed without any major change. Although the Luxembourg European Council's conclusions on Turkey's candidacy brought political dialogue to a halt, regular meetings take place on the implementation of the European Strategy. Given the deadlock on the political level, the Association Council has not been able to hold a meeting since April 1997. Despite the EU Presidency's efforts the European Council of Cologne has not been able to agree conclusions on Turkey's candidacy. The arrest and trial of the PKK leader, Abdullah Ocalan, as well as the death sentence pronounced by Ankara State Security Court in June 1999 have also marked EU-Turkey relations. Other factors affecting bilateral relations include the earthquake in August 1999, when financial assistance was offered to Turkey, and recent positive developments in relations between Turkey and Greece. Analysis shows that although the basic features of a democratic system exist in Turkey, it still does not meet the Copenhagen political criteria. There are serious shortcomings in respect of human rights and minorities. Torture is not systematic but is still widespread and the authorities regularly restrict freedom of expression. The National Security Council has a major role. Despite some improvements in terms of judicial independence, the emergency courts system remains in place. Some new laws regulating the justice system and human rights have recently been adopted, and the Commission hopes that their positive impact will be extended to the Kurdish minority and will not be undone by the carrying out of the death sentence against Abdullah Ocalan. Turkey should be able to cope, albeit with difficulties, with competitive pressures and market forces within the Union, but there needs to be further progress towards the implementation of a structural and legal reform programme. Public deficit and inflation have been reduced, the latter through a change in wageand price indexation. Revenue collection procedures have improved. The constitution has been changed to permit international arbitration, which should facilitate privatisation of the electricity sector and remove an important impediment to foreign direct investment. Priority should be given to the reduction of inflationary pressures and fiscal deficits in order to reduce real interest rates and the high financing needs of the public sector, which are crowding out private sector investment. The uneven distribution of income and the huge regional disparities impede sound economic development. Turkey's economic performance within the customs union has been smooth. With regard to adoption of the acquis, the Report looks at sectors covered by the customs union, by the European strategy and by other sectors. The customs union continues to form the backbone of the relationship between the EU and Turkey. As a result of an unfavourable external environment, Turkey has experienced difficulties in sustaining its exports to some of its major trading partners. Turkey's exports to the EU posted growth of 2.4% partly compensating for the loss in exports to some other destinations. Alignment efforts on the acquis continue in most of the areas identified in the European strategy. Much needs to be done in fields such as the internal market, particularly as regards public procurement, agriculture, transport and environment. As regards sectors not covered by the customs union or the European strategy, effective alignment on the acquis cannot be expected at this stage. Turkey's administrative capacity to apply the acquis in the context of the customs union remains very satisfactory. Further efforts are needed in terms of modernisation of the structures and staff training.