

## Commission Opinion on Turkey's request for accession to the Community (20 December 1989)

**Caption:** On 20 December 1989, in response to Turkey's application for accession to the European Communities submitted on 14 April 1987, the European Commission delivers a negative opinion on the opening of accession negotiations, citing both economic and political reasons.

**Source:** Commission of the European Communities. Commission opinion on Turkey's request for accession to the Community, SEC (89) 2290 final. Brussels: 20.12.1989.

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### Introduction

1. On 14 April 1987 the Turkish Government sent to the Community Turkey's application for accession to the Community on the basis of Article 237 of the EEC Treaty, Article 98 of the ECSC Treaty and Article 205 of the EAEC Treaty.

On 27 April of that year the Council took note of Turkey's application and asked the Commission for the Opinion required by the Treaties.

The Commission instructed its departments to gather all the information and documentation needed to assess the consequences and implications of Turkish accession. The results are contained in the report on the structure and development of the Turkish economy, which is annexed to this Opinion.

The conclusions drawn from that report and from an examination of the political situation in Turkey form the basis for the Opinion on Turkey's application for accession to the Community.

2. The implications of any position the Community adopts concerning a further enlargement of the Community of Twelve will be greater than those of the positions adopted with regard to previous applications for accession, on account both of the new ambitions of European integration resulting from the Single Act and of the increased rights and obligations which now apply to the status of Member State.

This obliges the Commission to pursue its reflections on Turkey's application for accession in the broader context of a batch of actual or potential applications in respect of which the Community must adopt an overall strategy.

### I. General Considerations

3. Since its third enlargement and the entry into force of the Single Act, the Community has been in a state of flux. It has entered into a new stage in its development which, on account of the importance of the objectives at stake, requires all its energy. Indeed, the success of this stage will make it possible subsequently to achieve European union, the ultimate objective of the Treaties.

The tasks involved are great and complex, since the completion of the single market must be accompanied by major progress, not only towards economic and monetary union, but also towards political union, along the lines of the mission which the Community has given itself of reducing tensions and divisions in Europe.

4. The Community is progressing in accordance with the objectives of the Single Act on the road towards economic and monetary union and European union, is improving the operation of its institutions and is thereby reconciling enlargement and consolidation.

Only when it has carried out an objective assessment of the results achieved in this respect will the Community have at its disposal one component of the data on which it will be required to base its assessment of any further enlargement.<sup>1</sup> There should be reservations about taking any premature step here as the consequences could be very serious for the Community.

This reason alone is sufficient for the Commission to consider that it would be unwise, with regard both to the candidate countries and to the Member States, to envisage the Community becoming involved in new accession negotiations before 1993 at the earliest, except in exceptional circumstances.

5. In order to take an informed decision on the opening of accession negotiations, the Community will have to engage in in-depth political consideration of the implications for the architecture of an enlarged Europe and the functioning of the Community. With the existing institutional mechanisms, such an enlargement

would run the risk of weakening the Community's capacity to pursue the internal and external policies required for the very success of the Single Act. Thus the question will be whether the Community can adapt its institutional operation in such a way as to enable it to welcome within its fold new members without running the risk of weakening its management and decision-making capacity.

Thus complex and delicate deliberations will have to take place within the Community institutions. These deliberations would inevitably compete with the pursuit of the priority objectives of the Single Act, if an attempt were made to force the pace and rush matters.

Unless we enter into purely formal negotiations, the fundamental questions being held back for a later stage - an approach which the Commission would not recommend - the interests of all parties require us first to strive towards the implementation of the Single Act and to postpone until later a thoroughgoing debate on the case for the accession of the candidate countries.

The Community cannot, however, limit itself to such an attitude. The fact, that negotiations cannot be opened at this stage should be accompanied by a set of proposals which would not mean that our partners must abandon their aim of accession and would offer them the possibility of entering into a new stage along the road of a closer association between their country and the Community.

## II. Opening of Accession Negotiations

6. The Commission believes that any decision to open negotiations with a particular country must be based on a strong conviction that a positive conclusion is possible, indeed probable, within a reasonable period. This presupposes first that the candidate country is considered capable, at the end of a traditional transitional period, of bearing all the constraints and disciplines now applying to Member States, since otherwise the further progress of the Community would be hampered, and second that the Community is in a position to cope with the problems which the integration, albeit progressive, of the candidate into the Community would raise.

In the particular case of Turkey, these two aspects are all the more significant in that Turkey is a large country - it has a greater geographical area and will eventually have a bigger population than any Community Member State<sup>2</sup> - and its general level of development is substantially lower than the European average.<sup>3</sup>

Turkey's economic and political situation, as far as the Commission can evaluate it in the last quarter of 1989, does not convince it that the adjustment problems which would confront Turkey if it were to accede to the Community could be overcome in the medium term, despite the positive features of the recent developments in Turkey.

### 8. Economic context<sup>4</sup>

Since 1980 the Turkish economy has made a remarkable leap forward. GDP has increased by 5.2% a year (average for the period 1981-88), compared with 2.0% a year for the Twelve.

Exports have increased very rapidly and their structure has been diversified: 80% of exports are now manufactured products. In 1988 Turkey managed for the first time since the war to achieve a surplus on its current account.

There has been a definite improvement in economic infrastructure (roads, electricity, telephone, aviation, irrigation).

These results have been achieved thanks to an economic policy aimed at modernizing the country and integrating it more in the international economy.

8.1. The progress achieved by Turkey should continue in order to enable it to face up to the adjustment

problems which confront it.

Four kinds of difficulties will have to be overcome:

- very major structural disparities, in both agriculture and industry;
- macro-economic imbalances, which have worsened this year;
- high levels of industrial protectionism;
- a low level of social protection.

In spite of the progress achieved since 1980, there is still a substantial development gap between the Community and Turkey, such that a comparison of GDP per head reveals that purchasing power in Turkey is one third of the Community average.

This gap, which does not seem likely to be reduced rapidly, given the rapid population growth in Turkey and in spite of efforts to slow it down, is also reflected in the breakdown of employment - more than 50% of the labour force is employed in agriculture - and the low level of productivity.

If Turkey has succeeded since 1980 in stabilizing its external debt and improving its trade balance, it has not succeeded in achieving macro-economic balance, with Turkey suffering simultaneously from a rate of inflation several times higher than the Community and an extremely high rate of unemployment.

Turkish industry has been able to develop thanks to a level of protection substantially higher than in the Community. To avoid endangering the survival of whole sectors of its industry, Turkey has slowed down the timetable for liberalization and customs union laid down in the Ankara Agreement, and has even introduced a new system of import taxes contrary to the provisions of the Agreement.

In spite of the major efforts at public investment, financed to a great extent by recourse to budget deficits, and a high level of industrial growth, the level of unemployment is still cause for concern, as is the probable trend of unemployment given the high rate of population growth.

The low level of personal incomes naturally has an impact on the social situation of workers and this would make it difficult for Turkey to align itself within a short period on the social standards which the Community has adopted or is about to adopt.

These are the major questions raised by the economic situation and the structural data in connection with the prospect of Turkey acceding to the Community and with its capacity, within a short period, to face up to the constraints of the Community economy, made more severe by the implementation of the Single Act.

As long as these disparities continue to exist, there will be reason to fear that Turkey would experience serious difficulties in taking on the obligations resulting from the Community's economic and social policies.

8.2. These doubts are accompanied by the concern the Community may feel regarding the burden Turkish accession would impose on its own resources.

The additional budgetary burden, notably that resulting from the inclusion of Turkey in the structural funds, would be even greater than at the time of the last accessions, given Turkey's size and level of development.

Access of Turkish Labour to the Community labour market, which would eventually have to come about, even if only at the end of a transitional period, gives rise to fears, particularly while unemployment remains at a high level within the Community.

## 9. Political context

Since the military coup in 1980, Turkey has adopted a new constitution. The system set up by a series of

reforms and on the occasion of, or following, various elections, has resulted in a parliamentary democracy closer to Community models.

Public life is still marked, however, by the weight of legislation which, while containing provisions similar to those which prevail within the Community, has still to become open to the whole range of political forces in Turkey and to the trade unions.

Although there have been developments in recent years in the human rights situation and in respect for the identity of minorities, these have not yet reached the level required in a democracy.

Examination of the political aspects of the accession of Turkey would be incomplete if it did not consider the negative effects of the dispute between Turkey and one Member State of the Community, and also the situation in Cyprus, on which the European Council has just expressed its concern once again. At issue are the unity, independence, sovereignty and territorial integrity of Cyprus, in accordance with the relevant resolutions of the United Nations.

### III. Conclusions

10. As stated in the general considerations, the Commission is of the opinion that it would be inappropriate for the Community - which is itself undergoing major changes while the whole of Europe is in a state of flux - to become involved in new accession negotiations at this stage.

11. Furthermore, the political and economic situation in Turkey leads the Commission to believe that it would not be useful to open accession negotiations with Turkey straight away.

12. The Commission does believe, however, that the Community should pursue its cooperation with Turkey, given that country's general opening towards Europe.

The Community has a fundamental interest in intensifying its relations with Turkey and helping it to complete as soon as possible its process of political and economic modernization. Turkey, associated with the Community, is a large expanding country; it is also one of the Member States' partners in the Atlantic alliance, occupying a strategically important geopolitical position.

13. To contribute to the success of Turkey's modernization efforts, the Commission recommends that the Community propose to Turkey a series of substantial measures which, without casting doubt on its eligibility for membership of the Community, would enable both partners to enter now on the road towards increased interdependence and integration, in accordance with the political will shown at the time of the signing of the Ankara Treaty.

These measures will focus on the following four aspects corresponding to Turkey's aspirations and needs: completion of the customs union, the resumption and intensification of financial cooperation, the promotion of industrial and technological cooperation, and the strengthening of political and cultural links. These measures should be situated in the framework of the Association Agreement which currently governs relations between Turkey and the Community.

13.1. The completion in 1995 of the customs union, in accordance with the provisions of the Agreement, would require the Community to review the arrangements for trade in Turkish textiles and agricultural products. It will have to involve the adoption by Turkey of the common policies essential for the proper operation of the customs union.

Progressive completion of the Customs union will give the Community the opportunity to associate Turkey more closely with the operation of the single market, while taking into account the constraints imposed by the economic disparities between Turkey and the Community. This requires a strengthening of the machinery for agreeing concerted economic and social policies between the Turkish Government and the Community institutions.

13.2. Financial cooperation should be revitalized by releasing the resources of the fourth Financial Protocol. The Community should further reflect on the possibility of unilaterally granting loans pursuant to Article 18 of the Statute of the EIB for the financing of infrastructure projects of interest to both Turkey and the Community.

13.3. Using the various means at its disposal, notably risk capital, the Community should encourage closer industrial cooperation and direct investment. Completion of the customs union should make an important contribution to the attainment of these goals.

In the same spirit the Community and Turkey should strengthen their cooperation in the field of science and technology. To this end the Community should offer to allow Turkey to participate, in line with its needs and resources, in Community research programmes.

13.4. The intensification of political links between the Community and Turkey, extending beyond the current framework of political dialogue, should be an objective. A further possibility might be ad hoc procedures intended to involve Turkey in discussions on issues which are of particular interest for Turkey and the Community or on which one of the parties has information of interest to the other.

It would also be appropriate to intensify the training and cultural links between the Community and Turkey, with a view to contributing to improved mutual understanding. To this end Turkey could usefully be associated with certain Community programmes.

Taken together these actions, and the spirit in which they are implemented, will bear witness to the will of the two partners to build their future in common.

1. The other data relate to the individual candidate countries.
2. 53 million in 1988; projected population of 68 million in the year 2000.
3. See Annex: "Structure and development of the Turkish economy"
4. See Annex: "Structure and development of the Turkish economy".