

Introduction: What is the EU-Turkey relation?

- Turkey remains a key partner for the European Union.
- Association Agreement (1964) - customs union (1995) - status of candidate country (1999) - accession negotiations (2005)
- At the EU-Turkey Summit of 29 November 2015, the EU and Turkey decided to reinvigorate and deepen their relations in all key areas of joint interest.

1. Political Criteria and Enhanced Political Dialogue: which are the political recommendations of the Commission?

- **Democracy**

-Parliament: key pieces of legislation were not in line with European standards (law on data protection, law allowing the immunity of a large number of deputies to be lifted)

-Governance: fight against PKK → settlement through a political process, reconciliation and reconstruction

- Civil society: intimidation, detentions → systematic and inclusive mechanisms for consulting civil society, notably on new legislation, need to be put in

- **Public administration reform:** moderately prepared - backsliding in the area of public service and human resources management → ensure that any allegation of wrongdoing is examined, safeguard the right of every individual to a fair trial, change the legislation in order to introduce merit-based, competitive recruitment, conduct impact assessments for planning documents

- **Rule of law**

- Functioning of the judiciary: early stage/some level of preparation - backsliding to the independence of the judiciary → independent and impartial, separation of powers.
- Fight against corruption: some level of preparation - gaps of the legal framework - influence on the investigation and prosecution of high-profile corruption cases
- Fight against organised crime: some level of preparation → criminal and anti-terror legislation should be aligned with ECHR

- **Human rights and the protection of minorities:** violations of the prohibition of torture and ill-treatment and of procedural rights, gender-based violence, discrimination, hate speech against minorities, hate crime and violations of human rights of LGBTI → need to adopt a fully comprehensive dedicated law on combating discrimination.
- Freedom of expression: backsliding - criminal cases against journalists, writers or social media users, withdrawal of accreditations, high numbers of arrests of journalists, closure of numerous media outlets
- **Regional issues and international obligations**
 - Peaceful settlement of border disputes- Regional cooperation
 - Cyprus: still not fulfilled its obligation to ensure full and non-discriminatory implementation of the Additional Protocol to the Association Agreement and has not removed all obstacles to the free movement of goods, including restrictions on direct transport links with Cyprus - no progress on normalising bilateral relations with the Republic of Cyprus.

2. **Economic Criteria: Which are the major economic issues pointed out by the Commission?**

- **The existence of a functioning market economy:** The Turkish economy is well advanced and can be considered a functioning market economy – backsliding: large external deficit – high inflation- high unemployment- deterioration of business environment → implementation of structural reforms to improve the functioning of the markets for goods, services and labour
- **The capacity to cope with competitive pressure and market forces within the Union:** Turkey's trade and economic integration with the EU is high and increased further in 2015, namely it was the EU's 4th main export market and number 6 in terms of import - good level of preparation - some progress - the lira's real appreciation has reduced Turkey's international price competitiveness.

A Short Glance at Turkey`s Ability to Assume the Obligations of Membership

Acquis Communautaire Chapters 1-23

| Chapter | | Scale of Preparation | Scale of Progress | Status |
|---------|-----------------------------------|----------------------|-------------------|---------|
| 1. | Free Movement of Goods | Good | Some | BLOCKED |
| 2. | Freedom of movement for workers | Early | None | BLOCKED |
| 3. | Right of establishment | Early | Some | BLOCKED |
| 4. | Free movement of capital | Moderate | Some | OPEN |
| 5. | Public Procurement | Moderate | Some | BLOCKED |
| 6. | Company Law | Well | Good | OPEN |
| 7. | Intellectual Property Law | Good | Some | OPEN |
| 8. | Competition Policy | Some | None | BLOCKED |
| 9. | Financial Services | Good | Some | BLOCKED |
| 10. | Information Society and Media | Moderate | Some | OPEN |
| 11. | Agriculture and Rural Development | Some | Some | BLOCKED |
| 12. | Food Safety | Some | None | OPEN |
| 13. | Fisheries | Early | Some | BLOCKED |
| 14. | Transport Policy | Moderate | Some | BLOCKED |
| 15. | Energy | Moderate | Good | BLOCKED |
| 16. | Taxation | Moderate | None | OPEN |
| 17. | Economic and Monetary Policy | Moderate | None | BLOCKED |
| 18. | Statistics | Moderate | Some | OPEN |
| 19. | Social Policy and Employment | Moderate | Some | BLOCKED |
| 20. | Enterprise and Industrial Policy | Good | Some | OPEN |
| 21. | Trans-European Networks | Well | Good | OPEN |
| 22. | Regional Policy | Moderate | Some | Open |
| 23. | Judiciary and fundamental rights | Some | Backsliding | BLOCKED |

In general, the negotiations seem infinitely long mainly because of:

1. Majority of chapters were blocked by Council of the European Union (2006), France (2007), and Cyprus (2009)
2. Cyprus Problem. The fact that Turkey has not directly recognised RoC creates a great amount of obstacles.
3. Turkish protectionism/foot dragging to adopt necessary legislations or to implement them accordingly.
4. Disproportionate reaction to coup attempt which includes violations of the European Convention of Human Rights (ECHR)

Chapter 1: Free Movement of Goods / Some Progress

The existence of export restrictions and requirements related to registration, prior approval, licensing and surveillance.

Illustration: A risk-based electronic import control system, TAREKS, held back an increasing amount of EU goods. Quality Framework law needs to be updated.

Chapter 2: Free Movement of Workers / No Progress

Chapter 3: Right of establishment and freedom to provide services / Some Progress

The requirement to obtain a work permit remains in place for self-employed EU nationals. Similarly, registration, licensing and authorisation requirements for EU service-providers.

Chapter 4: Free movement of Capital / Some Progress

The legislation on real estate acquisition is not aligned with *acquis* and restricts the rights of a number of Member State's nationals.

Foreign ownership is subject to restrictions in critical sectors like media, education, transport and electricity market.

Chapter 5: Public Procurement / Some Progress

Use of domestic price advantage on medium or high technology goods has tripled in the last year according to Turkey's 10th Development Plan (2014-2018)

Chapter 6: Company Law / Good Progress

Technical alignments must be finalized.

Chapter 7: Intellectual Property Law / Some Progress

The treatment of foreign producers, public performance rights and reproduction rights are still problematic. The draft copyright law is still pending.

Chapter 8: Competition Policy / No Progress

Regulation of state aid law remains problematic.

The General Directorate for State Aid is attached to Prime Ministry and considered 'not operationally independent.'

State-owned enterprises are found against liberalisation act.

Chapter 9: Financial Services / Some Progress

Liquidation process for the Asya bank has created ‘perceptions of a politically motivated decision.’
The Banking Regulatory and Supervisory Agency is itself under investigation following the coup attempt.

Chapter 10: Information Society and Media / Some Progress

Insufficient protection of freedom of rights and overregulation.
Radio Television Supreme Council (RTÜK) imposed sanction on the grounds of praising terrorism, ‘particularly Kurdish language and independent channels.’
More than 30 TV and radio stations ‘known for being critical towards government’ were dropped from the state-owned satellite distribution system.

Chapter 11: Agriculture and Rural Development / Some Progress

Restrictions on imports of live cattle and beef.

Chapter 12: Food safety, veterinary and phytosanitary policy / No Progress

A national programme and monitoring plan for food establishments and animal welfare remained unsatisfactory.

Chapter 13: Fisheries / Some Progress

The draft fishery law must be adopted

Chapter 14: Transport Policy / Some Progress

State ownership in railway sector is found problematic.
Accident Investigation body and TCDD Transportation Company lack sufficient independence from Ministry of Transport.
The lack of communication in air traffic endangers the safety.

Chapter 15: Energy / Good Progress

Turkey is on its way to ‘full integration with the EU’s electricity market.’

Chapter 16: Taxation / No Progress

Legislative alignment with *acquis* is necessary.
Chapter 17: Economic and Monetary Policy / No Progress
Political pressures on the central bank persisted, undermining its independence and credibility.
Lack of information sharing on economic reform programme

Chapter 18: Statistics / Some Progress

Lack of information sharing with Eurostat in recent years.

Chapter 19: Social Policy and Employment / Some Progress

Lack of right to strike for public servants are ‘contrary to European standards.’
High gender and minority discriminations at work persist.
Child labour persists, ‘including in its worst forms.’

Chapter 20: Enterprise and Industrial Policy / Some Progress

Limited implementation to better regulate the business environment.

The large informal economy remains a concern.

Chapter 21: Trans-European Networks / Good Progress

Constructions of gas interconnectors with Iraq and Bulgaria are on-going. Russian backed Turkish stream project is reinitiated.

Chapter 22: Regional Policy and the coordination of structural instruments / Some Progress

A further alignment with acquis on investment policies is needed.

Chapter 23: Judiciary and Fundamental Rights / Backsliding

Recent legal changes undermine ‘the independence of the judiciary and the principle of separation of power.

Developments in the area of prevention of torture and ill-treatment , in particular after 15 July, are of serious concern.

Lack of transparency notably as regards ‘the respect of the presumption of innocence, the right to defence, the right to a fair trial...

High Council of Judges and Prosecutors (HSYK):

1. The Justice Minister’s right to veto is a ‘source of major concern’
2. Challenging the Constitutional Court have continued ‘as a regular practice.’
3. Self-censorship appears to be spreading among judges and prosecutors
4. Recent developments strengthen the perception of high courts becoming instruments of the executive.

CHAPTER 23 Fundamental rights

Turkey shows serious backsliding in the area of fundamental rights.

Important event: Coup Attempt 15 July, State of Emergency

After 2015 one year period in Turkey contains considerable changes in terms of human rights. Since 2015 ECtHR has detected violation of ECHR in 75 cases. These violations consists of important areas like the right to life, prohibition of torture, right to liberty and security, right to a fair trial, right to respect for private and family life, freedom of thought conscience and religion, freedom of peaceful assembly, prohibition of discrimination and protection of property.

Also there are some ratification in some protocol and institutional renovation. The National Human Rights Institution was replaced by a National Human Rights and Equality Institution established in April 2016. Institution's board members are not yet elected; cases of alleged violations are currently not being followed up.

Also in the country there is the possibility to reinstate the death penalty which creates big threat for fundamental human rights.

Constitutional Court's ruling to annul a provision that punishes all sexual acts against children under the age of 15 as "sexual abuse". This decision later received great public reaction.

Turkey shows serious backsliding in the area of Freedom of expression. There is a huge concern about restrictive implements against to media representatives. Since the coup attempt, many journalists have been arrested. Many television channels, radio stations and newspapers have been closed because of allegation of their link to the terrorist organizations. By the end of October, 2500 journalist lost their jobs, 46 TV channels, 5 news agencies, 55 papers and 18 magazines were closed.

The government has imposed blackout in media in a several times. Twitter and YouTube was banned in 2015.

LGBTI marches in Ankara and in Istanbul were banned in 2016. The Constitution provides for freedom of association. However, in practice this is restricted.

Problems with gender equality continue to increase. No concrete progress has been made to prevent domestic violence against women. Domestic violence led to death of 413 women in 2015.

A new law has been created to allow disabled citizens to participate in social life but there are still problems for disabled citizens especially in access to higher education.

Chapter 24: Justice, freedom and security

Turkey is moderately prepared and there was good progress in the past year.

The country has provided humanitarian assistance for the Syrian refugees. There are safe areas for the Syrians on the border of the country with Syria. With the refugee agreement, Turkey adopted a regulation giving Syrians under temporary protection access to the labor market, although under some conditions and limitations.

Visa policy and Schengen area-Turkey adopted some legislation in March but they are not yet in line with European standards.

Witness protection law still does not have enough developments.

Fight against terrorism-Turkey improved its rules on countering the financing of terrorism in line with Financial Action Task Force (FATF) recommendations. Turkey's legislation on terrorism complies with the revised FATF standards and should be aligned with the ECHR.

Chapter 25: Science and research

Turkey is well advanced in preparations on science and research

Turkey participates in the EU research and innovation program Horizon 2020, Based on recent statistics, Turkey's participation in Horizon 2020 has achieved good results but there is room for further improvement. The level of investment in research has increased and stands at 1.01 % of GDP, which is below the EU average.

Chapter 26: Education and culture

Turkey is moderately prepared on education and culture.

Turkey still needs to increase participation in education at all levels, especially for girls and children from disadvantaged groups. After the coup attempt of 15 July resulted in considerable staff dismissals and changes in many education institutions, which will have long-term impacts. Some schools, youth organizations and higher education institutions were also closed.

Chapter 27: Environment and climate change

Turkey is at some level of preparation.

There was some progress, mainly in increasing capacity in waste management and waste-water treatment. More ambitious and better coordinated environment and climate policies still need to be established and implemented. On air quality, national legislation still needs to be adopted in line with the current directives on ambient air quality.

Waste management's legal framework is mostly aligned with the EU standards. Turkey needs to ratify nature protection, the national biodiversity strategy and the action plan. In the area of Industrial pollution and risk management, Turkey is at an early stage.

Chapter 28: Health and consumer protection

Turkey is on good level of preparation.

There has been some progress on legislative alignment and the establishment of structures needs to implement the EU acquis in both areas. Despite the improvements in consumer protection and product safety, progress is still required. Intensive awareness-raising efforts have continued on the dangers of tobacco use, physical inactivity, and unbalanced diets. The government effectively uses public spots to raise awareness of citizens.

Chapter 29: Customs union

Turkey has a good level of preparation in the area of the Customs Union, but there is no progress was made in the area of customs legislation.

The customs law and structure of Turkey is still not in line with the European acquis. On the other hand there are important works to increase security and prevent smuggling in the country.

Chapter 30: External relations

Turkey is on a good level of preparation in the area of external relations. There was some progress in the reporting period.

Turkey ratified the World Trade Organisation (WTO) Trade Facilitation Agreement. However, Turkish customs duties for a large number of products deviate from the Common Customs Tariff (CCT), infringing the Customs Union.

Turkey applies additional duties to a large number of products imported despite Common Custom Tariff. Also there is no updated control legislation in line with the EU acquis.

Turkey continues its positive relations with the third countries. Turkey signed a free trade agreement with Singapore. Turkey continued to unilaterally implement its free trade agreement with Malaysia

Chapter 31: Foreign, security and defense policy

Turkey is moderately prepared as regards the alignment with the EU in the area of foreign, security and defense policy.

Turkey intensified its relations with Saudi Arabia through the establishment of a bilateral Strategic Cooperation Council. In June Turkey and Israel formally normalized relations. Turkey was vocal in its support for Azerbaijan during clashes in April 2016 in Nagorno-Karabakh. Turkey's operations against the Da'esh and the PKK on the Iraqi border were caused tension between the two countries. Broken relation, between Turkey and Russia after downing of Russian jet started again in June.

Chapter 32: Financial control

Turkey has achieved a good level of preparation in the area of financial control.

There are some shortcomings in the implementation and progress of plans adopted from the European Union. (PIFC)

Internal audit is regulated in the PIFC law, generally in line with international standards. Many important institutions in the country still do not have internal auditors. (The Prime Minister's Office)

In the area of External Audit-After the coup attempt, many TCA staffs were dismissed. This may lead to a weakening of the external audit capacity of the TCA. On the other hand institution still aligns with EU's standards.

The national anti-fraud coordination service (AFCOS) is an independent unit under the Prime Minister's Office. Turkey cooperated with the European Commission investigators in various cases in 2015, but AFCOS will need to improve its cooperation with the Commission.

Chapter 33: Financial and budgetary provisions

Turkey has reached some level of preparation in the area of financial and budgetary provisions. There is still need to preparations in the field of the value added tax-based resource.