



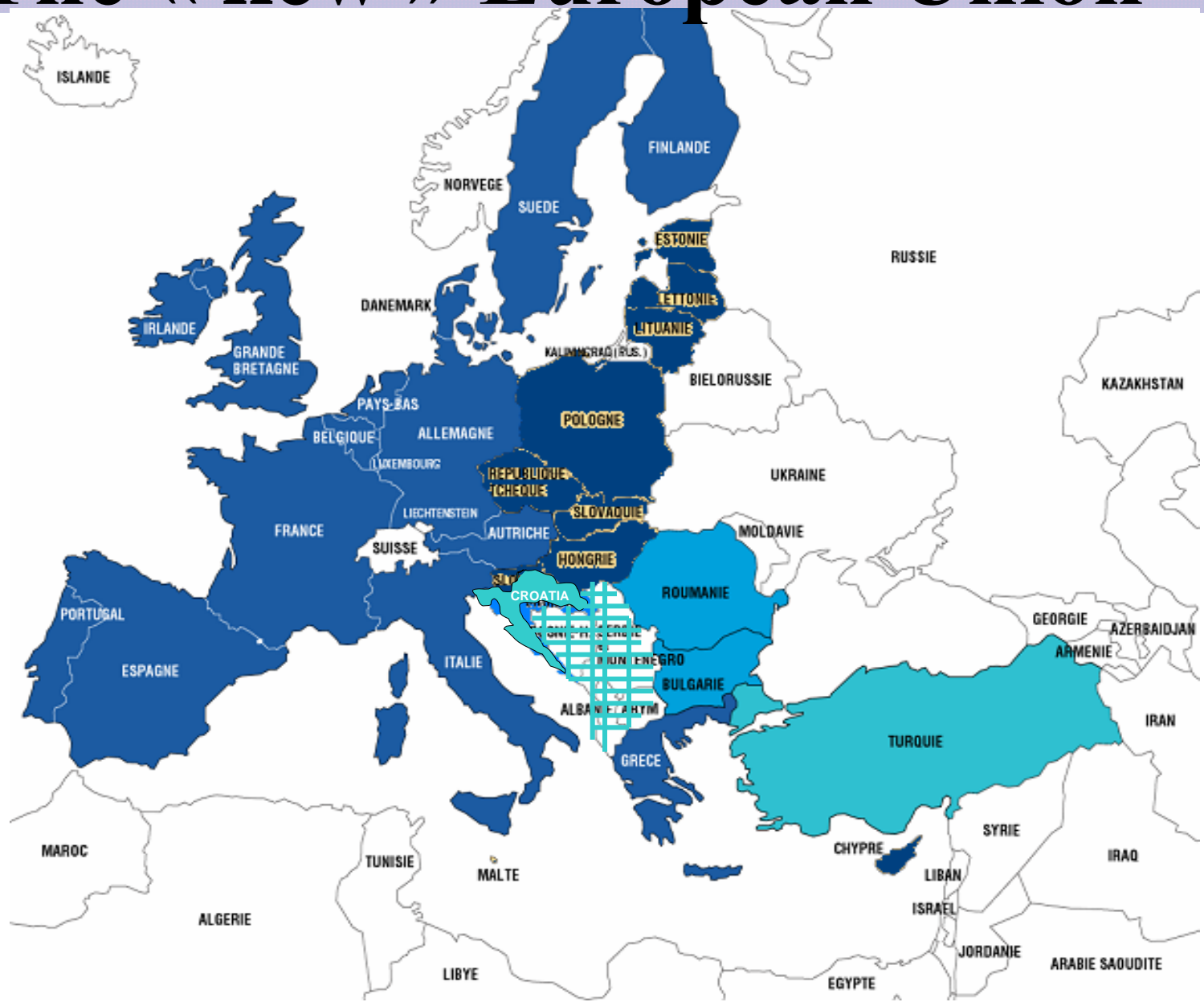
# EU Enlargement and Turkey's prospects

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**<http://europa.eu.int/comm/enlargement/index.htm>**

# The « new » European Union



EU-15



1.5.2004



1.1.2007



EXPECTED..



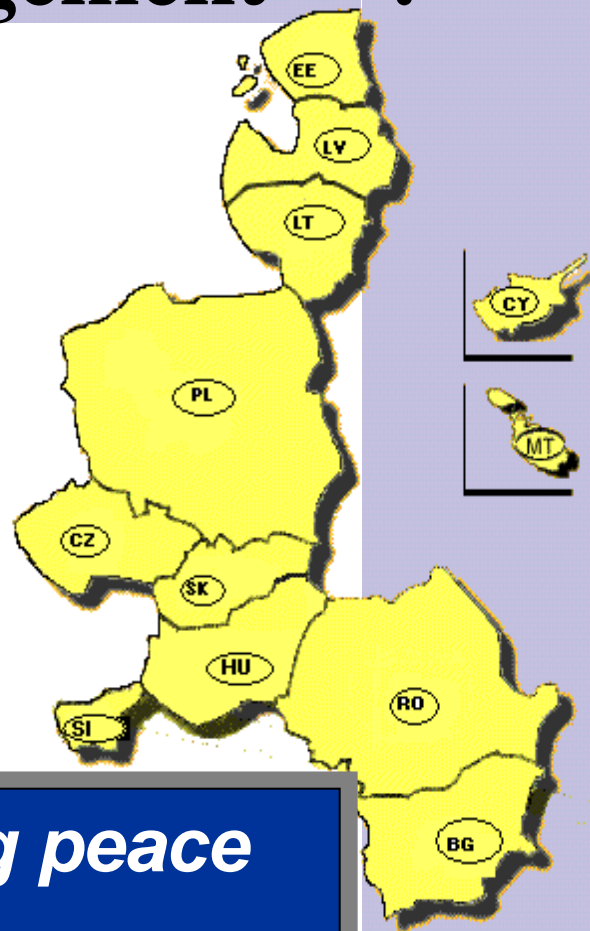
# 1 May 2004, the “fifth enlargement”\*:

**10 new Member States**

**population growth : 28%**  
**Territorial growth : 34%**

**EU GDP growth: 4.4%**  
**EU GDP per head: -13%**

**A “unified Europe, in long-lasting peace  
after a split lasted 40 years**



*\*The previous enlargements:*

*1973: DK, UK and IRL ; 1981: GR ;  
1986: SP and P; 1995: FIN, SW and AU*

# The « new » European Union



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# Legal basis

*The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States.*

*Any European State which respects [such] principles may apply to become a member of the Union.*

*Articles 6 and 49 of UE Treaty*

# Legal basis

*[the applicant State] shall address its application to the Council, which shall act unanimously after consulting the Commission and after receiving the assent of the European Parliament, [...]*

*The conditions of admission and the adjustments to the Treaties on which the Union is founded, which such admission entails, shall be the subject of an agreement between the Member States and the applicant State. This agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements.*

# Enlargement methodology

## *1) Financial support*

- **PHARE**: Set up in 1989. Main pre-accession instrument to assist candidate countries in their preparation for joining the European Union. Focuses on: 1) **Institution Building** (strengthening democratic institutions and public administration and 2) **Investments** in (i) infrastructure and (ii) in economic and social cohesion.
- **As from 2007 an integrated Pre-Accession Instrument (IPA)** to assist candidate (Croatia, Turkey) and potential candidate countries (Western Balkans). It will replace Phare and Turkey pre-accession instruments, as well as CARDS (currently covering the Western Balkans). Aims at a better preparation for Structural, Cohesion and Rural development Funds through progressive using of EU funds rules.

# Pre-accession assistance for Turkey

- Turkey is covered by the **Turkey pre-accession instrument** that has the same features as Phare.
- Allocations for Turkey, 2004/2006 (*in million Euros*):

2004	2005	2006
250	300	500

- As from 2007 an integrated Pre-Accession Instrument to assist candidate (Croatia, Turkey) and potential candidate countries (Western Balkans). It will replace Phare and Turkey pre-accession instruments, as well as CARDS (currently covering the Western Balkans). Aims at a better preparation for Structural, Cohesion and Rural development Funds through progressive emulation of EU funds rules



# Enlargement methodology

## *2) Bilateral trade agreements*

- With central and Eastern Europe: **European Agreements**, with Turkey: **Customs Union**, with Balkans **Stabilisation and Association agreements**
- Agreements on economic, political and trade integration. A general framework for relations candidates/EU.
- Free trade access in the EU for industrial products from candidate countries. Preferential treatment in agriculture. Bilateral institutions set up.
- Obligations to introduce legislative harmonisation in various fields (competition, free movement of capital etc.)

# Bilateral agreements EU-Turkey

- Turkey's applied for association in 1959. The Association Agreement signed in 1963 aims at securing Turkey's full membership through establishment of a Customs Union.
- 1995 Final stage of the Customs Union in industrial and processed agriculture goods achieved.
- Purpose: EC-Turkey trade liberalisation (except agricultural trade); alignment to the Common Commercial Policy; Protection of intellectual property rights; Competition and State Aid; Public Procurement; Taxation
- The EU is Turkey's biggest trading partner with a 52.9% share in TR imports and 49.5% in TR exports.

# Accession criteria

*Copenhagen, 1993:*

- **Political criteria.** The applicant country must have achieved stability of its institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.
- **Economic criteria**  
It must have a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU.
- **Criteria of the adoption of the acquis**  
It must have the ability to take on the obligations related to of membership, including adherence to the aims of political, economic and monetary union.

# Key facts on negotiations

□ To become Members of the EU, Candidate Countries are requested to transpose the whole EU legislation (“*acquis communautaire*” made up of roughly 90,000 pages and 31 thematic **chapters** (they will be 36 as from 2005):

1. Free movement of goods
2. Freedom of movement for persons
3. Freedom to provide services
4. Free movement of capital
5. Company law
6. Competition policy
7. Agriculture
8. Fisheries
9. Transport policy
10. Taxation
11. Economic and monetary union
12. Statistics
13. Social policy and employment
14. Energy
15. Industrial policy
16. SMEs
17. Science and research
18. Education and training
19. Telecommunications and IT
20. Culture and audiovisual policy
21. Regional policy and structural instruments
22. Environment
23. Consumers and health protection
24. Justice and home affairs
25. Customs union
26. External relations
27. Common foreign and security policy
28. Financial control
29. Financial and budgetary provisions
30. Institutions
31. Other

# Transitional periods

□ Limited possibilities for compromise. However, Candidate Countries can be granted **transitional periods** to postpone the alignment to the acquis in some fields (reasons: economic, social, high level of investments requested...).

## *Examples from the 5th enlargement:*

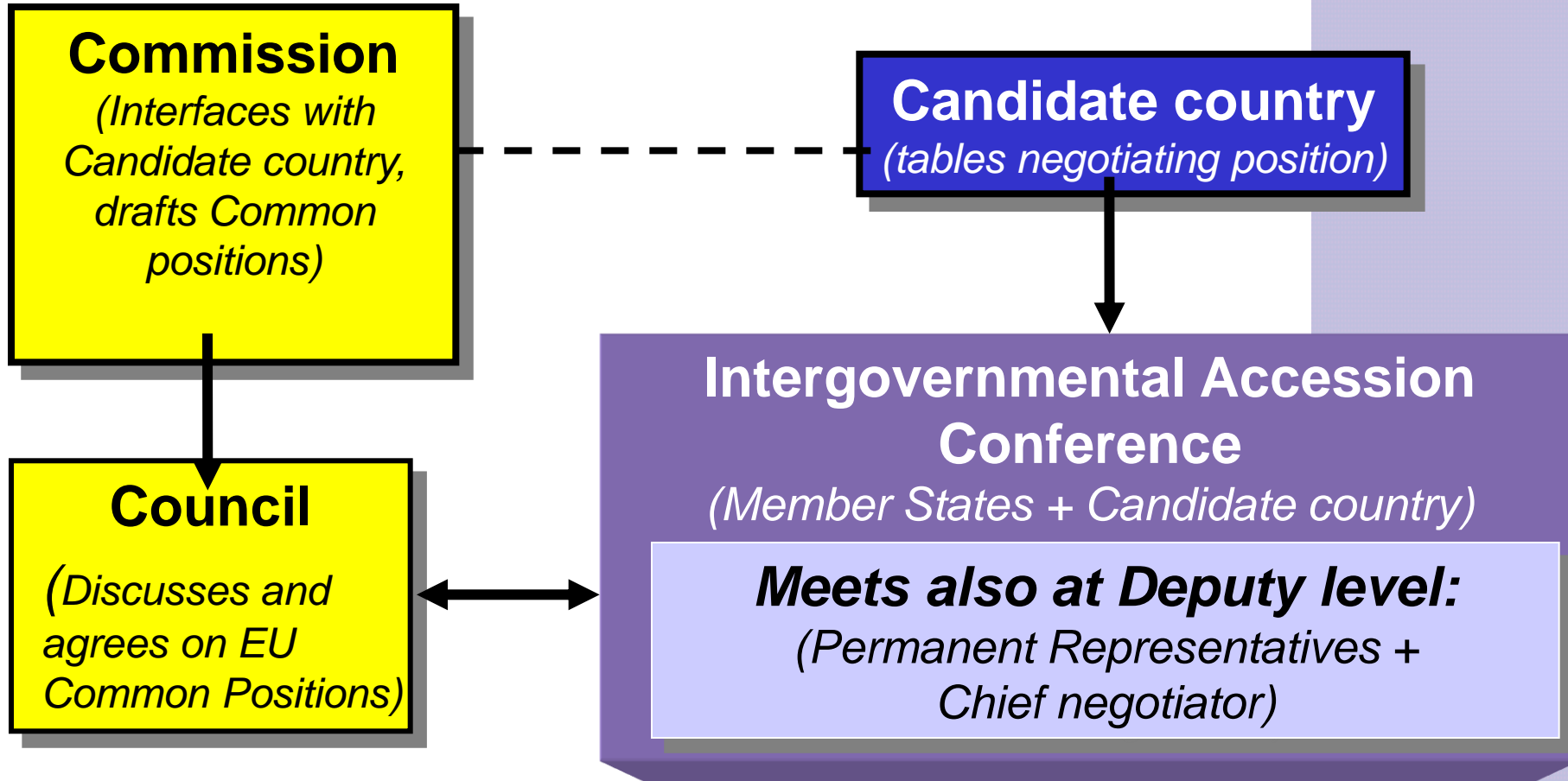
□ The EU-15 Members may impose restrictions on the **free movement of workers** from new Member States for up to seven years after accession.

□ Most new Member States allowed to impose restrictions on the **acquisition of agriculture land** and secondary residences by EU-15 residents for up to 7 years.

□ In some cases, illegal State aid granted was cleared during negotiations under certain conditions.

About **320** transitional periods granted, mostly in three chapters: agriculture, taxation and environment.

# Main actors of negotiations

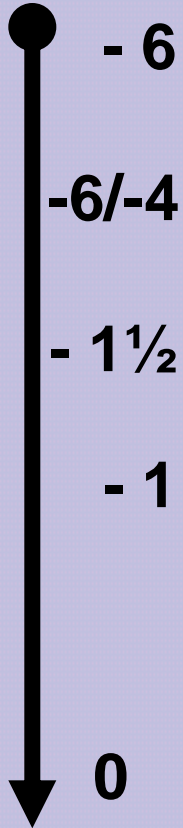


***Chapters are provisionally closed in the Conference  
But 'nothing is agreed until everything is agreed'***

# Chronology (5th enlargement)



- **Screening** (*started in 1998*).
- **Opening of negotiations** (*started between 1998 and 2000, depending on countries*)
- **Final closure of negotiations** after provisional closure of all chapters. (*December 2002 in Copenhagen*)
- **Signature of Accession Treaty**. (*April 2003 in Athens*)
- **Assent** by the EU Parliament and **ratifications** of applicant Parliament + Member State Parliaments (*2003*)
- **Accession**. (*1 May 2004*)
- End of **transitional periods**, accession to **Euro**, lifting of EU **border controls** (Schengen). (*In process*)



**Bulgaria and Romania** should join in 2007.  
Accession treaty to be signed in April 2005

# Turkey and accession, key facts

- Turkey's applies for association in **1959**. The Association Agreement signed in **1963** aims at securing Turkey's **full membership** through establishment of a Customs Union
- Following military coup in **1980**, the Community froze commercial relations. Relations gradually normalised after restoration of civilian government in 1983.
- **1987** Turkey applied for membership. The Commission's opinion in 1989: "*it would not be useful to open accession negotiations with Turkey straight away*".
- **1995** Final stage of the Customs Union in industrial and processed agriculture goods achieved. The EU is Turkey's biggest trading partner with a 52.9% share in TR imports and 49.5% in TR exports.



# Turkey and accession, key facts

- **1997** - Luxembourg European Council confirmed Turkey's eligibility for accession to the European Union. A strategy drawn up to prepare Turkey for accession
- **1999** - Helsinki summit "*... Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States...*"
- **2002** - Copenhagen European Council a decision for opening of accession negotiations to be taken in December 2004. If the political criteria are met, negotiations should start “without delay”. The Commission to draft a recommendation.

# Turkey and accession, key facts

## ○ **6 October 2004:**

In view of overall progress of reforms attained and provided Turkey brings into force outstanding legislation, Commission considers that **Turkey sufficiently fulfils political criteria and recommends that accession negotiations be opened.**

## ○ **16/17 December 2004 Brussels summit:**

Endorses recommendation and invites the Commission to present a proposal for a framework for negotiations with a view to **opening negotiations on 3 October 2005.** Negotiations will start if Turkey signs a protocol extending the association agreement to all Member States (including Cyprus).

# The Commission's recommendation

*Turkey fulfils sufficiently the political criteria and should start negotiations, provided that several new laws (including the law on associations, the new Penal Code, the law on criminal procedures etc.) are passed or enter into force (such laws have all been passed).*

## ■ A 3-pillar strategy:

- Continued **political monitoring**. Negotiations suspended if a serious and persistent breach to democracy comes about.
- Negotiations an **open-ended process**, based on benchmarks, lasting until 2014 at least. Long transitional periods and possible permanent safeguard on free movement of people.
- A political and cultural **dialogue** to be launched.

# The debate around Turkey accession

## Impact analysis (“Issues paper”)

- Geopolitical dimension
- Economic dimension
- Internal Market and related issues
- Agriculture, veterinary, phytosanitary issues, fisheries
- Regional and structural policy
- Justice and home affairs
- Institutional and budgetary aspects

**Conclusion: Advantages outweigh challenges**

# Civil Society Dialogue

## ***Commission Communication 29 June 2005***

- Goal: enhance mutual knowledge & understanding
- Open discussion: cultural and religious differences, migration issues, etc.
- Largest possible participation: media, academia, NGOs, associations, religious communities, social partners, business etc.
- Commission to increase funding and programmes
- Member States important role in their societies

***The need for an enhanced dialogue between civil societies to improve mutual knowledge.***

# Negotiation Framework

## *Commission paper 29 June 2005*

- Intergovernmental conference (unanimity)
- Shared objective is accession, but open-ended
- Pace will depend on Turkey's progress
- Suspension if persistent breach of basic principles
- Chapters; screening; benchmarks
- Accession not before financial period from 2014
- Derogations, permanently available safeguards
- EU absorption capacity while integration continues

# The boundaries of enlargement

- The Council decided that negotiations could start with Croatia on 17 March 2005 provided that Croatia fully cooperates with the Hague International Tribunal.
- After Croatia, **Macedonia has presented an application for membership.** The Commission is in the process of drafting a recommendation to the Council.
- All remaining Western Balkan countries potential candidates for accession.
- For neighbouring countries on the Eastern and Mediterranean flank, the *New Neighbourhood Policy* is devised. It concerns Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Syria, Tunisia, Ukraine, Palestinian Authority ).