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FRAME EXTERNAL

MIPT: COMMISSION OPINION ON TURKEY'S MEMBERSHIP APPLICATION.

FOLLOWING IS SUMMARY OF MATUTES' REPORT:

INTRODUCTION

1. THE REPORT WILL AIM TO EXAMINE THE STRUCTURE AND DEVELOPMENT OF THE TURKISH ECONOMY AND THE POLITICAL SITUATION IN TURKEY. BUT 'MORE GENERAL CONSIDERATIONS CONCERNING CURRENT DEVELOPMENTS IN EUROPE AND THE COMMUNITY ARE AN ESSENTIAL PART OF COMMUNITY REFLECTION.' THESE ARE OF GREATER IMPORTANCE THAN IN THE PAST BECAUSE OF 'THE NEW AMBITIONS FOR EUROPEAN INTEGRATION AND THE INCREASED RIGHTS AND OBLIGATIONS OF MEMBER STATES.' THE TURKISH APPLICATION ALSO NEEDS TO BE SEEN IN THE CONTEXT OF OTHER ACTUAL AND POTENTIAL APPLICATIONS.

GENERAL CONSIDERATIONS

2. SINCE THE THIRD ENLARGEMENT AND THE SINGLE EUROPEAN ACT, THE COMMUNITY HAS BEEN IN A STATE OF FLUX. THE COMMUNITY'S PRESENT OBJECTIVES - 'ECONOMIC AND MONETARY UNION AND PROGRESS TOWARDS POLITICAL UNION AS WELL AS REDUCING TENSIONS AND DIVISIONS IN EUROPE' - REQUIRE ALL ITS ENERGY. 'IMPROVEMENTS IN THE COMMUNITY'S DECISION-MAKING PROCESSES AND IN THE ROLE OF THE EUROPEAN PARLIAMENT' WILL BE ESSENTIAL 'IF ENLARGEMENT IS NOT TO WEAKEN THE OPERATION OF THE COMMUNITY'S INSTITUTIONS.' NOT UNTIL 1993 WILL THE COMMUNITY KNOW WHETHER IT HAS SUCCEEDED IN PROGRESSING TOWARDS THE OBJECTIVES OF THE SEA AND IN IMPROVING ITS INSTITUTIONS AND WHETHER IT IS THUS IN A POSITION TO RECONCILE ENLARGEMENT AND CONSOLIDATION. THIS IN ITSELF WOULD BE A SUFFICIENT REASON FOR NOT CONSIDERING NEW ACCESSIONS BEFORE THAT DATE. BUT THE COMMUNITY CANNOT LIMIT ITSELF TO SUCH AN ATTITUDE. A SET OF PROPOSALS IS REQUIRED WHICH MEANS THAT 'THE EC'S PARTNERS NEED NOT ABANDON THEIR AIM OF ACCESSION AND WHICH WOULD CONSTITUTE NEW STAGES ALONG THE ROAD OF CLOSER ASSOCIATION.'

OPERATIONAL CONSIDERATIONS

3. TWO CRITERIA HAVE TO BE FULFILLED:

- THE CANDIDATE MUST BE ABLE TO MEET THE OBLIGATIONS OF MEMBERSHIP.
- THE EC MUST BE ABLE TO COPE WITH THE PROBLEMS OF INTEGRATION.

THESE FACTORS ARE PARTICULARLY SIGNIFICANT IN THE CASE OF TURKEY AS A LARGE COUNTRY WITH A POPULATION WHICH WILL BE BIGGER THAN THAT OF ANY PRESENT MEMBER OF THE EC BY THE YEAR 2000 AND A LEVEL OF DEVELOPMENT SUBSTANTIALLY LOWER THAN THE EC AVERAGE. DESPITE IMPROVEMENTS IN THE ECONOMIC AND POLITICAL SITUATION IN TURKEY, 'IT IS NOT CLEAR THAT THESE ADJUSTMENT PROBLEMS CAN BE OVERCOME IN THE MEDIUM TERM'

ECONOMIC SITUATION

4. THE REPORT NOTES CONSIDERABLE IMPROVEMENTS IN TURKEY'S ECONOMIC SITUATION, IN PARTICULAR A GROWTHS RATE OF 5.2 PERCENT IN 1981-8 AND IN A CURRENT ACCOUNT SURPLUS LAST YEAR. BUT IT ALSO NOTES THAT 'STRUCTURAL DISPARITIES, MACRO-ECONOMIC IMBALANCES, HIGH LEVELS OF INDUSTRIAL PROTECTION AND LOW LEVELS OF SOCIAL PROTECTION' REMAIN. PURCHASING POWER IN TURKEY IS ONE THIRD OF THE EC AVERAGE. FIFTY PERCENT OF THE WORKING POPULATION IS EMPLOYED IN AGRICULTURE AND UNEMPLOYMENT IS HIGH GIVEN THE GROWING POPULATION. TURKEY WOULD HAVE SERIOUS DIFFICULTIES IN MEETING THE OBLIGATIONS OF EC ECONOMIC AND SOCIAL POLICIES.

5. FOR THE COMMUNITY, TURKISH MEMBERSHIP WOULD INVOLVE A CONSIDERABLE BURDEN ON THE EC'S STRUCTURAL FUNDS AS WELL AS PROBLEMS OVER ACCESS TO THE EC LABOUR MARKET.

POLITICAL CONTEXT

6. THE REPORT ACKNOWLEDGES THE INTRODUCTION OF PARLIAMENTARY DEMOCRACY AND A NEW CONSTITUTION SINCE 1980. BUT THERE REMAINS 'A WEIGHT OF LEGISLATION WHICH, WHILE CONTAINING PROVISIONS SIMILAR TO THOSE WHICH PREVAIL WITHIN THE EC, HAS STILL TO BECOME OPEN TO THE WHOLE RANGE OF POLITICAL FORCES IN TURKEY AND TO TRADE UNIONS ... THE HUMAN RIGHTS SITUATION AND RESPECT FOR THE IDENTITY OF MINORITIES HAVE NOT YET REACHED EC LEVELS.'

7. 'EXAMINATION OF THE POLITICAL ASPECTS ... WOULD BE INCOMPLETE IF IT DID NOT CONSIDER THE NEGATIVE EFFECTS OF THE DISPUTE BETWEEN TURKEY AND ONE MEMBER STATE, AND ALSO THE SITUATION IN CYPRUS, ON WHICH THE EUROPEAN COUNCIL HAS JUST EXPRESSED ITS CONCERN ONCE AGAIN.'

CONCLUSIONS

8. IT WOULD BE 'INAPPROPRIATE FOR THE EC - WHICH IS ITSELF UNDERGOING MAJOR CHANGES AND WHILE THE WHOLE OF EUROPE IS IN A STATE OF FLUX - TO BECOME INVOLVED IN NEW ACCESSSION NEGOTIATIONS UNTIL THERE HAS BEEN A RIGOROUS ASSESSMENT OF THE RESULTS AS A WHOLE OF THE SEA AND OF THE INSTITUTIONAL IMPLICATIONS.'

9. IN THE LIGHT OF THE POLITICAL AND ECONOMIC SITUATION, 'A FURTHER RAPPROCHEMENT OF BOTH POLICIES AND STRUCTURES' IS REQUIRED 'SO THAT THE ADJUSTMENT DIFFICULTIES WHICH WOULD INEVITABLY CONFRONT TURKEY SHOULD IT ACCEDE WOULD BE REDUCED.'

10. BUT THE EC MUST NOT LIMIT ITS RESPONSE TO AN APPLICATION WHICH HAS BEEN THE 'SUBJECT OF PUBLIC CONSENSUS' IN TURKEY, ESPECIALLY IN VIEW OF THE FACT THAT 'RAPPROCHEMENT WITH THE EC RUNS LIKE A LEITMOTIF' THROUGH RECENT TURKISH HISTORY. IT IS IN THE EC'S FUNDAMENTAL INTEREST TO HELP COMPLETE THE PROCESS OF POLITICAL AND ECONOMIC MODERNISATION. TURKEY, 'A EUROPEAN COUNTRY', IS ASSOCIATED WITH THE E C, A PARTNER IN NATO, OCCUPIES A STRATEGIC GEOPOLITICAL POSITION AND HAS A POSITIVE AND MODERATING INFLUENCE ON NEIGHBOURING COUNTRIES.

RECOMMENDATIONS

12. THE REPORT THEREFORE RECOMMENDS A SERIES OF MEASURES WITHIN THE FRAMEWORK OF THE ASSOCIATION AGREEMENT WHICH WOULD 'INCREASE INTERDEPENDENCE BETWEEN THE EC AN TURKEY:'

- THE COMPLETION OF CUSTOMS UNION BY THE TARGET DATE OF 1995. THIS WOULD REQUIRE THE EC TO REVIEW ARRANGEMENTS FOR TRADE IN AGRICULTURAL AND TEXTILE PRODUCTS. CUSTOMS UNION WOULD ALSO BE AN OPPORTUNITY TO ASSOCIATE TURKEY WITH THE SINGLE MARKET AS IS ALREADY BEING DONE WITH EFTA.

- THE REVIVAL AND INTENSIFICATION OF FINANCIAL COOPERATION BEGINNING WITH THE RELEASE OF THE FOURTH FINANCIAL PROTOCOL. THE EC MIGHT ALSO REFLECT ON THE POSSIBLITY OF UNILATERALLY GRANTING LOANS PURSUANT TO ARTICLE 18 OF THE STATUE OF THE EIB FOR INFRASTRUCTURE PROJECTS OF INTEREST TO BOTH THE EC AND TURKEY.

- INCREASED INDUSTRIAL AND TECHNICAL COOPERATION INCLUDING RISK CAPITAL AND INTEREST RATE SUBSIDIES.

- THE INTENSIFICATION OF POLITICAL LINKS GOING BEYOND THE CURRENT

DIALOGUE WITH THE POSSIBILITY OF AD HOC PROCEDURES FOR ISSUES OF PARTICULAR INTEREST TO BOTH SIDES: AND THE STRENGTHENING OF CULTURAL LINKS TO INCLUDE TURKISH PARTICIPATION IN CERTAIN COMMUNITY PROGRAMMES.

13. THE REPORT CONCLUDES: '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.'

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