

Key findings in progress report 2008 Turkey

Political criteria

Turkey continues to sufficiently fulfil the Copenhagen political criteria. However, progress on reforms was limited in 2008. The government achieved legislative progress in the areas of freedom of expression and in enhancing the property rights of non-Muslim religious communities. Furthermore, it pledged to increase spending on the South-East Anatolia Project, which is addressing the economic and social difficulties of the South East.

Now that Turkey has averted a political crisis linked to the Constitutional Court case against the governing party, it needs to reinvigorate the process of political reform. The lack of dialogue and a spirit of compromise between the main political parties had a negative impact on the functioning of the political institutions and on political reforms. Turkey continued to suffer from terrorist attacks by the PKK, which is on the EU list of terrorist organisations.

A consistent and comprehensive programme of political reforms is now needed, in particular as regards the reform of the constitution, the judiciary reform. Furthermore, significant efforts are needed on most areas related to the political criteria.

Economic criteria

As regards the Copenhagen criteria, Turkey is a functioning market economy. It should be able to cope with competitive pressure and market forces within the Union in the medium term, provided it implements its comprehensive reform programme in order to address structural weaknesses.

The Turkish economy continued to perform well, although growth fell below potential. This happened due to a slowdown in domestic demand which followed the implementation of a strong stabilisation programme.

Macroeconomic stability remains weak through considerable external financing needs, which makes Turkey vulnerable to changes in investor sentiment. The budget performance has been satisfactory, but structural rigidities in the labour market hinder job creation, particularly female and youth employment.

The government developed new initiatives to boost investment in infrastructure with aim to reduce high regional disparities. Significant progress was made in the area of price liberalisation in the energy sector.

EU legal order

Turkey has further improved its ability to take on the obligations of membership. Turkey has made progress in aligning with the the EU's legal order in a number of areas, in particular in chapters Trans-European networks, energy and science and research. Moderate progress was made in the area of financial control. Alignment is advanced in some areas, such as free movement of goods, intellectual property rights, enterprise and industrial policy, anti-trust policy, consumer and health protection, science and research, energy. Alignment needs to be pursued, in particular in areas such as agriculture, fisheries, veterinary and phytosanitary

policies, state aid, justice and home affairs, social policies and employment. Turkey's overall administrative capacities need to be improved.

Owing to Turkey's non compliance with its obligations related to the additional protocol to the Ankara Agreement, in December 2006 the EU decided to freeze eight chapters of the negotiations, but to continue with the other chapters.