

**THE SPEECH DELIVERED BY OLLI REHN THE
MEMBER OF THE EUROPEAN COMMISSION IN
CHARGE OF ENLARGEMENT**

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Speech by Commissioner Olli Rehn Istanbul, 8 March 2005

Ladies and Gentlemen,

I am very pleased to meet you here in Istanbul during my first official visit to Turkey as the Commissioner for Enlargement.

Istanbul has a particularly significant standing in the history of the civilised world, which is well alive and flourishing in the present day too, as a great political, intellectual and artistic centre. Few cities in Europe reflect so many centuries of shared history and identity. The shores of the Bosphorus inspired my countryman, Mika Waltari, to produce some of the most elegant and enjoyable pages of modern Finnish and, i should say, European literature. No wonder they have also inspired Orhan Pamuk, the local Nobel-in-waiting, to write his realist and/or surrealist X-rays of contemporary Turkey and old and new Istanbul. His latest novel "Snow" has actually encouraged me to pay a visit to the city of Kars next time i come to Turkey, although i shall go there only after the snow has melted, recalling the possible consequences of being snowed up and besieged.

The decision by the European Council to open negotiations with Turkey opens a new chapter in the historic process of peacefully uniting the European continent. As a combined result of its population, size, strategic location and economic potential, Turkey has the capacity to make a major contribution to regional and international stability. In a world threatened by the infamous clash of civilisations, it is worth recalling that Turkey is endowed with unique characteristics: the combination of a secular, democratic state with a prevalently Moslem population.

I know that there are great expectations in Turkey about the accession negotiations process, and also many questions. The same happened when the EU started the enlargement process with the 10 countries which acceded in May last year. The experience gained in the previous enlargement round shows that the process of accession is a powerful engine for political and economic transformation.

Turkey is at present going through a process of radical change, including a rapid evolution of mentalities. It is in the interest of everybody that the current process of transformation continues. At the same time, as shown by the previous enlargement, negotiations can be a difficult exercise. i believe that both the EU and Turkey are perfectly aware that the road ahead will be long and sometimes uneven. We will need a lot of mutual understanding and patience. Then it will be not only a long, but also a winding road, leading to our ultimate objective, which is the accession of Turkey into the EU. On our side, we shall concentrate on the preparation for the opening of accession negotiations in line with the European Council conclusions. The period between now and the 3 October will be particularly busy.

In the next months, on the basis of the European Council's conclusions, we will work on a draft negotiating mandate to be submitted to the EU Member States. This is standard practice: the aim of this document is to set the method and the guiding principles of the negotiations. In the meantime, we will organise information sessions and seminars about accession negotiations. The process of analytical examination of EU legislation, commonly called "screening" will start right after the formal opening of accession negotiations.

On its side, Turkey will also have to get prepared for 3 October. i trust that Turkey will fulfil its commitment by signing in good time the protocol adapting the Ankara Agreement to the

accession of the new Member States. This is important since this was attached by the European Council to the start of accession negotiations.

Let me however insist on the utmost importance we attach to the continuation of **political** reforms with the same pace and with the same intensity as in previous months. The December European Council welcomed the decisive progress made by Turkey in its far-reaching reform process. It also expressed its confidence that Turkey will sustain that process of reform and ensure its proper implementation.

More specifically, the policy of zero tolerance towards torture should be enforced through determined efforts at all levels of the Turkish state to get away with the remaining instances of torture. Turkey must also consolidate and broaden political reform to facilitate the normalisation and development of the situation in the Southeast, including measures to improve the socio-economic situation, initiatives to enhance the return of displaced people, and to allow for full enjoyment of rights for all Turkish citizens regardless of their origin. Moreover, the specific problems of non-Muslim religious communities and trade union rights also need further action soon.

Besides political reforms, Turkey must further stabilize and reform its economy. Turkey has never been in a better position to embark on a stable and faster economic growth path than today: Favourable demographic trends will increase the share of working-age population in total population. Turkey can take advantage of better mobilisation of investment -especially through higher Foreign Direct Investment, which still remains below levels of other emerging economies. FDI has proved to be crucial in helping economic transition and modernisation, as in the countries of Central Europe which just joined the Union.

By bringing increased stability and predictability, the opening of accession negotiations will improve the climate for the inflow of foreign direct investment. However, more efforts are needed to reinforce confidence in the market. The legal framework for investment should be transparent, fair and stable.

Despite the overall success of the Customs Union which is celebrating this year its 10th anniversary, there are still unfortunately many unfulfilled commitments by the Turkish side, which is unacceptable. There are evident breaches of the Customs Union Agreement as regards e.g. intellectual property rights in pharmaceuticals and requirements to obtain import licences in telecommunications. There are "trade irritants", such as trade restrictions on ceramic tiles or textiles. A beef ban has been in place since years. In spite of repeated promises at the highest political level, it could not be lifted yet.

Needless to say, these measures are in contradiction with the prevailing business attitude in the European Union. Such measures are frankly hard to understand from a candidate country which is about to open accession negotiations. The EU is not just a rose garden, but it means creating a level playing field for all European companies.

Let me now turn briefly to financial assistance. The EU will provide Turkey with tangible assistance to carry out these political and economic reforms, as well as to help it transpose and implement EU legislation. In recent years, more than 1 billion euro in grant assistance has already been allocated to Turkey.

By the end of the current Financial Perspectives (2006), the budget for pre-accession assistance to Turkey will reach 500 million euro per annum, making Turkey one of the largest recipients of EU external assistance in the world. Further increases are foreseen in subsequent years.

Some of these amounts will offer assistance to the legal reforms, in particular in the area of the judiciary or in the fight against corruption. These funds are also likely to make a substantial impact on the economic and social cohesion, by helping to modernise environmental and transport infrastructure. However, here too Turkey must make an effort to absorb this assistance more efficiently, by strengthening the necessary administrative structures to prepare and implement technically and economically sound projects.

Finally let me say a few words on Cyprus. The opening of the new chapter in EU-Turkey relations offers fresh opportunities to improve relations with the Republic of Cyprus. I am convinced that the business community can make a very positive contribution by fostering closer contacts between the two communities on the island and with Turkey.

There is a clear desire of the Turkish Cypriot community to be reunited and fully integrated into the EU. I know about the current stalemate among our Member States which prevents adoption of the Commission proposals for trade and aid, but I remain confident that we will be able to overcome such disagreements.

In the next few months we must create a new momentum that should be used to take new initiatives on a comprehensive Cyprus settlement. The Commission indeed continues to support the resumption of talks under the auspices of the United Nations. We are ready to play an active role to prepare the ground for this aim.

Ladies and Gentlemen, The prospect of Turkey's EU accession seems to leave nobody indifferent. As revealed by the vivid debate which has taken place over the last couple of months, the prospect of Turkey's EU accession raises a number of legitimate questions. Both in the European Union and in Turkey, many questions have arisen which concern geography, culture, religion, civilization, history, as well as the impact of Turkey's EU accession on the philosophy of the European integration and on the functioning of the EU.

I believe many concerns are understandable and can be duly addressed in the course of the negotiations. Others result from mere ignorance of what kind of a country Turkey actually is today.

The concerns of Turkish public opinion seem to be of a different nature. There appears to be uncertainty concerning the EU's true intentions towards Turkey's accession. Ignorance however must be addressed by correct information. To make a long story short: we need to get to know each other better. It is precisely the aim of our proposal to encourage dialogue between the civil societies of Turkey and of the EU.

This dialogue could take many different forms. One could think of promoting student exchange, visits of journalists, or a closer interaction between trade unions, chamber of commerce and business communities. It should be clear however that this is certainly not only a task for the European Commission. National and regional institutions and above all the non-

governmental organisations should be involved. The Commission shall present its ideas next summer spelling out how to advance and implement this dialogue.

It is fair to say that the European public opinion is divided on the prospect of the accession of Turkey into the EU. However, the reality is more complex -as always -and some elements are worth noting.

One of them is the attitude of the younger generations which, according to recent surveys conducted in several EU Member States, is as a general pattern more open to the idea of Turkey's accession than the older ones. This is pertinent food for thought for European political leaders.

The European project is geared towards the future. It is therefore the legitimate right and duty of the political leaders of the younger generations, of my generation, to look towards the future. We do not live any more in the Cold War Europe, but in the Europe of the 21st century, which is deeply aware that the relationship with the Muslim world is one of its major challenges.

If Turkey succeeds in its reform process and thus fulfils the criteria for membership after negotiations, it will become the crossroads of two civilisations. This represents a great opportunity for Europe and especially for the younger generations of Europe. I want to make sure that this opportunity is not missed.

In the accession negotiations the process is as important as the outcome. In other words, the process of reforms in Turkey -which will make the country fully respect the European values of the rule of law, human rights and democracy in all spheres of life and in all the corners of the country -paves the way for membership, and is as such as important as membership itself. As Prime Minister Erdogan has said, the Copenhagen criteria could actually be called the Ankara criteria, since they are, in the first instance, made for the benefit of Turkey's citizens and not to please, say, some EU officials.

To convince the European public and governments, I cannot be a salesman of Turkey -but I can plead for fair, serious and determined negotiations, aimed at leading Turkey to EU membership.

My role in this process, and that of the Commission, is that of a referee and a manager. The referee must assess whether Turkey meets the criteria of membership and ensures that Turkey has a fair chance of proving its European credentials. The manager is there to support your efforts in meeting the criteria both financially and politically.

It is finally up to the Turkish people to take action. I am sure that winning this crucial match is worth it for Turkey and for the Turks, as well as for Europe.