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18th PROGRESS REPORT ON TURKEY

With its new methodology and format, the European Commission's 18th Progress Report on Turkey has been published on 10 November 2015. The European Commission published its first Progress Report on Turkey in 1998. The postponement of the publication of the 18th Progress Report on Turkey by the Commission after the 1st November snap elections has been subject to criticisms both in Turkey and the EU.

In the recent Progress Report, some technical and methodological changes could be clearly seen within the sections on political criteria and economic criteria. The political criteria section has been divided in different sub-sections which consist of significant developments on areas such as the rule of law, governance, functioning of the judiciary, fight against corruption, fight against organized crime, freedom of expression and public administration reform. The detailed analysis on these issues, on the other hand, is presented within the context of specific negotiation chapters. The economic criteria section has become more apparent in the recent Progress Report with the inclusion of updated data, tables and graphs.

The report which was announced within the framework of the Commission's Enlargement Strategy until 2019 contains warnings but also encouraging messages to Turkey. In regards to the content of the report; in general, the report stresses Turkey's difficulties in fulfilling the political criteria. A great emphasis was given to the rule of law, separation of powers, independence of the judiciary,

freedom of expression and freedom of the press.

Regarding the fulfillment of the political criteria, it is highlighted that the reforms are slowing down and there are areas where the backsliding is clearly reflected: freedom of expression including media and freedom of internet; freedom of assembly and public procurement. The Commission issued also some criticisms concerning the 10% threshold, political polarization, the situation of fundamental rights and freedoms in the context of the fight against terrorism, the fight against corruption, excessive powers granted to security forces and the judicial system. On the other hand, the report highlighted the progress achieved in regards to the high turnout rate in the election, the public administration system, the presence of active civil society and the activities carried out by the Ombudsman.

As for the economic criteria, Turkish economy is considered to be well-advanced with an average annual growth rate of 3% over the past three years. However, the attention was drawn to the high current account deficit and relatively high inflation which can threaten in the long run



the macroeconomic stability of the country. The Commission calls upon also for the acceleration of structural reforms to improve the functioning of the markets for goods, services and labour.

In addition to the section on political and economic criteria, the report contains a large section on Turkey's level of alignment with the EU *acquis*. According to the 2015

Turkey Progress Report, Turkey's level of alignment in 3 chapters is considered to be well-advanced, in 8 chapters it is considered to be at good level, in 3 chapters it is considered to be moderately prepared, in 15 chapters it is considered to be at some level and in 4 chapters it is considered to be at early stage. For instance, regarding Chapter 23 and Chapter

24, which are considered as key chapters, Turkey's alignment with the EU is assessed as 'some level of preparation' and 'moderately prepared', respectively. The alignment of the chapters opened to negotiations is considered to have reached a good level of preparation whereas that of the chapters blocked only reached to some level of preparation.

WHAT'S NEW IN THE 2015 ENLARGEMENT PACKAGE?

The Commission adopted the 2015 Enlargement Package comprising of the Enlargement Strategy and annual progress reports on 10 November 2015.

This year's Enlargement Strategy, the first one to be prepared during Juncker's term in office, introduces a number of novelties to the annual progress reports. These can be summed up as follows:

- **A four-year strategy:** Rather than an annual strategy,

this year the Commission has adopted an overarching strategy outlining the direction of the EU's enlargement policy for its entire mandate (i.e. until 2019).

- **More focus on the technical character of the process:** There is more emphasis on the candidate/potential candidate countries' level of preparedness to undertake membership obligations.
- **Standardized terminology:** The annual progress reports

have been harmonized and re-designed in a more reader-friendly manner to allow cross-country comparisons in key areas.

- **Roadmaps/'to do lists' for all chapters:** There is a clearer guidance to the candidate/potential candidate states regarding the priorities they are expected to focus on in the year ahead.
- **Five-tier standard assessment scale:** The state of play as

regards preparedness to take on membership obligations is evaluated according to 5 categories: "early stage", "some level of preparation", "moderately prepared", "good level of preparation" or "well advanced". The evaluation of progress since the last reporting period is made also according to 5 categories: "backsliding", "no progress", "some progress", "good progress" or "very good progress". This year is seen as a pilot year

for the new reporting method. Despite these novelties, it is important to note that the "fundamentals first" approach which was announced during the mandate of the Barroso II Commission by Commissioner Füle in 2013, focusing on the rule of law, support for democratic institutions, economic governance, public administration reform and fundamental rights will remain at the heart of the EU's enlargement agenda under the leadership of Commissioner Hahn.



A NEW GOVERNMENT AFTER THE GENERAL ELECTION



Following the general election on 7 June 2015, Turkey's coalition negotiations have ended in failure in August. As a result, a new general election was called in Turkey.

The general election in Turkey took place on 1 November 2015 with a turnout rate of 85.2%. According to the results, the Justice and Development Party (AK Parti) won 49.5% of the votes and obtained 317 seats in the Turkish Grand National Assembly (TGNA). The main opposition party, the Republican People's Party (CHP), won 134 seats with 25.3% of the votes. With a decrease in the votes compared to the June 2015 general election in Turkey, the Nationalist Movement Party (MHP) won 11.9% of the votes while obtaining 40 seats in the Turkish Parliament. The People's Democratic Party (HDP) became third party in terms of obtained seats of 59 members and won 10.7% of the votes.

During the interim government of Turkey, Deniz Baykal was appointed as the Interim Speaker of TGNA. After the general election in November, İsmail Kahraman, member of AK Parti, was elected as the new Speaker of TGNA on 20 November 2015 in the Turkish Parliament. In the third round of the election, İsmail Kahraman received 316 votes in the 550-seat Turkish Parliament. The 27th Speaker of TGNA, İsmail Kahraman previously worked as the Minister of Culture and Tourism of Turkey.

After President Recep Tayyip Erdoğan gave its authorization to Prime Minister Prof. Ahmet Davutoğlu to form the new government on 17 November 2015, the new cabinet members of the 64th government of Turkey were unveiled by the Prime Minister on 24 November 2015. In the new cabinet, Mevlüt Çavuşoğlu was appointed as the Minister of Foreign Affairs and Volkan Bozkır as the Minister for EU Affairs and Chief Negotiator.

2015 TURKEY PROGRESS REPORT DISCUSSED AT IKV PRESS CONFERENCE

IKV Chairman Ayhan Zeytinoğlu held a press conference on 12 November 2015 to assess Turkey-EU Relations in the aftermath of 1 November General Election and the 2015 Turkey Progress Report. IKV Chairman Zeytinoğlu stressed that Turkey-EU relations were passing through an important turning point.

IKV Chairman Zeytinoğlu reminded that before the publication of the Progress Report, Turkey-EU relations were revived with high level meetings regarding the action plan on migration. Pointing out that Turkey became the country hosting the largest amount of refugees in the world; he emphasized the importance of reaching an agreement on the action plan. He also stressed the need to improve border controls, to tackle more effectively human trafficking, to establish a system which would guarantee the rights of refugees in a sustainable manner and to reinforce the administrative capacity within the legal framework (Law on Foreigners and International Protection).

Welcoming the adoption of a new approach by the Commission

in the Progress Report, IKV Chairman Zeytinoğlu explained that the report has become more constructive since it presents a roadmap for candidate countries. Referring to the criticism made regarding fundamental rights, IKV Chairman Zeytinoğlu highlighted the need to lift restrictions which affect directly areas such as freedom of press and freedom of expression and to prevent the introduction of new restrictions on these rights without the judicial and parliamentary supervision. IKV Chairman Zeytinoğlu also added that new regulations ensuring the independence, effectiveness and impartiality of the judiciary should be adopted. Furthermore, IKV Chairman Zeytinoğlu reminded the importance of opening Chapters 23 and 24 to negotiations.



IKV Chairman Zeytinoğlu also underlined that Turkey and the EU aim to reinforce their collaboration in areas such as energy, external and security policy, trade and irregular migration. Although Turkey's membership is not in the EU's current agenda,

IKV Chairman Zeytinoğlu stressed that Turkey should pursue its efforts towards EU membership. In this respect, he underscored that it is of utmost importance for the new government to reinvigorate Turkey's EU access process by taking into account the roadmap presented by the new progress report.

STRONG RESOLVE AGAINST TERRORISM AT THE G20 SUMMIT

The G20 Summit was held in Antalya on 15-16 November 2015 under the Turkish Presidency. As the G20 Summit took place just after the Paris attacks, the economic issues were overshadowed by grief and political concerns.

The G20 Summit was held in a bitter atmosphere since it took place just after the Paris attacks. At the Summit, G20 leaders confirmed their determination to work in close cooperation to fight against terrorism in a joint declaration. Turkish G20 Presidency adopted a comprehensive agenda built on three pillars consisting of ensuring the implementation of past commitments, boosting investments and promoting inclusiveness with the aim of ensuring that all segments of society benefit from global economic growth.

Despite some signs of improvement, global economic growth is uneven and continues to fall short of expectations. At the Summit, the leaders confirmed their commitment to increase their GDP by an additional 2 percent by 2018. G20 leaders agreed to take fiscal and monetary policy actions to enhance global recovery, while in the same time respecting fiscal sustainability and financial stability. In this respect, the leaders have agreed to reinforce their accountability



framework in order to better monitor the progress achieved towards their engagements. The peer reviews of the implementation of growth strategies conducted over the past year have shown that more than one third of the collective growth goal has been achieved.

G20 leaders gave great importance to deepen the structural reform agenda with the aim of boosting productivity. Considering the high level of global unemployment, G20 leaders prioritize also reforms in the labour markets that will contribute in the creation of more and better quality jobs and will boost labour force participation especially for under-represented and vulnerable groups. While encouraging

the reinforcement of efforts to increase female participation in the labour market, G20 leaders also agreed to reduce the share of young people who are most at risk of being permanently left out in the labour market by 15% by 2018.

As a complement to growth strategies, the leaders also developed country-specific investment strategies aiming at improving the investment ecosystem, fostering efficient infrastructure investment and support sound long term financing opportunities for businesses, especially the SMEs. Regarding trade, G20 leaders also seek to reinforce the multilateral trade system and the central

role of the WTO in terms of promoting economic growth and development. The importance of supporting sustainable development of low income development countries and enhancing their integration with the global economy has been highlighted. A special emphasis was made to the necessity of improving global food security and nutrition.

G20 leaders also called upon a more coordinated and comprehensive response to tackle the refugee crisis by providing protection and assistance to the refugees. The need to address the root causes of the displacement has also been underlined during the Summit.

T20 TURKEY CONCLUSIONS INCLUDED IN G20 COMMUNIQUÉ

The Think20 (T20) Turkey, under the leadership of the Economic Policy Research Foundation (TEPAV) was held in Antalya on 13-15 November 2015. T20's three policy recommendations were included in the G20 *Communiqué*.

While the Internet economy is expected to reach 4,2 trillion dollars in 2016, it is the first time this concept was included in G20's final *Communiqué*. The development of the Internet economy requires further cooperation in the area of cyber security in order to prevent and overcome attacks on businesses and to protect trade secrets and personal data. There is also the need for better government surveillance of digital communication and cross-border data flows.

In terms of energy access, T20 conclusions referred to "sustainable clean technologies" in order to put emphasis on research and development as well as on innovation, global cooperation mechanisms and regulatory frameworks in order to tackle new global threats such as food security and public health.

Regarding financial reforms, T20 also called upon the introduction of the "restructuring of government debts". T20 stressed the need to establish a new public mechanism at the global level which would enable the sovereign debt restructuring process to be more predictable.

EU OFFICIALS' VISIT TO TURKEY

After the release of the European Commission's 2015 Progress Report on Turkey, European Commission Vice-President Frans Timmermans and Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn paid a visit to Turkey on 11 November 2015.

Within the framework of this visit, the two Commissioners met with the then Minister of Foreign Affairs Feridun Sinirlioğlu and the then Minister for EU Affairs Beril Dedeoğlu. During this meeting, they discussed about the joint action plan regarding the refugee crisis. Furthermore, the need to reinvigorate Turkey's accession process was also highlighted. Minister Sinirlioğlu explained that Turkey was ready for the opening of Chapters 17, 23, 24, 26 and 31 to negotiations in the context of the accession process. He also added that Turkey expected the Schengen visa liberalisation process to begin in July 2016 instead of the planned 2017.

B20 SUMMIT WAS HELD IN ANTALYA

B20 Summit was held in Antalya on 14-15 November 2015 with the participation of prominent Turkish and foreign business leaders and CEOs. A delegation of leading CEOs from the G20 countries met with heads of governments of G20 countries.

President Recep Tayyip Erdoğan delivered a speech at the main session with B20, L20 at the G20 Summit entitled "More Comprehensive Framework for Growth and Employment". The business leaders called for action to support trade, investment, employment and SME growth. B20 Turkey identified its priorities as "continuity", "inclusivity", and "connectivity" in line with the G20 priority areas.

At the B20 Summit, a set of policy recommendations of the business leaders were presented to the G20. B20 Turkey Chair and TOBB President M. Rifat Hisarcıkloğlu speaking at the B20 Summit mentioned that they welcome the G20 leaders' responsiveness to the recommendations of the business world. He also expressed that the B20 is an important complement to the G20 mission for sustainable global growth and CEOs provide valuable practical experience

on key areas where the G20 can achieve further progress. Reviewing the G20 Leaders' *Communiqué* announced at the G20 Antalya Summit, TOBB President Hisarcıkloğlu underlined that the recommendations reflected the interests of Turkish business community as well as the global business community. Indeed out of B20's 19 recommendations submitted, 14 were directly or indirectly reflected in the *Communiqué*. These recommendations include for instance the enactment of the Trade Facilitation Agreement, the implementation of the global financial reform agenda, the enhancement of energy security and the development of country-specific infrastructure investment strategies.

In addition to G20-specific policy recommendations, B20 representatives called on the G20 to provide leadership for further



progress in ongoing negotiations in key intergovernmental forums. As it is known, during Turkey's G20 Presidency, TOBB and ICC

established the World SME Forum to advocate the interests of global SMEs under the inclusivity scope of B20 Turkey.

C20 DELEGATION ATTENDED G20 SUMMIT

The C20 delegation held several activities during the G20 Summit including press conferences, joint panels and joint statements.

The C20 Chair and IKV Vice-President Zeynep Bodur Okyay gave a speech at the L20 Summit on 14 November 2015. At the panel session titled "Dialogue with Business and Civil Society" during which the relationship between employment, inequality and social justice has been discussed, C20 Chair Okyay presented the C20's recommendations on reducing poverty and inequality to boost employment to the G20 governments.

Within the framework of the events organized prior to G20 Summit, C20 and T20,

representing the civil society and the think tanks, held a joint panel titled "Comprehensive Solution for Refugee Crisis" on 14 November 2015. During the panel, the challenges faced by the neighbouring countries of Syria and by the countries hosting the largest number of refugees as well as potential solutions were discussed. Apart from the C20-T20 joint panel, G20 engagement groups also made a joint statement and called on the G20 governments to find a common solution to the refugee crisis and to increase their support to the countries such as Lebanon, Jordan, Turkey and Iraq for burden-sharing.



On 15 November 2015, the C20 and W20 made a joint statement titled "Re-envisioning the Economy to Enable Women to Reach Their Full Potential". With the joint statement, the C20 and W20, representing the civil society

and the women, called on G20 governments to move beyond a rhetorical commitment to women's economic empowerment and operationalise the commitments made by leaders in Australia in 2014.

INEQUALITY AND EMPLOYMENT DISCUSSED AT L20 SUMMIT

The Labour 20 (L20) Turkey Summit took place in Antalya on 13-14 November 2015 under the G20 Turkey Presidency.

During the meeting, L20 Turkey representatives came together to talk about priorities including joint action to boost quality jobs, to enhance a public

investment plan, to overcome income inequality and income share in both youth and women's employment. L20 representatives also discussed about the measures to better tackle climate change and the refugee crisis worldwide. L20 Turkey Summit also emphasized the need for

coordinated targets of G20 governments in order to promote equal social protection and to improve minimum wages.

L20 Turkey welcomed two important developments related to the conclusions of the G20 Summit which are the emphasis put on the reduction of inequality

and the introduction of a target to reduce the number of young people excluded from jobs or training by 15% by 2025.



GREEK PRIME MINISTER'S VISIT TO TURKEY

Greek Prime Minister Alexis Tsipras visited Turkey on 17-18 November 2015 at the invitation of Prime Minister Prof. Ahmet Davutoğlu.

During their meeting, considering that both Turkey and Greece are deeply affected by the Syrian crisis, Prime Minister Davutoğlu highlighted the importance of further strengthening bilateral cooperation in the context of the ongoing refugee crisis. Both parties agreed on enhancing more bilateral mechanisms between the relevant ministries and establishing a working group with the task of tackling the refugee crisis. Both leaders stressed that the responsibility for the refugee flows into Europe does not lie solely on Turkey and Syria. They underlined that international actors such as the EU and the UN Security Council should also take the burden in that respect. On the other hand, Prime Minister Tsipras proposed to establish hot spots in Syria's neighbouring countries in order for migrants to be fully registered.

Both leaders also discussed the ongoing reunification talks regarding Cyprus. In that respect, Prime Minister Davutoğlu stressed that both parties have a window of opportunity to act and to contribute positively to the ongoing negotiation process.

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A PANEL ON NEW PERSPECTIVES IN TURKEY-EU RELATIONS WAS HELD

IKV organized in cooperation with Friedrich Naumann Foundation a panel entitled "New Perspectives: Mathematics and Linguistics of European Commission Progress Reports" on 13 November 2015.

The panel discussion started with the opening speech of IKV Secretary-General Assoc. Prof. Çiğdem Nas and a presentation by IKV Deputy Secretary-General and Research Director Melih Özsoz who summarized the main findings of the studies related to the Turkey Progress Report. During his presentation, he also informed about the changes brought in the format of the progress reports. He also added that Turkey's level of alignment has reached 61.2%.

A panel was organized afterwards to discuss the latest developments on Turkey-EU

relations, the refugee crisis and the 2015 Progress Report. This panel was composed of IKV Secretary-General Assoc. Prof. Çiğdem Nas, TEPAV EU Institute Director Nilgün Arısan Eralp, Hürriyet Daily News Columnist Barçın Yınanç, Assist. Prof. Özge Zihnioğlu from Kültür University and Mercator-IPC Research Fellow İlike Toygür.

During the panel discussions, it was pointed out that Turkey's EU accession negotiations are at a standstill due to problems emanating from both parties. While a slowdown is observed in Turkey's EU reforms, the EU also alienated Turkey by questioning its European



vocation and became more cautious in its approach to future enlargements. Panelists reminded that the most apparent regression with respect to fundamental rights has happened in the area of freedom of expression.

It was also explained that the progress reports are of critical importance in order to achieve further credibility and advance in the negotiations. Despite the double standards in the negotiations, panelists ensured that the EU accession process has a positive effect upon Turkey.

Regarding the refugee crisis which is currently the most debated topic among Turkish and European authorities, it has been stressed that the EU needed Turkey's cooperation in the control of irregular migration and that it has evolved into an area of urgent cooperation. However, the panelists explained that the EU expects Syrian refugees to be kept in Turkey whereas Turkey's expectation is to further progress in the Visa Liberalisation Dialogue and membership talks.

TOBB PRESIDENT WAS GRANTED LÉGION D'HONNEUR

TOBB President M. Rifat Hisarcıkloğlu was awarded the highest medal of merit, the *Légion d'Honneur*, owing to his precious contributions to relation between Turkey and France. This award was recommended by the Chairman of the Union of French Chambers of Commerce and Industry André Marcon. As it is known, the *Légion d'Honneur* was first awarded in Turkey to Mustafa Kemal Atatürk, and afterwards to other renowned Turkish business leaders.

At the award ceremony, TOBB President Hisarcıkloğlu condemned the terror attacks taken place in Paris and stressed that the terrorism was targeting "freedom, equality, brotherhood



and human honour". At the occasion of the ceremony, TOBB President Hisarcıkloğlu also underscored the need to untap the existing

potential and to increase trade and investment relations between France and Turkey. Referring also to the modernization of the

Customs Union, he expressed that this process will also give further impetus to trade relations between the two countries.

TERROR ATTACKS IN PARIS SHOCK EUROPE

129 people were killed and around 200 injured in Paris on 6 November, as a result of seven, coordinated armed attacks by terrorists, linked to ISIL/Daesh. Terrorists opened fire at restaurants, set off bombs outside the Stade de France where President François Hollande was watching a friendly match between France and Germany, and opened fire to spectators at a rock concert at

the Bataclan theatre.

The French government declared a state of emergency, mobilized around 1500 troops to step up security and closed its borders following the atrocious events condemned by world leaders. The attacks were connected to France's involvement in the fight against ISIL/Daesh in Syria. The high security alert also affected Belgium where the terrorists

behind the attacks were thought to have fled after the attack. French Public Prosecutor's Office announced that 8 terrorists were dead after a shootout with police forces.

The attacks following suicide bombings taking place in Beirut took the world by surprise and led to fear and anxiety about the continuation of such terrorist acts in Europe and elsewhere especially in the wake of the G20

Summit in Antalya where G20 leaders announced a declaration denouncing terrorism. EU Interior Ministers came together at an extraordinary meeting to discuss common measures against the threat of terrorism in the Schengen area. The attacks led to a serious crisis in the EU's area of freedom, security and justice and to attempts to prop up the coalition against ISIL/Daesh.