

# European Communities

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EUROPEAN PARLIAMENT

## Working Documents

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DOCUMENT 448/74

### Report

drawn up on behalf of the Committee on External Economic Relations

on the recommendations of the EEC-Turkey Joint Parliamentary Committee  
adopted in Istanbul-Tarabya on 11 October 1974 (Doc. 335/74)

Rapporteur: Mr E.A. KLEPSCH

PE 39.050/fin.

1.2.2.

English Edition



At its sitting of 11 November 1974, the European Parliament referred to the Committee on External Economic Relations, as the committee responsible, and to the Committee on Social Affairs and Employment for its opinion, the recommendations of the EEC-Turkey Joint Parliamentary Committee adopted in Istanbul-Tarabya on 11 October 1974.

The Committee on External Economic Relations appointed Mr Klepsch rapporteur on 25 September 1974.

At its meeting of 17 December 1974, the committee considered the draft report and adopted the motion for a resolution and the explanatory statement unanimously, with one abstention.

Present: Mr Boano, acting chairman; Mr Thomsen, vice-chairman; Mr Klepsch, rapporteur; Mr Bangemann (deputizing for Mr Baas), Mr Brégégère, Mr D'Angelosante, Mr De Clercq, Sir Douglas Dodds-Parker, Mr Dunne, Mr Lange, Mr E. Muller, Mr Rivierez, Mr Scelba (deputizing for Mr Vetrone), Mr Schulz, Mr Thornley.

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The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on the recommendations of the EEC-Turkey Joint Parliamentary Committee adopted in Istanbul-Tarabya on 11 October 1974.

The European Parliament,

- having regard to the recommendations adopted by the EEC-Turkey Joint Parliamentary Committee during its XVIIIth meeting in Istanbul-Tarabya from 6 to 11 October 1974 (Doc. 335/74),
  - having regard to the report of its Committee on External Economic Relations and the opinion of its Committee on Social Affairs and Employment (Doc. 448/74),
1. Approves the recommendations adopted on 11 October 1974 by the Joint Parliamentary Committee;
  2. Welcomes the resolve expressed on that occasion to strengthen political cooperation and consultation between the Association partners in order to help maintain peace and develop democracy in the eastern Mediterranean;
  3. Considers, however, that these objectives cannot be attained until the tension and suffering among the civilian population in the Republic of Cyprus, a country associated with the Community, is ended;
  4. Requests the interested parties, therefore, to seek a peaceful and lasting solution to the Cyprus question, based on the principle of the continued independence of the island and respect for the rights of the two communities;
  5. Welcomes the rapid growth of economic and trade relations between the Community and Turkey, evidence of which is quoted in the Ninth Report of the Association Council, and hopes that suitable measures will be taken by the Community authorities to encourage Turkish exports and so reduce Turkey's mounting trade deficit with the Community;
  6. Insists, to that end, that the agricultural concessions granted to Turkey by the Community should be extended, and that the Council should reconsider its refusal to include that country among the beneficiaries of the Community system of generalized preferences;

7. Requests the Council also to ensure that, whenever the Community grants advantages to third countries, under the generalized preferences system, suitable compensation should be made to Turkey so as to end the erosion of the preferences to which it is entitled as an associated country and potential Member State;
8. Stresses the advantages of growing financial cooperation between the two parties, in particular with regard to the development of potential underground resources in Turkey, and hopes in that connection that the obstacles in the way of the free movement of capital may be gradually reduced;
9. Regrets the fact that the Association Council has not yet been able to lay down provisions, pursuant to Article 39 of the Additional Protocol, allowing Turkish workers to aggregate periods of insurance or employment completed in individual Member States in respect of old-age pensions, death benefits and invalidity pensions, but hopes that a solution may quickly be found, on the basis of the proposals made by the Commission and set out in the agreement concluded on this point on 10 June 1974 by the Council of the European Communities;
10. Points once more to the need to improve vocational training and integration of Turkish workers and their families in the host countries and the measures which must be taken to ensure that they are less affected than workers from third countries if jobs become scarce;
11. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities, the Grand National Assembly of Turkey, the Parliaments of the Member States of the Community and the Turkish Government.

EXPLANATORY STATEMENTINTRODUCTION

1. The XVIIIth meeting of the Joint Parliamentary Committee of the EEC-Turkey Association was held in Istanbul-Tarayba from 6 to 11 October 1974. This meeting was the third contact between Turkish and European parliamentarians since the beginning of 1974, following the XVIIth meeting, which was held in Berlin from 24 to 28 March (see the report by Lord Lothian PE 36.837/fin.) and an additional meeting between the members of the two delegations organized on 10 and 11 June in Strasbourg. In particular, the XVIIIth meeting allowed a detailed examination, in the light of the Ninth Annual Report of the activities of the Association Council, of the growing development of economic, trade and social relations between the enlarged Community and Turkey and an assessment of the state of the Association, which entered the transitional stage on 1 January 1973.

2. The XVIIIth meeting was also intended to enable the two parties to consider the prospects of strengthening cooperation and consultation in the political field. The Cyprus crisis and the Turkish military intervention in the island, the permanent state of tension in South East Europe and the Middle East where Turkey, the guardian of the straits, situated at the crossroads of Europe and Asia and of the Western, Arab and Soviet worlds occupies a vital geostrategic position, made this exchange of views, of whose importance everyone taking part was well aware, extremely topical.

3. The debates were held, as usual, in the presence of representatives of the Turkish Government, the Association Council and the Commission of the European Communities.

Four recommendations were unanimously adopted at the end of the meeting and forwarded to the Association Council, the Council and Commission of the European Communities, the Turkish Government, the Grand National Assembly of Turkey and the European Parliament.

They deal with:

- political cooperation and consultation between Turkey and the Community;
- economic and trade questions concerning both Association partners;
- social questions;
- the intensification and improvement of relations between the various Association organs.

Let us briefly consider the content of these various texts.

1. Political cooperation and consultation between Turkey and the Community

4. According to the governments which have held power in Ankara during the past few years, Turkey's position as an Associated State aiming at full membership gives it a privileged place in its relations with its partners in the European Community. The agreement reached in 1963 by Turkey and the six original Member States of the EEC (since then extended to cover the three new Member States) undoubtedly has political implications. The transitional stage is to be broken down into a series of steps to allow for the progressive establishment of a customs union between the signatories of the Association and alignment of their economic policies. When these objectives have been achieved, the Association will enter its final stage. Under the terms of Article 28 of the Agreement, the contracting parties are to consider the possibility of Turkey's accession to the Community 'as soon as the operation of this Agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community.'

As Mr Gunes, then Minister for Foreign Affairs, recognized in September 1974, the large gap between the economic level of Turkey and that of the Nine will prevent Turkey becoming a full member of the European Community in the near future.

5. Nevertheless, according to our Turkish partners, this status of virtual tenth member of the EEC should entitle their country to be informed of and, better still, involved in the political cooperation procedures introduced by the Member States of the European Community since the end of 1970.

The objectives of this cooperation were to provide by means of regular information and consultation a better mutual comprehension of the major problems of international politics and to strengthen the solidarity of governments by encouraging a harmonization of points of view and alignment of attitudes and, where possible and desirable, joint action; in the interests of both parties, it should therefore be extended to Turkey. Article 22 of the Association Agreement, which entitles the Association Council to take decisions in order to attain the objectives of the Agreement, and in the cases provided for therein, could be invoked to justify this enlargement of the nature of the Association. The fact that cooperation took place outside the framework of the Community Treaties would in no way be an obstacle to its introduction.

6. The extension of the Association to political cooperation should help strengthen and safeguard peace and democracy in the eastern Mediterranean. In this connection, the Turkish Minister for Foreign Affairs stressed at the Istanbul meeting that he had on several occasions communicated the Turkish view of the Cyprus situation to representatives of the governments



of the Nine. The Turkish partners regretted the absence of reciprocity when this question was discussed by the UN.

It should be remembered, also that at the end of the meeting of the Association Council in Luxembourg on 14 October 1974, Mr Sauvagnargues, leading the political consultation of the Nine, had talks with Mr Gunes, mainly on the situation in Cyprus.

7. Members of the Joint Parliamentary Committee unanimously emphasized that 'still closer cooperation between the Community, the Member States and Turkey had to be sought in the Association Council in order to find joint solutions to international problems, especially those of specifically common interest.' They hoped that the system of political cooperation between the two partners would be made more effective, and that Turkey would be able to help formulate a Community position in regard to world issues. In this connection note was taken of the Turkish Government's desire to participate in the dialogue between Europe and the Arabs, particularly in view of the long-standing historical links between Turkey and its Arab neighbours.

8. Those who took part, however, were obviously concerned chiefly with the Cyprus situation. This was inevitable, in view of the fact that the three parties involved, Turkey, Greece and the Republic of Cyprus, had privileged association relations with the EEC, the importance of the Mediterranean zone to the Community and the scale of the human problems to be solved after the events of last summer. Accordingly, the members of the European delegation insisted that a negotiated solution between the two parties be quickly reached, finally guaranteeing a lasting peace for the people of the Republic of Cyprus, respecting its independence and the rights of the two communities.

9. The Turkish partners, having explained the reasons which in the eyes of the Ankara Government justified the landing of Turkish troops on the island, expressed their intention of reaching in the near future an agreement with Greece to enable the two countries to maintain friendly and privileged relations, in accordance with the example once given by Kemal Ataturk and Venizelos.

10. The desire shown by both parties to widen the field of activity of the EEC-Turkey Association was also used by the European members as an opportunity to express their concern following the decision taken on 1 July 1974 by Mr Ecevit's Government to allow Turkish poppies to be grown once more in certain regions in Eastern Turkey. This had been banned in June 1971, principally at the request of the United States Government. The lifting of the ban could have unfortunate consequences for the health of the peoples of the EEC. The Turkish partners stressed that a problem of

this nature was to be decided by the Turkish Government and was outside the area of competence of the Joint Parliamentary Committee. They emphasized that the poppies were intended for the pharmaceutical industry, and that extremely strict controls, which had been approved by the UN, would be applied in order to ensure that the quantities produced were not used for other purposes.

11. Everyone taking part in the XVIIIIth meeting was convinced of the need to introduce in the near future a system of political cooperation associating Turkey and the European Community. The talks which had taken place following the Association Council meeting, between the Turkish Minister for Foreign Affairs and his French counterpart, the President-in-office of the Council of the Nine, showed that the governments concerned also held this view. The dialogue which had thus been started between the EEC and its Association partner could only be beneficial and in harmony with the greater interests of the peoples of the Association.

2. The state of economic, trade and financial relations between the EEC and Turkey

12. The discussion of the Ninth Annual Report of the activities of the Association Council in 1973 provided an opportunity to sum up the state of economic and trade relations between the two partners. The trend shown in earlier years towards an extremely rapid growth in trade between Turkey and its European partners had continued in 1973. The entry into force of the additional protocol and the second financial protocol on 1 January 1973, and the interim agreement on the early application as from 1 January 1974 of the commercial provisions of the supplementary protocol extending the Association to the three new Member States of the EEC, naturally contributed towards this growing integration of the Turkish and Community economies.

13. Although these results were satisfactory overall, they nevertheless gave rise to certain reservations on the part of our Turkish partners. It would be inappropriate to go too far into the details here, since the earlier reports by Sir Tufton Beamish, Doc. 210/73, and Lord Lothian Doc. 158/74, contain detailed passages on this question. However, these grievances may be summed up under three headings:

(a) Worsening of Turkey's trade deficit with the EEC

14. In 1973, Turkey's exports to the EEC grew less rapidly than those to third countries. On the other hand, Turkish imports from the EEC grew more rapidly than those from third countries. As a result, Turkey's trade deficit with the EEC continues to grow. It is true that the figures available for the first six months of 1974 show a reversal of this

tendency and a more rapid growth in Turkish exports to the EEC (up 56.9% compared with 1973) than to third countries (up 47.4%). At the same time Turkish imports from the EEC increased during this period by only 56.9% as against 1973, while those from third countries increased by 86.5%.

Nevertheless, the deterioration of the terms of trade has continued, and the Turkish trade deficit for the first six months of 1974 rose to \$295 million (as against \$107 million for the first six months of 1973). To end this growing imbalance, the Turkish partners suggest a new increase in concessions granted by the Community in respect of Turkish agricultural products. It will be remembered that since 1 January 1974 the Community has granted Turkey tariff concessions for about twenty products, following the first agricultural review laid down in Article 35(3) of the Additional Protocol.

15. In the past, the Community authorities have not granted the Turks' requests for new concessions on other agricultural products, particularly tomatoe concentrates, since it was not possible to work out these concessions before the end of the negotiations conducted by the Community as part of its overall Mediterranean policy. On 17 September 1974 the Council formally approved the broad lines of the Community's negotiating position on the overall Mediterranean policy, and the European members of the Joint Parliamentary Committee hope that additional concessions will be made in the near future in respect of new Turkish agricultural products.

16. Also with a view to limiting the Turkish trade deficit, the representatives of that country expressed a desire that the EEC should abolish some exceptions to the free entry into the Community of Turkish industrial products (certain cotton products and oil products).

The European members of the Joint Parliamentary Committee considered that the Turkish trade deficit was normal, in view of the need for equipment of a developing country, and that it was more than compensated for by the savings transferred into Turkey by Turkish workers employed in the EEC. They felt, nevertheless, that it would be reasonable to meet the requests formulated by the Turkish authorities in this sector.

(b) Refusal by the Community authorities to include Turkey on the list of countries benefiting from generalized preferences

17. This question has been raised several times at previous meetings of the Joint Parliamentary Committee. It should be remembered in this connection that the Council considers that the Association Agreement between the EEC and Turkey prevents the latter from being included on the list of states benefiting from the Community system of generalized preferences

which was introduced in 1971 and has since been gradually revised.

As an Associated State, Turkey in fact enjoys greater advantages than those accorded to states on the Community list, although its level of development is generally higher. However, in those rare cases where the advantages granted to beneficiaries of the generalized preferences system are greater than those enjoyed by Turkey, the Community authorities have agreed to grant Turkey similar preferences. This system does not satisfy the Turkish partners who would like to see their inclusion on the Community list in order to make it easier for them to be included on the list of beneficiaries from generalized preferences drawn up by other non-EEC countries.

The Joint Parliamentary Committee renews its request to the Community authorities and asks that Turkey be included among the countries benefiting from Community preferences.

(c) Erosion of preferences granted to Turkey by the Community

18. The Turkish partners consider that the increase in advantages granted by the Community to third countries, in the form of generalized preferences, as part of the Mediterranean policy or by the signature of preferential trade agreements, has considerably reduced - and sometimes cancelled out altogether - the advantages enjoyed by Turkey as an Associated State and potential full member. These countries often make products which compete with Turkish exports to the Community. Such a development was in conflict with the letter and spirit of the Association Agreement. It seemed to the European and Turkish members of the Joint Parliamentary Committee that Turkey should be granted compensations each time that advantages granted to third countries compromised those enjoyed by Turkey by virtue of its Association.

19. A balance in the trade between Turkey and the EEC cannot be re-established, however, until Turkey has diversified the range of its exports to the EEC. Such a trend has been noticeable for a number of years, the proportion of industrial products in Turkey's overall exports having risen gradually, reducing the importance of non-manufactured products, in particular four traditional agricultural products: tobacco, raisins, dried figs and nuts.

20. The industrialization of Turkey is one of the major objectives of the financial aid granted to that country by the EEC.

The second Financial Protocol, which entered into force on 1 January 1973, makes provision for the granting of loans by the European Investment Bank totalling 242 million u.a. for special loans (financed from funds supplied by Member States) and 25 million u.a. for ordinary loans, made

by the EIB from its own resources in accordance with market conditions. The latter sum was granted to two development banks which make loans to small and medium-sized private industrial undertakings.

21. Article 20 of the Association Agreement lays down that the contracting parties 'shall consult each other with a view to facilitating movements of capital .. which will further the objectives of this Agreement. They shall actively seek all means of promoting the investment in Turkey of capital from countries of the Community which can contribute to Turkish economic development'.

Notwithstanding these provisions and those of the Additional Protocol (Articles 51 and 52), which call upon the contracting parties to simplify the formalities concerning the authorization and control of transactions and capital transfers, the investments of Member States of the EEC continue to meet with considerable obstacles: foreign shareholdings must be minority ones, authorization can be given only for projects which are too large to be financed exclusively by Turkish capital, which introduce advanced techniques, which are essentially aimed at exports, and which are capable of competing successfully on EEC markets.

It seems desirable for the situation to be made more flexible and for Community capital to be allowed to play a more important part in the prospecting of Turkish underground resources which are still largely unexploited.

### 3. Social questions

22. The presence of a Turkish workforce estimated at 700,000 on the territory of the Member States of the EEC naturally raises a number of problems, of which the Turkish authorities are extremely aware. Emigration is one way of solving the difficulties caused by under-employment and the low level of qualifications of Turkish workers. It is also a considerable source of foreign currency, to the extent of probably \$1,400 million in 1974. A number of these problems were brought up at earlier meetings of the Joint Parliamentary Committee: vocational training, and the arrangements for welcoming workers and their families. On these points the reader is referred to the Beamish and Lothian reports already mentioned and to the opinions of the Committee on Social Affairs and Employment.

23. Two causes for concern became apparent at the meeting of October 1974:

- the first relates to social security arrangements for Turkish workers. According to Article 39 of the Additional Protocol, the Association Council must lay down before 31 December 1973 provisions concerning social security for Turkish workers and their families moving within the Community. In particular, these should enable periods of work completed

by a Turkish emigrant to be aggregated up for the purpose of calculating social security benefits to which he and his family are entitled.

On 10 June 1974 the Council of the European Communities fixed the Community position on the application of Article 39 and agreed on a draft decision of the EEC-Turkey Association Council on the application of Member States' social security schemes to Turkish workers.

The Association Council noted the Community position, and the reactions of the Turkish delegation were on the whole favourable. The Association Committee (ambassadorial level) was instructed to conduct negotiations on this point. The Joint Parliamentary Committee hoped that the negotiations could soon bring about an agreement in conformity with the interests of all parties.

- the second concerns the position of Turkish workers employed in the Community, in the context of the economic recession which is at present affecting most Member States of the EEC. The Turkish partners insisted that their compatriots should be less affected than workers from third countries in the event of any labour cuts. The European members were sympathetic to this view, although its application in a liberal economy seemed to present difficulties, since decisions on redundancies were taken at company management level.

24. Finally, in view of the prospect of the progressive introduction as from 1976 of the free movement of workers (which must be achieved by 1 January 1986 at the latest) the Joint Parliamentary Committee recommended that concrete transitional steps should be taken rapidly, as the Turkish representatives had hoped that the time-limit of 1986 could be brought forward for Turkish workers already employed in the Community.

#### 4. Intensification and improvement of contacts between the various Association organs

25. The two delegations agreed to intensify contacts between the parliamentary representatives of the Member States of the Association by holding a third annual meeting of the Joint Parliamentary Committee in Strasbourg or Luxembourg, giving the Turkish delegates an opportunity to establish useful contacts with members of the different committees of the European Parliament and with the political groups.

In addition, a number of suggestions were made on means of increasing the usefulness of the annual report on the activities of the Association Council. In order to make the various Association organs play a more active role the Joint Parliamentary Committee finally proposed that the necessary arrangements should be made for its members to put questions to the Association Council for answer at the following Joint Meeting.

XVIIIth MEETING

6 - 11 October 1974

ISTANBUL - TARABYA

FINAL COMMUNIQUE

The EEC/Turkey joint parliamentary Committee met in Istanbul-Tarabya under the joint chairmanship of Mr Ludwig Fellermaier, Chairman of the Delegation from the European Parliament and Mr Kâmrân Inan, Chairman of the Turkish Grand National Assembly.

In the course of the debates - in which the President-in-Office of the EEC-Turkey Association Council and of the Council of the European Communities, Mr Bernard Destremau, the Foreign Minister of the Turkish Republic, Mr Turan Günes and the Vice-President of the Commission of the European Communities took part - the delegates considered problems connected with the Association and also, in general, all the questions arising in the context of international relations, the Mediterranean area and, particularly, relations between the Associated States.

The members of the Joint Parliamentary Committee agreed to work for the restoration of lasting peace in Cyprus, especially as an independent state associated with the Community was involved, and in consideration of the interests of the long-suffering populations on both sides.

The Members of the Joint Parliamentary Committee again stressed that still closer cooperation between the Community, the Member States and Turkey had to be sought in the Association Council in order to find joint solutions to international problems - especially those of specifically common interest.

The EEC/Turkey Joint Parliamentary Committee gave special consideration to economic problems in connection with the Association, as well as problems relating to Turkish workers employed in the Community, private investment in Turkey and Turkey's industrial development.

The Joint Parliamentary Committee concluded its deliberations with the adoption of four recommendations:

RECOMMENDATION No. 1

The EEC/Turkey Joint Parliamentary Committee

- taking into account the political objectives of the association between Turkey and the Community,
- reiterating the necessity of strengthening cooperation and political consultation between Turkey and the Member States of the Community for achieving meaningful progress in the association relations, at a time when international relations are intensifying and rapidly changing,
- convinced that Turkey, as an associate member, aiming at eventual membership, should contribute to the development of the foreign policy of the Community,
- acknowledging once again the fact that the exploration through political consultations of the possibilities of resolving many political problems before they reach the crisis stage may have a crucial importance in some cases, as the Cyprus crisis has shown,

Requests the Association Council to ensure that:

1. the machinery for political consultation between Turkey and the Community be made more effective and that, with this objective in mind the possibilities be explored of enabling Turkey to make a contribution, in particular at the initial stages of formulation of a Community position in regard to world issues and thus having world efforts evolve in the direction of common interests and world peace;
2. it does all in its power to relieve the suffering of the two Communities of Cyprus and to pave the way towards a lasting settlement in the Island.



RECOMMENDATION No. 2

The EEC-Turkey Joint Parliamentary Committee

- having examined the 9th Report of the Association Council,
- having noted the declarations of the Chairman in Office of the Association Council,
- referring to recommendations numbers 1 and 3 adopted at its 17th meeting held in Berlin, March 24-28, 1974,
- bearing in mind that the balanced development of commercial relations is important for the association between Turkey and the Community to gain vitality in accordance with the spirit of the association agreement,
- welcomes the fact that for the first time since 1969 the rate of growth of Turkish exports to the Community exceeds the rate of growth of its imports from the Community and considers that efforts should be made to maintain and improve this trend,
- notes however that the marked growth in the volume of trade between the EEC and Turkey has led also to a growth in the Turkish deficit with the EEC,

Requests the Association Council

1. to expedite the action called for by the Joint Committee at its meeting in Berlin in March 1974, and in particular, the re-examination of the request for the inclusion of Turkey in the list of countries benefiting from the Community's Generalised system of preferences ;
2. to ensure that all possibilities be explored for the promotion and diversification of Turkish exports to the Community in both the industrial

and the agricultural sectors and that, for this purpose all appropriate measures be taken for the adoption of a preferential system that would accord Turkey, in particular for its agricultural products, at least, the highest level of advantage enjoyed by third countries ;

3. to ensure that the second phase of the first agricultural review that has been suspended because of its connection with the global Mediterranean policy of the Community, be concluded as soon as possible now that the Community has determined the contents of this policy;

4. to ensure that all possible ways of strengthening the machinery of consultation between the Community and Turkey be explored with a view to developing an appropriate balance between the responsibilities of the Community towards third countries on the one hand, and the advantages of accruing to Turkey from the Association on the other, by means of adopting the necessary compensatory measures.

RECOMMENDATION No. 3

The EEC-Turkey Joint Parliamentary Committee

- emphasising the special importance that it attaches to the social problems of the Turkish workers employed in the Community countries,
- having regard to the provisions of the additional protocol and in particular Articles 36-39 thereof,
- referring to Recommendation No. 2 adopted at its 17th meeting held in Berlin March 24-28, 1974,

Requests the Association Council to ensure that

1. the work of the association council in connection with the implementation of Article 39 of the additional Protocol be carried out with the understanding that Turkish workers employed in Community countries should enjoy the same rights and treatment as workers from Community member states ;
2. continuous vocational training programmes and language instruction programmes, in particular for unskilled workers, be organised before as well as after their reception by the host country in view of the disadvantages involved in the migration of skilled workers ;
3. the preparatory work for the realisation of freedom of movement for workers be started without delay in view of the fact that it should be achieved by progressive stages from 1976 on, and that concrete transitional steps should be taken in this direction ;
4. urgent measures be implemented to ensure that the employment situation of Turkish workers is relatively less affected by market fluctuations than that of the other workers from third countries in the Community.

RECOMMENDATION No. 4

The EEC-Turkey Joint Parliamentary Committee -

- noting to the 9th Report of the Association Council presented by the President in Office of the Council,
- acknowledging the invaluable contribution of the annual reports of the Association Council to the work of the Joint Parliamentary Committee submitted for the purpose of recording the activities of the association organs, and the development of the Association relations,
- convinced that the work of the Joint Parliamentary Committee conducted in the light of these reports should be continued in a more effective manner for a better development of the Association,
- observing that the association organs should play a more active role in the developments that have occurred as a result of the implementation of the interim agreement which came into effect on January 1 1974, following the entry into force of the additional Protocol and the second financial protocol, as well as in the solution of problems emanating from these developments,
- noting with satisfaction in this regard the efforts that are being made to intensify the contacts between the Grand National Assembly of Turkey and the European Parliament and the meeting of the Joint Parliamentary Committee held in Strasbourg,
- having regard to the request contained in Recommendation No. 3 adopted at its 15th meeting that in future Annual Reports of the Association Council have an introductory section on the political aspects of the Association and prospects for their development should be included,

Requests the Association Council to ensure that :

1. in the annual reports of the Association Council, the various activities and the level and modes of implementation relating to recommendations adopted by the Joint Parliamentary Committee be clearly indicated ;
2. the annual reports of the Association Council be presented sufficiently in advance to ensure a detailed and effective examination of the developments of the Association ;
3. permanent arrangements be made for members of the Joint Parliamentary Committee to put questions to the Association Council about the problems of the Association for answer at the following Joint Meeting.

OPINION OF THE COMMITTEE FOR SOCIAL AFFAIRS AND EMPLOYMENT

Draftsman: Mr G. CARPENTIER

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On 26 November 1974, the Committee on Social Affairs and Employment appointed Mr G. CARPENTIER draftsman.

It considered the draft opinion at its meetings of 26 November 1974 and 23 January 1975 and adopted it unanimously with one abstention on 23 January.

Present: Mr A. Bertrand, chairman; Mr Marras, vice-chairman; Mr Carpentier, draftsman; Mr Albers, Mr Dondelinger, Lady Elles, Mr Geurtsen, Mr Härzschel, Lord O'Hagan, Mr Pêtre, Mr Pisoni, Sir Brandon Rhys-Williams, Mr Santer, Mr Vandewiele (deputizing for Mr Girardin).

1. In Recommendation No. 3 on the problems of Turkish workers, the following problems are raised:

- (1) Article 39 of the additional Protocol, that is, social security;
- (2) Vocational training and language instruction;
- (3) Realization of freedom of movement;
- (4) The employment situation and its repercussions.

#### I - Social security

2. A first important step was taken by the Community in June 1974 when the Community delegation to the EEC-Turkey Association Council submitted a proposal for a draft decision by the Association Council for the application of social security measures to Turkish workers moving within the Community and members of their families living there.

This proposal was submitted at a very late stage, as social security measures should have been adopted by the Association Council by 31 December 1973 in accordance with the timetable provided for in Article 39 of the additional Protocol. Nevertheless, it is a first step towards solving the problem of social security for Turkish workers.

3. As yet, however, there has been no reaction from the Turkish side and it is not known whether the proposals submitted by the Community delegation are considered adequate and satisfactory.

As a matter of fact, the vast majority of Turkish workers in the Community are resident in the Federal German Republic. Out of a total of approximately 700,000 in 1973, more than 605,000 were in Germany, followed a long way behind by Holland (approximately 32,000) and France (approximately 30,000)<sup>1</sup>.

It follows that, in the last analysis, the major problems in the field of social security are bound up primarily with relations between Germany and Turkey and can be only partially solved by regulations binding on the entire Community, and even less by action taken by the Association Council, which has extremely limited powers in this field.

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<sup>1</sup>The latest figures for Germany are:

September 1973: 2.6 million foreign workers, including 605,000 Turkish workers;

June 1974: 2.45 million foreign workers (-6%), including 593,000 Turkish workers (-2%);

Unemployed in December 1974: 946,000, of whom 134,700 foreign workers, including 42,000 Turkish workers

This was amply demonstrated by the discussions at meetings of the EEC-Turkey Joint Parliamentary Committee during the Intanbul meeting in October 1974. These meetings saw several lively exchanges (which are not recorded in the recommendations forwarded to the Association Council) between Turkish parliamentarians and German members of the European Parliament, on the thorny problem of family allowances for children still resident in Turkey of Turkish workers in Germany.

4. The following brief summary of the points of view of the two sides will help to clarify the situation.

So far, children's allowances, irrespective of the place of residence of the children, have been granted in the form of tax concessions. These will now be discontinued. Instead, of this, children's allowances will be paid from 1 January 1975 onwards in respect of all children living in the European Community of Germans and foreigners on application to the employment exchanges; these allowances will be paid for all children and amount to 50 DM for the first child, 70 DM for the second child and 120 DM for every further child.

Contrary to the practice that has prevailed up to the present of treating all children equally, irrespective of their place of residence, bilateral arrangements will be concluded in respect of children living outside the European Community. The amounts envisaged are 10 DM for the first child, 25 DM for the second, 60 DM for the third and fourth child and 70 DM for a further child. This saved the Federal Republic 1,000 million DM every year. At the meeting the German Members of Parliament claimed that this new arrangement did not constitute discrimination since it equally affected German children living outside the European Community. The German delegates also pointed to the relatively low cost of living in Turkey.

The Turkish delegates, on the other hand, argued that this was an infringement of the right of all children to equal treatment and pointed out that only 36% of all children of Turkish workers live in Germany. Inflation had meant a sharp rise in the cost of feeding and educating children left behind in Turkey. The loss to the workers concerned, earning say roughly 15,000 DM per annum, would vary from 108 DM for one child to 990 DM for four children. This was an even greater loss when compared to German citizens and to Turkish citizens who had brought their children with them to the Federal Republic, because, from 1975 onwards, the latter would profit to the extent of 372 DM for one child and as much as 1,350 DM for four children.

5. This problem does not come within the scope of Article 39 of the Protocol, paragraph 3 of which states that the provisions of the article in question must ensure the payment of children's allowances when the worker's family resides within the Community. It is essential, however, that the two parties concerned should, on a bilateral basis, reach a reasonable compromise which will satisfy the legitimate demands of both parties.



6. On the other hand, the proposal forwarded to the Association Council, notwithstanding all the restrictions and reservations it contains, does represent a practical step forward, particularly since it permits the periods spent by Turkish workers in employment or insurance in the various Member States to be added together and provides for the extension to these workers of the benefit of Basic Regulation 1048/71 on social security for Community migrant workers.

It is essential therefore that these new regulations should come into force as soon as possible, which means that, as soon as the Turkish side has made known its opinion on the Community proposal, discussions should immediately be held between the two sides, so that the Association Council can adopt the new regulations in final form within a very short time.

7. This whole matter raises a number of legal difficulties; there is still, in fact, some disagreement as to whether the decision of the EEC-Turkey Association Council is directly applicable in the Community or whether it is necessary to turn it into a Community regulation of the Council of Ministers of the Community with all the tortuous procedure which this involves. However, even these legal difficulties can be speedily resolved, provided that the political will exists in the Member States chiefly concerned to arrive at a satisfactory final solution to the problem.

## II - Vocational training

8. The second paragraph in Recommendation No. 3 concerns vocational training programmes and language instruction programmes, which the Recommendation requests should be organized both before the workers' departure from their own country and after their arrival in the host country.

With regard to the possibilities of implementing this recommendation, it must be pointed out that the additional Protocol does not give the EEC-Turkey Association Council any power in this respect. The whole matter is rather the responsibility of the individual Member States, or of the Community itself to the extent that Community intervention in the field of vocational training is provided for in the case of foreign workers working on its territory. The Association Council could, however, in theory invoke Article 22, paragraph 3, of the Ankara Agreement, which states that it shall 'take the appropriate decisions where joint action by the contracting parties is deemed necessary to attain, under the Rules of the Association, one of the objectives of the Agreement, where the latter had not provided for the powers of action necessary for this purpose.

It is difficult, however, to say whether this possibility offered by the Ankara Agreement can be effectively exploited by the Association Council in the field of vocational training.

9. In practice, action can be taken in this matter of vocational and language training for Turkish workers at three levels:

- at Community level with the aid of the European Social Fund;
- before the workers' departure from Turkey with aid from the Turkish Government and the Community Member States directly concerned;
- at the level of the firm or undertaking where the worker is employed in the host country.

10. As far as aid from the European Social Fund is concerned, according to the recent decision of 27 June 1974<sup>1</sup>, Article 4 can now be applied also to aid migrant workers, whether from the Community or from third countries, through projects designed to facilitate their incorporation and integration. In particular, the Fund may contribute to the following:

- the costs of language or vocational instruction;
- the costs of special teaching given to children of migrant workers, such aid not to cover the cost of normal teaching;
- the costs of training and further training for social workers and for teaching staff providing courses for these workers and their children.

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<sup>1</sup> See OJ L 185, 9 July 1974

11. There exists, therefore, at present an adequate Community legal framework for the promotion of vocational and linguistic training for Turkish workers even if there are some practical difficulties involved. First and foremost, there is not enough money in the Social Fund for aid under Article 4, which now concerns not only migrant workers but also handicapped persons, farmers leaving agriculture and people employed in the textile sector. Secondly, objections are being raised by some Community Member States to the idea of aid from the Social Fund for workers from third countries, in deference to the principle of 'Community preference'. The Commission of the European Communities will be obliged to take these reservations into account when it comes to making a final choice from the various applications for aid.

12. With regard to vocational training given directly to prospective emigrants to the Community before their departure from Turkey, even though this was the solution most favoured by the Turkish Government, it will be very difficult to implement it within the framework of the Association Agreement and it ought, therefore, to be carried out by means of bilateral agreements between Turkey and the individual Community countries concerned, particularly Germany.

13. As far as vocational and linguistic training at the level of the firm or undertaking is concerned, this is not an entirely satisfactory solution mainly because instruction is generally limited to the absolute minimum, in other words, it does not go beyond the basic training strictly geared to the job or the linguistic rudiments needed to do the work.

The Committee on Social Affairs and Employment, on the occasion of its recent visit to the FORD automobile plant in Cologne, which employs several thousand Turkish workers, was able to see for itself the difficulties at present existing in this field. Amongst other things, the Works Council representatives (who included one Turk and one Italian) claimed that language instruction could be given during working hours or by the 'credit hours' system. New experiments in this sector are being carried out at the BMW factory in Munich and are subsequently to be extended to other industries. In any case, if progress is to be made in this sector, it will call for cooperation not only from governments and the public authorities concerned but also from trade unions, Works Councils and the managements of individual undertakings.

### III - Freedom of movement

14. Under Article 36 of the additional Protocol<sup>1</sup>, freedom of movement for Turkish workers in the Community is to be implemented gradually in the ten years from 1976 to 1986.

In the recommendation under consideration the Association Council is requested to ensure that preparatory work needed to implement the principle enunciated in the Protocol is put in hand without delay so that practical transitional measures can be taken.

15. To speak of freedom of movement at a time when some Member States have closed their frontiers to workers from third countries and stopped all immigration may seem to be a contradiction. Furthermore, other Member States also are expressing reservations and raising objections for different reasons. The Community countries from which workers emigrate are afraid that 'Community preference' will be called in question, while the countries which take in immigrants are faced with a serious threat of economic recession and consequently of domestic unemployment, it is only natural that they should be worried by the prospect of the arrival of thousands of Turkish workers seeking employment.

16. However that may be, the principle of freedom of movement is embodied in an international Treaty and the regulations on this matter must be implemented in the same way as the regulations of an economic and financial nature contained in the Association Agreement.

The problem is that of clarifying what exactly is meant by freedom of movement. The fact is that it would be by no means in Turkey's interests or in the interest of its progress towards industrialization that it should be drained relentlessly of its youngest and best qualified workers, as would happen in the case of complete liberalization of employment vis-à-vis the Community.

17. In spite of the fact that in the Ankara Agreement explicit reference is made to Articles 48, 49 and 50 of the EEC Treaty<sup>2</sup>, which regulates the free movement of Community workers, and that it might therefore be presumed that a rather broad interpretation of the idea of freedom of movement is intended, it is clear that, in the beginning at least, this interpretation

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<sup>1</sup> Article 36: The free movement of workers between the Community Member States and Turkey will be implemented gradually, in accordance with the principles laid down in Article 12 of the Association Agreement, between the end of the 12th and the 22nd year after the entry into force of the Agreement.

The Association Council will decide on the arrangements that will be needed for this purpose.

<sup>2</sup> Article 12 of the Ankara Agreement: 'The contracting parties agree to be guided by Articles 48, 49 and 50 of the Treaty instituting the Community in the gradual implementation of free movement of workers between their territories'.

will be very difficult to uphold and put into practice.

The position is rather that, in the first stage and until such time as the situation becomes clearer, the Community will resort in increasing measure to Turkish manpower to fill any jobs which may become available and cannot be filled by national or Community workers.

18. It is clear that this solution also presents problems, especially for those Member States bound by bilateral agreements with other third countries and yet required to give preference to Turkish workers. The Commission, however, ought to review this whole range of problems as soon as possible and draft practical proposals to be submitted to the Community delegation to the Association Council and at a later stage to its Turkish counterpart.

#### IV - Employment situation and its repercussions

19. The Committee on Social Affairs and Employment can appreciate the demand expressed in the latest request to the Association Council for urgent measures to be adopted to ensure that, with regard to the employment situation, Turkish workers will suffer less from the present crisis than other workers from third countries.

This demand stems from the somewhat special position occupied by Turkey vis-à-vis the Community, especially in the matter of freedom of movement, in relation to which the desired measures would constitute an initial step, so to speak.

20. There are certain reservations, however, which must be voiced. In the first place, looked at objectively, any discrimination of this kind between foreign workers appears unjust; in the second place, the demand will be rather difficult to accede to in practice, especially in view of the absolute preference given in all States, in filling vacancies, to nationals of the country and secondly to citizens of the Community. The possible practical measures hoped for in the recommendation ought to be taken directly by the Member States concerned in agreement with the Turkish government.

What kind of measures, however, ought to be contemplated? They should first and foremost be provisions of a technical nature, such as the extension of residence permits even where the work contract has expired, unemployment benefits while the worker is waiting for new employment, etc. Measures such as these ought to be studied as a matter of urgency and introduced in those Member States which employ foreign labour.

V - Conclusions

The Committee on Social Affairs and Employment

as regards social security for Turkish workers

1. Takes the view that the new draft regulation forwarded to the Association Council by the Community delegation is a major step forward in the field of social security for Turkish workers;
2. Invites, therefore, all parties concerned to expedite as far as possible the process of consideration and decision-making, thereby ensuring the early introduction of the regulation, the adoption of which has already fallen one year behind the timetable laid down in Article 39 of the additional Protocol;
3. Hopes that all other matters still pending in the field of social security can be resolved for the time being by means of bilateral agreements between Turkey and the Community Member States concerned;

as regards vocational and language training

4. Welcomes the fact that the European Social Fund is now in a position to grant aid to vocational and language training projects for migrant workers both from the Community and from third countries;
5. Urges the Commission and Council of the Communities to do their utmost to remove the financial and practical obstacles to the full use of the Fund;
6. Invites those Member States that employ Turkish labour to enter into direct agreements with the Turkish Government with a view to promoting the vocational and language training of these workers before they leave their own country;

as regards freedom of movement

7. Considers that the free movement of Turkish workers within the Community, laid down by Article 36 of the additional Protocol, should be interpreted to mean that the Community will have increasing recourse to Turkish labour to fill vacancies within the Community which cannot be filled by national or Community workers;
8. Shares the view of the EEC-Turkey Joint Parliamentary Committee that studies in depth of the whole question should be put in hand as soon as possible, so that transitional measures can be drafted and introduced beginning in 1976.

as regards the employment situation and its repercussions

9. Hopes that, in the present economic situation, Member States will, as far as employment is concerned, accord the same treatment to migrant workers currently employed in the Community as to national workers.
10. Considers that the Commission of the European Communities should draw up proposals on this matter as soon as possible.