

GLOBAL STRATEGY FORUM

TURKEY'S GENERAL ELECTION: WHAT DOES THE OUTCOME MEAN FOR BRITAIN, EUROPE AND THE MIDDLE EAST?

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INTRODUCTION

WHEN IN 2002 the Turkish Parliament rejected intense US pressure to open Turkish territory for the coming invasion of Iraq, Turkey signalled that it was ready to break away from its Cold War deference to the US and that it wanted to play a more independent role in regional affairs. More recently, Turkish leaders have sought to mediate with Iran on the nuclear issue and it is reviewing its traditional close relationship with Israel. In the Middle East, Turkey is often pointed to as a constitutional model for the emerging democracies of the 'Arab Spring.' Domestically, Turkey is also changing. Economically it has largely bucked the malaise in Western Europe. In his visit last July, the Prime Minister set a goal of doubling UK exports to Turkey. As the 12th June 2011 general election confirmed, civilian parties like the ruling Justice and Development party (AKP) will continue to strengthen and military influence will continue to weaken.

What do these changes mean for the UK, the EU and NATO? Is Turkey still a "reliable partner" or will it increasingly chart its own course? Will such a course be aligned with or in opposition to Western positions? Will Turkey's increasing regional influence and evolving role make it a more or less attractive candidate for EU accession? Indeed, as non-European investment pours into Turkey, will its EU application be a priority? What role can the UK play in shaping the answers to these questions? Finally, did the elections provide any clues about Turkey's future direction?

It was to answer these questions that Global Strategy Forum hosted a discussion entitled *'Turkey's General Election: What does the Outcome Mean for Britain, Europe and the Middle East?'* at the National Liberal Club on Tuesday 14th June 2011. Hüseyin Gün, Sir David Logan KCMG, Mehmet Ögütçü and Baroness Nicholson of Winterbourne discussed the Turkish election results and their wider implications in a debate chaired by GSF Advisory Board member, the Rt Hon Jack Straw MP. The Turkish Ambassador, HE Mr Ünal Çeviköz, gave a reply.

It gives me great pleasure to bring this collection of presentations arising from the Global Strategy Forum debate to a wider audience.

Lord Lothian PC QC DL
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EUROPE MUST EMBRACE THIS CONFIDENT TURKEY: ERDOGAN'S ELECTION VICTORY GIVES THE LIE TO THOSE WHO SAY DEMOCRACY AND ISLAM DON'T MIX

Rt Hon Jack Straw MP

The Rt Hon Jack Straw MP is Member of Parliament for Blackburn, which he has represented since first entering Parliament in 1979. His long career has included continuous Cabinet-level roles in Labour governments from 1997 through to 2010 and he has taken a leading part in many momentous political decisions in both national and international politics. He had a number of Shadow Cabinet roles before becoming Home Secretary after the Labour Party's 1997 election victory, and then Foreign Secretary in 2001 and Leader of the House of Commons and Lord Privy Seal in 2006. He served as Lord Chancellor and Secretary of State for Justice from 2007 until 2010. Appointed Foreign Secretary in 2001, he soon played a leading role in the dramatic and difficult foreign policy problems arising from the 9/11 terrorist attacks in New York and then the interventions in Afghanistan and then Iraq. In 2006 he was appointed Leader of the House of Commons and Lord Privy Seal with responsibility for parliamentary reform. He returned to the Opposition benches after the 2010 general election and continues to play a leading role in national politics, on home and foreign policy.

'Believe me,' Recep Tayyip Erdogan said after his re-election on Sunday, "... the people of Damascus won as much as the people of Ankara."

For the thousands fleeing President Assad's brutal massacres, the Turkish Prime Minister's words are much more than rhetoric. Camps are being established on the Turkish side of the border to welcome refugees forced from their homes, with no discernible angst of the kind so often heard in Western Europe about being "flooded with foreigners".

Mr Erdogan was, until recently, a close ally of the Assad regime, as part of his "zero problems with neighbours" foreign policy. Now, in stark and noble contrast to other allies of this nakedly brutal government (such as Russia, China, Iran), he has cut Assad loose, condemning his actions as barbaric.

In Bill Clinton's immortal words "it was the economy, stupid" that gave Mr Erdogan's AKP party its victory. They have benefited from some tough decisions on public spending taken in 2002 when they assumed office. GDP has nearly doubled in less than a decade and Turkey came through the 2008 credit crisis almost unscathed.

Its growth rate is up with China and India. Unemployment is still high by UK standards, at 11.5 per cent, but has fallen from 14.4 per cent in the past 12 months. The economic boom has led to a widening and unsustainable trade deficit that the new Government must tackle, but the measures needed will not undermine the transformation in Turkish living standards.

By British third-term standards, the AKP's success was eye-watering. Compared with the 2007 election his share of the vote rose by four percentage points to 49.9 per cent. (The highest postwar share by any party in a UK general election was 49.7 per cent in 1955.) This victory was not achieved by a minority of sullen voters dragooned to the polls; it was a hotly fought, multiparty contest, clean by all accounts, with an 84.8 per cent turnout, which puts the UK to shame. It is 50 years since the turnout here exceeded 80 per cent. Is anyone still asserting that democracy and Islam cannot mix?

There was considerable chatter before the election that the AKP might win such a huge majority that it could railroad through important changes to the constitution without any opposition buy-in, and without a referendum, to give Mr Erdogan, so it was alleged, a "Putin-style" ascendancy. This cannot now happen, as his majority was not big enough. This means that the AKP will have to seek a wider consensus for such change, something Mr Erdogan recognised in his victory speech.

Consensus was not something much practised by many of the secular leaders who preceded him. The legacy of the founder of modern Turkey, Kemal Atatürk, is immense. He did transform a decrepit, crumbling theocracy into a modern state, but it was aggressively anti-religious in a country where 98 per cent hold to the Muslim faith, and gave disproportionate power to the "deep state", principally the military and the judiciary. Mr Erdogan, having been elected Mayor of Istanbul in 1994, was barred from holding office, and jailed for four months for reading a poem deemed a "violation of Kemalism".

That ban was in force when the AKP first won an election in 2002, so Abdullah Gul, Mr Erdogan's close collaborator and deputy leader of the AKP (now President of the Republic), had to be interim Prime Minister until the ban was lifted. More recently, the Constitutional Court upheld the ban on women wearing headscarves in any public institution (including state universities) in the teeth of parliamentary opposition and came within a whisker of banning the AKP.

The present constitution was introduced after a coup in 1980. The case for reforming it, to clarify the role of the military, to make the judiciary more accountable and to extend participation, is strong. It may be that the AKP will propose an executive presidency along French lines. (The smart money predicts that, if so, Mr Erdogan and Mr Gul will swap roles.) My guess is that in seeking change Mr Erdogan will not emulate those who jailed him. He could show his self-confidence by ensuring that those journalists now incarcerated are brought swiftly to trial for offences in any democratic



country's criminal code, or released.

In the same passage of his speech that referred to the Syrians “winning” from his re-election, Mr Erdogan brought in the Bosnians, Lebanese and Palestinians as well. Turkey is now *the* dominant actor in the region and increasingly influential on the world stage. The UK has been honourable and strategic in its support for Turkey. Not so France, Germany and others on the Continent who have effectively blocked Turkey's EU negotiations.

But if there are those in the Chancelleries of Europe who now (wrongly) feel apprehensive about Turkey's increasing assertiveness in foreign and economic policy, they have only themselves to blame. The one loser from these elections is the EU. At a time when it desperately needs strong allies to help to ensure a benign outcome to the Arab Spring, it is myopic in the extreme for its leaders to appear to be turning away from the strongest, richest and most democratic state in the wider Middle East.

This article first appeared in The Times newspaper on Tuesday 14th June 2011



ERDOGAN'S LEGACY FOR TURKEY IN HIS FINAL TERM

Sir David Logan and Mehmet Ögütçü¹

Sir David Logan KCMG was British Ambassador to Turkey from 1997-2001 and also served at the British Embassy there between 1965-1969. For most of his career in the Diplomatic Service he specialised in east-west relations and in defence policy. He served as Deputy Chief of Mission at the British Embassies in Moscow and Washington. His postings in the Foreign and Commonwealth Office included appointments as Assistant Under Secretary of State for Central and Eastern European Affairs, and for Defence Policy. He was Director of the Centre for Studies in Security and Diplomacy at Birmingham University between 2002-2007 and has been a director of publicly quoted British, Russian and Turkish companies. He is Chair of the British Institute at Ankara.

Mehmet Ögütçü is currently Director for International Government Affairs at BG Group. He served as OECD's Head of Global Forum, IEA principal administrator for Asia-Pacific and as a Turkish diplomat in Ankara, Beijing, Brussels and Paris. He is a graduate of Mulkiye, London School of Economics and College d'Europe (Bruges). Mehmet Ögütçü has published a dozen books and hundreds of articles on Turkey, energy geopolitics, China and future trends. He also teaches occasionally as honorary fellow at LSE, University of Dundee, and Peking University.

Turkey's 17th general election was never an election about who would win; it was a foregone conclusion that the Justice and Development Party (AK Party) would do that and that Recep Tayyip Erdogan, in his final term as the prime minister, would be given not only the mandate to govern but also the moral authority to forge Turkey's future in the next four years and, arguably, beyond.

But actual votes mattered too. Would AKP's majority be so large that it could change the constitution unilaterally? Or, failing that, big enough to put constitutional proposals to a referendum without horse-trading with other parties represented in the parliament?

As things turned out, the AK Party won slightly less than 50 percent of the vote, but fewer seats than in the last parliament and not enough to change the constitution without cooperation from other parliamentarians. The main opposition CHP won 24 more seats than it did in 2007, reflecting some new political relevance under Kemal Kilicdaroglu. But this was a modest advance, which may not be enough to prevent further unrest in the party.

The MHP squeaked into parliament, with 13 percent of the vote and 56 seats, 15 fewer than in 2007 but enough to ensure that strong nationalism will be represented in parliament and not just on the street -- not necessarily a bad thing. Most importantly, the Kurdish BDP gained ground from the

AK Party on independent tickets in the south east, returning 36 deputies with very diverse political identities, including two in Istanbul. This was a clear reflection of regional disillusion with the last government's failure to make good on its promise of a "Kurdish opening".

Now that the election fever is over, what matters is the quality and urgency of the solutions which Mr. Erdogan brings to the issues to be tackled, and how far he and the other political leaders, all well dug in to their political trenches, are

prepared to work together to find solutions. Mr. Erdogan's support has been built on his success in creating a booming economy and in ending decades of chaotic coalitions, military coups and failed international financial bailouts.

Foreign investors have traditionally seen the AK Party as the most market-friendly party. But they have also increasingly come to recognise that all is not well with the Turkish polity and that future Turkish success will depend on finding solutions to the major problems which now confront Turkish politics, society and, yes, even the economy.

Among many foreigners, there is a bit of over-simplification about the AK Party government, namely that it has an agenda to "islamise" the country. It is, of course, true that a majority of Turks are devout and conservative. Their stake in the country's governance, since 2001 represented by the AK Party, has steadily become more influential, to the dismay of the old secularist establishment. The AK Party both reflects their devout and conservative attitudes, and exploits these to ensure its political dominance. But that doesn't mean the return of the sharia.

What does matter, however, is that the Turkish political process is one in which the government has appeared increasingly intolerant of opposition and criticism, and focussed on narrow political advantage. Opponents point to rampant use of wiretaps by state agencies, the government's handling of the Ergenekon case and other scandals involving the "deep state", the detention of large numbers of journalists critical of the government, and nepotism. The news on 14 June about the arrest by Turkish police of 32 members of the "Anonymous" collective seems to be connected with the government's intention to introduce a filter system for access to the internet for all Turks in August.

Besides, the AK Party, like previous Turkish governments, has become steadily more clientelist in its conduct of government. Its supporters assume positions of influence. Companies run by AK Party sympathisers get big government contracts. The stakes involved in this have become much higher than in the past because of the great success of the Turkish economy. This has reinforced the serious polarisation of Turkish society.

Mr. Erdogan's critics point to his authoritarian streak. They fear he will use his growing power to switch to a more presidential system of government, with an eye on becoming president himself in the years ahead.

Balcony Diplomacy

At his traditional "balcony speech", Mr. Erdogan asked explicitly for forgiveness from all political rivals and individuals he might inadvertently have hurt during his campaign. He ordered his party to "adopt a posture of humility and servility". He promised to open a new, clean page.

As a top priority, he promised to rewrite a civilian constitution in consultation with opposition parties. EU-oriented reforms over the past decade have already changed about one third of the 1982 Constitution, drawn up under military rule. The AK Party has promised a whole new text. For it to stick, it must be the product of a genuine consensus, including the Kurdish national movement, not a top-down imposition.

Mr. Erdogan also assured his audience that the mega-projects he unveiled during the campaign would commence immediately. The election campaign had witnessed promises of new cities, high-speed trains domestically and reaching as far as Mecca and Xian, suspension bridges, airports, tax holidays, a "crazy" grand canal parallel to the Bosphorus waterway, and iPads for all.

One can justifiably be sceptical about Mr. Erdogan's balcony promises, which, he may abandon within a few weeks if he remains true to his form in 2002 and 2007. Based on those precedents, a period of confrontation lies ahead, and consensus appears difficult in the short term. The issue of a new constitution is likely to polarise the political arena, as the opposition remains fearful of AK Party attempts to engineer permanent control over the system.

Mr. Erdogan says the new charter will be based on democratic and pluralistic principles that will bring Turkey closer to EU standards. Besides, as we've said, the AK Party is short of the so-called "referendum majority." Whilst this does not imply that the government is about to delay constitutional reform, it necessitates dialogue with CHP and MHP as well as independent members of Parliament. This seems to be exactly what the Turkish electorate had in mind.

So, this time, in his final term, we hope that a combination of the new parliamentary numbers, and recognition of what they mean in terms of popular attitudes, together with a desire to leave an enduringly positive legacy as Prime Minister, will lead Mr. Erdogan to compromise on the scale of his presidential ambition and to address in tolerant fashion the questions which divide Turks so bitterly, and which increasingly lead outside observers, like us, to fear for Turkey's future successful development.

Accommodation with Kurds

The situation in the South East is one reason why a new constitution cannot be delayed. Abdullah Ocalan, the jailed leader of militant Kurdistan Workers Party (PKK), has threatened a “big war” if the government failed to begin serious talks days soon after the election. The electoral gains made by Kurdish independents were a message to Erdogan to engage more fully, after his failure to follow through on his initiative to grant Kurds more rights two years ago.

However, Mr. Erdogan may not want to be seen to be bowing to pressure from Ocalan. This means that Turkey is likely to experience unrelenting waves of civil disobedience or even large scale PKK attacks unless Mr. Erdogan initiates the process of drafting the new constitution. This promises a very hot summer for Turkey, and the new government should find ways of calming the tension by serious engagement, rather than paying lip service.

Is it too much to hope that the BDP, or at least some members of it, might be prepared to signal that they would support constitutional change in parliament, subject to satisfaction that a new constitution, which met their aspirations, as well as those of the great majority of Turks, would emerge from the drafting process?

Economy Comes First

Having built a reputation for ending Turkey’s financial meltdowns of the past and making it one of the world’s fastest growing emerging markets, the government needs to make sure that this success continues. Youth unemployment is high in a country where the average age is 28. High GDP growth has been driven largely by domestic demand, and inflation is starting to grow. The big current account deficit requires careful macro-management of an economy, which is now over-heating.

Unlike the financial storms threatening the Eurozone and China, the Turkish economic correction can pass swiftly if appropriate measures are enacted without delay. Specifically, the Central Bank needs to adopt a more orthodox strategy by raising interest rates, and the government to pitch in with fiscal tightening. The question is whether Mr. Erdogan, with the election won, will feel able to undertake the level of economic belt-tightening, which the situation now demands.

Then, what about external challenges, inextricably linked to the domestic agenda, that the new government will likely face? Ahmet Davutoglu seems likely to be re-appointed as Foreign Minister. Will he continue to pursue his far-reaching strategies, not just regionally, but also globally-sometimes indeed reaching beyond Turkey’s effective grip? Will Turkey’s increasing confidence and economic strength lead it to set its own rules and play according to these, rather than the rules set in Washington or European capitals?

Arab Spring; Normalised Relations with Israel and Armenia

The upheavals in the Arab world have certainly set back Turkey's hopes of rapid progress to a more stable, prosperous neighbourhood. The most pressing crisis is now thousands of refugees fleeing to Turkey to escape a bloody crackdown by President Bashar al-Assad. Having embraced Assad as a friend and urged him to make reforms, Mr. Erdogan is now confronted with a Syrian government, which uses merciless force against its own people. The prospects for the Syrian people, and the implications for Turkey, seem grave indeed.

But it does not follow that Ankara's "zero problems with its neighbours" policy was mistaken. Turkey's new relationships with her Arab neighbours were established with governments, which have now lost power and credibility, and Turkey's difficulties in re-setting its relations, for example with the opposition in Libya, are plain. But Turkey is no different from Western governments in this respect; and Turkey's new relationships with people in Arab countries go deeper than the government level.

We believe that Turkey is capable of managing the transition and of resuming its regional role with the successor administrations there. A bigger challenge for Turkey in the Middle East is to resist inclusion in the dangerous trend for major regional powers, such as Iran and Saudi Arabia, to assume the role of patrons of Arab Sunni or Shiite states, with the consequential risk of destabilisation and confrontation in the region.

Ankara should stick to its "zero problem" approach: a better-governed, more interdependent region with more efficient borders, integrated infrastructure, visa-free travel and free trade is in its interests and those of its western friends. This applies not just to the Arab countries. Turkey should seek opportunities to normalize relations with Israel (through a mutually satisfactory arrangement, rather than inconclusive blame game that goes on) and Armenia, recognising that its international leverage is most effective when it has productive ties with all parties in the region. Recent talks between Baku and Yerevan have generated hope that Ankara may no longer be held hostage to their protracted confrontation.

Reluctance or Re-Engagement with the EU?

The EU's internal divisions and some European politicians' hostility to Turks joining the club have done much to harm the EU's appeal among Turks. Support for EU membership is declining and many people question why a dynamic Turkey would want to enter a union plagued by debt and slow growth, and get into a strait jacket while it can pursue its own regional ambitions. The obstructions by France, Germany and Austria are viewed by some politicians as a blessing which has allowed Turkey to develop its own geo-economic space and assert its national pride and identity.

No wonder that the issue of the EU was totally absent from Mr. Erdogan's campaign speeches. It only appears on the 151st sheet of his 160 pages long election programme, where "unfair and unfounded opposition" of certain EU countries is strongly condemned. EU accession process is now hanging by a thread, since there are almost no negotiating chapters left to open.

The loss of momentum in the development of the EU-Turkey relationship is concerning. There is no doubt that the EU's soft power was responsible for major reform in Turkey. That has now been lost. The Europeans have turned inward, absorbed by the economic crisis facing the Euro zone. And many Turks make simplistic comparisons between the Turkish and European growth rates and conclude that Turkey will be better off on its own.

Both are mistaken. Turkish economic and political development will best be secured by revitalisation of the accession process. And Europe too will be strengthened and renewed by what Turkey has to offer in terms of political and security reach, regional stability, demography and diversity.

The new government must actively find a way to get lifeblood back into the relationship. It is already committed to create a new Ministry of European Union Affairs. But we should not expect Ankara to tango on its own. Both sides should recognise that both Turkey and Europe are changing and also that the global economic and political tectonic plates are shifting, not necessarily to the advantage of the EU. New approaches are needed to overcome deep-seated problems and to put the future EU-Turkey partnership on a healthier basis.

On Cyprus, mutual absence of trust between Ankara and Nicosia is the single biggest obstacle to reunification of the island, and it seems unlikely that the EU will be able to broker a breakthrough, given the unwillingness of other member states to confront Cypriot intransigence. There's no need to tell the Turkish government that this situation is a major reason for the paralysis in Turkey's accession negotiations. Ankara cannot be expected to make unilateral concessions.

Given the lack of communication between Turkey and the Greek Cypriots, one possibility that has recently been suggested by the International Crisis Group is an international conference to initiate a process that includes the four main (albeit asymmetrical) parties to the history of the Cyprus dispute, Greek Cypriots, Turkish Cypriots, Turkey and Greece. This could be led by the UN, and include representation from the EU. It should focus on addressing difficult issues such as security, implementation and guarantees.

Greater Consensus and Tolerance Needed

We are cautiously optimistic about what the election results portend for Turkey. It is true that,

even if the number of AK Party seats has been slightly trimmed, its political dominance remains overwhelming. So the challenge for Prime Minister Erdogan, which lies in reaching out to all Turks instead of burnishing a relationship of mutual advantage with his followers, is, after a third electoral victory, perhaps more difficult than ever.

However, the result failed to give the AK Party the number of seats necessary to decide Turkey's constitutional future without consulting others. It demonstrated that the problems of the South East cannot be solved without policies which go to the heart of Kurdish concerns and which involve the BDP. It showed that the CHP cannot be written off. All these outcomes should lead the AKP leadership to reflect.

We hope that the government will seek greater consensus and reach out to a wider group of stakeholders for a more inclusive approach to the solution of Turkey's problems than it demonstrated during its second term. The outstanding question now is whether the AK Party will perpetuate the pattern of advancing its own preferences at the expense of others in Turkey's deeply divided polity or instead adopt the path of consensus-seeking. The opposition parties will also have to decide that they have an important part to play in bridging the divisions in Turkish society and play the political game more constructively.

And we hope that Western Europeans will not leave the field to the toxic co-conspiracy of European and Turkish opponents of Turkey's democratic, European future but remember that they too have an important stake in the full development of Turkish democracy and stability, and that they share a common destiny with Turkey within the EU.

TURKEY'S GENERAL ELECTION: WHAT DOES THE OUTCOME MEAN FOR BRITAIN, EUROPE AND THE MIDDLE EAST?

Transcript of remarks to Global Strategy Forum by Baroness Nicholson of Winterbourne

Baroness Nicholson of Winterbourne serves in the House of Lords, having been made a Life Peer in 1997, and takes the Liberal Democrat Whip. She was the Member of Parliament for Devon and West Torridge (1987-1997), and Vice-Chairman of the Conservative Party (1983-1987). Baroness Nicholson was elected as a Member of the European Parliament for the South East region of England in June 1999. She was re-elected in June 2004 and served until 2009. Baroness Nicholson is the Founder and Executive Chairman of the AMAR International Charitable Foundation, which was set up in 1991 to provide emergency aid for refugees in southern Iraq, and the Iraqi marshlands, in response to the acute humanitarian crisis that was taking place. She is the Co-founder of the AMAR-UNESCO Standing Conference, which promotes understanding between European and Islamic civilisations. Baroness Nicholson has been appointed, since 2002, as the World Health Organization Envoy on Health, Peace and Development. She is also the Patron of, or holds honorary positions in, over fifty charities.

I am very honoured and very privileged to be here. Let me lay out my table plan immediately: I have been a very early supporter indeed of Turkey's entry into the European Union, so I will focus my comments on that important issue.

From my perspective, the European Union will gain massively from Turkey's membership and I have done all I can in the European Parliament in terms of votes, in terms of the Foreign Affairs Committee and in terms of the plenary sessions to push forward all the possible opportunities for Turkey to achieve that goal, although I hesitate to say achieve that goal, because if Turkey does not want it, that is a different matter. But from my perspective, as a Parliamentarian from the United Kingdom, witnessing throughout my life Turkey's wonderful membership of NATO, her huge foreign policy influence in the region, her extremely constructive and growing ties with so many nations, which the EU and particularly the UK and our ally, the USA, need and which will greatly enhance our work in the region, I can see no better way forward for all of us than Turkey's membership of the European Union.

How does the election impact on this? I believe strongly that it is a very positive step forward because Prime Minister Erdogan now of necessity will have to pull together, in different ways, more of a coalition to reform the Constitution than perhaps he had previously suspected he would

have to do, had he had a clear majority. I think a two thirds majority in this instance would have been an authorisation to him from the electorate to go straight ahead. So, much more negotiation and consensus will have to happen. Certainly in my experience in the European Parliament, and temporarily as a member of the European Commission once or twice, negotiation is the name of the game.

In a recent visit to Turkey where I was fortunate to accompany Lord Anderson and we were there with a number of other colleagues from the IPU British delegation, apart from the celebration of Turkey having Istanbul as the capital of culture, a very right and proper designation, all of the discussion seemed to me to revolve around the possibilities of EU membership: good, bad, indifferent, wishful, against, and all the rest of it. I would add here that the very narrowness of our IPU delegation did reflect a rather poor thinking from the British perspective in that we never once met the EU delegation itself. It was a very bizarre thing indeed and I put forward to the IPU that this should be altered immediately.

The statement by the Minister for EU Affairs and the current Chief Negotiator on the establishment of the Ministry of European Union Affairs immediately before the election on 9th June was a very positive thing indeed, underlining the determined drive of Turkey to enter the EU. I quote, *"Our government's decision to transform the decade-old Secretariat General for the European Affairs into a fully fledged Ministry which will continue reporting directly to Prime Minister is a significant message to the European Union that Turkey keeps up the impetus in its determined drive towards EU membership, despite all political obstacles on its negotiation process. This move is also a clear response to the allegations that Turkey's foreign policy access has shifted. After Sunday's elections we are determined to push forward with the EU process through reforms on all areas that would upgrade individual liberties and improve the living standard of our citizens."*

What a splendid statement and a very clear message of where the majority of Turks would like Turkey to progress. The Minister mentioned political obstacles: I know that feeling. We had some political obstacles with the EU bill in the House of Lords last night. Indeed, alack, alas, as some colleagues in this room would endorse very strongly, we lost one vote and we are looking to the Commons to try to reverse that process.

I would look particularly at two or three very key points, starting with the political problem of Cyprus. Could I suggest, most delicately, that the window of opportunity is now, before Cyprus starts to focus on the EU Presidency in 2012? It is inevitable that she will have to focus fully on that, given that she is a very small country. For a member nation state, the EU Presidency (despite the different councils that have been made out of almost nothing, so we have a system of four concurrent EU Presidents – the Commission, Council of Ministers, Parliament and the rotating Member State Presidency) is a

very powerful attraction and it will demand all their energy before and after. I would suggest that perhaps the window of opportunity after this election is absolutely now and that the solution is available – it is a question of respecting each other's points of view and finding and implementing that solution. Might it be possible, for example, for the Turkish Cypriots to be allowed a louder voice and perhaps to be seen as a little more independent in finding an answer?

Recently I was visiting Armenia and here I see there is most definite progress with the wider neighbourhood policy, the EU, and the potential bringing of Turkey into the EU. I must admit that I am not a sculptor, but I was only too delighted to see that Mr. Erdogan had that horrible sculpture demolished on the border of Turkey and Armenia. It was unbelievably repugnant, a huge monstrous edifice, supposedly of two hands. Nonetheless, the impetus behind that of the two hands was a positive one.

The upgrading of civil liberties will be of vital importance, including freedom to worship and of course, that means access to religions that are not Islam such as Christianity, but it also means this very, very difficult problem of the veil that so many Muslim sisters wish to wear. So it is not easy, but I do believe the opportunity is now. Turkey's new constitutional and EU accession processes will support progress on all these issues and I'm looking forward immensely to this new government, moving further forward towards EU integration than has happened before.

CREATING A MIDDLE EASTERN ECONOMIC COMMUNITY

Transcript of remarks to Global Strategy Forum by Hüseyin Gün

Hüseyin Gün is a financier and Managing Director of Avicenna Capital, a privately held direct investment vehicle that invests in strategic sectors such as natural resources, financial services and energy with particular focus in emerging and frontier markets. Mr. Gün is British educated and has an Honours Degree in Genetics. He began his career as a commodity trader and thereafter as a banker in Merrill Lynch and Credit Agricole Indosuez. He is a member of International Institute for Strategic Studies, London. Mr. Gün is the former Chairman of the Advisory Board of Global Fairness Initiative (GFI) in Washington DC, where the 42nd US President Bill Clinton acted as Chairman of the Board of Directors. Mr. Gün is also the Founder Board Member of The Iraq Britain Business Council (www.webuildiraq.org) and founder trustee of The Omar Al-Mukhtar Foundation for Libya. Avicenna Capital is one of the key principal investors in the Republic of Iraq.

I want to take a completely different approach, based on fresh thinking. The Middle East as we all know is going through a traumatic phase. Some call it evolution, some call it revolution, some say anti-western, some pro-western.

I am not a politician. I am not a diplomat. I am a humble financier in the region, but what I see are basic needs which must be met. You cannot expect a hungry man or woman to appreciate the real value of freedom on an empty stomach. There is a great danger (and we cannot kid each other that the danger does not exist) that the current Arab Awakening faces a great risk in being stillborn if new thinking and new direction, including new resources, are not infused into the system right away.

If you strip away the complexities and look at it in very simple way, the Middle East today has a youth bulge. It is a phenomenon. A third of its population – about 150 million – is aged between 10 and 24. Youth unemployment at the moment is at 23% and a further 27% is economically inactive. And when you look at the Middle East as whole, as a businessman, the intra-regional trade is about 15% compared to 74% in Europe.

So instead of rediscovering America, I propose just some fresh thinking for the diplomats as well as the politicians: the creation of a Middle East Economic Community based on two working models. We have had the World Trade Organization (WTO) since the mid 1990s and it is working quite well. In the MENA region including Turkey, 11 countries are already members, seven are observers. It is one of Pascal Lamy's top priorities to make the seven observer countries full members. We also know what Europe was back in 1945, with an angry public and the economy in the dumps. What

happened? Along came a great US statesman in the form of George Marshall. The Marshall Plan was implemented with one very simple modus operandi: the requirement for co-operation and conditions on that basis were set in motion. Who led? Britain. Why? Because Britain had a trade surplus with continental Europe, as does Turkey today with her regional partners. So there is great similarity between Europe in 1945 and where the Middle East is today.

In order to eradicate the problem and de-risk the current situation, it is worthy of friends and partners in the West to think about the idea of supporting the regional economic powerhouses of Turkey and Saudi Arabia, because they are the two G20 members; and to establish, by following the rules and regulations stipulated by WTO, a programme of economic aid on the scale of the Marshall Plan, with Turkey in the lead role because she has the most dynamic and industrialised economy in the region.

When you look at the trade levels of Turkey and Europe and Turkey and the Middle East over the last five years, the trade has decreased from 50% to 43% between Turkey and the EU and has increased, indeed rocketed, from single digits to 25% today with the MENA region. This is simply Economic Rule 101: export diversity, which the Middle East does not have, but which Turkey is now doing. Turkey has done that over the last ten years. She has faced her taboos, and she has faced her internal dilemmas. Of course there is a long way to go, but I do believe that the country has come a long way from where it was half a decade or a decade ago.

I will conclude by saying that there are just five very simple steps.

- 1) Turkey needs to sign a Free Trade Agreement with Saudi Arabia which she still does not have; and which I think is a necessity.
- 2) The WTO rules must be followed because the WTO has the necessary infrastructure to provide governance.
- 3) Turkey also needs to expand into the region with the WTO and with the help of Saudi Arabia.
- 4) The WTO also needs to use the current chaotic environment in the MENA region to energise efforts to absorb the observing member Arab countries in the region as full members.
- 5) Turkey has always had relations and will have relations - sometimes rocky, sometimes not - with Israel. Turkey and Israel need to restore their historic relationship, because in my opinion, the restoration of this relationship will catalyse the social and economic process in the region even further.

Hüseyin Gün's pamphlet 'Creating a Middle East Community' was published by Global Strategy Forum in June 2011

REPLY BY

HE Mr Ünal Çeviköz

Ambassador Ünal Çeviköz was born in İstanbul in 1952. He graduated from the Bosphorus University, Department of English Literature in 1974 and Political Science in 1978. He also holds a master's degree in International Relations from Free University of Brussels (1993). Ambassador Çeviköz entered into the foreign service in 1978. He served in the Turkish Embassies in Moscow and Sofia and in the Turkish Consulate in Bregenz. He joined the International Secretariat of NATO in Brussels in 1989. He also served in different political departments in the Ministry. His main areas of specialization were Eastern Europe, the Balkans, Central Asia and the Caucasus. He was promoted to the rank of Ambassador in 2001. He served as Ambassador of Turkey to Azerbaijan between 2001-2004 and as Ambassador of Turkey to the Republic of Iraq from 2004-2006. Between 2007 and 2010, Ambassador Çeviköz held the position of Deputy Undersecretary for Bilateral Political Affairs in the Ministry of Foreign Affairs. His portfolio covered Eastern Europe, the Caucasus, Asia, Africa as well as international security issues (NATO, OSCE, disarmament). Since July 2010, he has served as the Ambassador of the Republic of Turkey to the United Kingdom of Great Britain and Northern Ireland.

It is both easy and difficult to be the last speaker. It is difficult because I have very limited time to wrap up all the previous speakers' remarks and perhaps also to try to give an answer to some of the questions. But it is easy in the sense that I am the last speaker and no one would dare to challenge an Ambassador!

On Sunday night, I thought that, had I been a columnist, I would probably write an article on Monday in a newspaper making a similarity between Prime Minister Erdogan and Architect Sinan. You know that Architect Sinan has three terms? The first term is called 'the apprenticeship', the second is 'his expertise' and the third term is 'being the master'.

Now it seems that the AKP has won the elections for the third time and Prime Minister Erdogan in his first term was probably an apprentice, in the second term he was an expert and now in the third term, he will be the master. When I read this morning that one of the columnists in the newspaper Zaman had used this similarity, I was convinced that I could become a good columnist. If this is the case, and if Prime Minister Erdogan and the AKP in the third term are going to be the masters, what is the masterpiece then? Because when we think in terms of Architect Sinan, his masterpiece is the Mosque of Selimiye in Edirne.

What could be the masterpiece of the AKP or Prime Minister Erdogan? If you look at the balcony speech, I think the main priority that the Prime Minister mentioned is the new Constitution. So let us hope that he will have the support and the compromise from all sectors and all segments of

society in Turkey to finalise this new Constitution because it is going to be the masterpiece of the AKP government in its third term and it is going to be the masterpiece of Prime Minister Erdogan.

Is it easy? No, it is not because there are several confrontational issues which the new AKP government and the new Parliament are going to face. First of all, the Peace and Democracy Party has increased its members in the Parliament. But let me just make a few comments about the results of the elections here, together with a few numbers. It is true that, as David Logan has mentioned, a majority of the Turkish population is conservative and when you look at the history of Turkish democracy, there has always been a tendency for about 60–65% of the vote to go to the right of centre, and 30–35% to go to the left of centre. These election results show exactly this, because there are two right of centre parties whose sum of the vote is 63%, with the other two parties adding up to 100%. I think it would be quite reductionist to identify the Peace and Democracy Party as a mainly Kurdish party because there are also some former Communists in that party. There are some Liberal Democrats and there are also some Social Democrats who have been elected as Members of Parliament - they have been elected as independent candidates and when the Parliament opens, they will become members of that party. In general, I believe that the Peace and Democracy Party is a party which could be put in the spectrum of left of centre. Then there is the Republican Peoples' Party so, in sum, I think there are about 30%-35% of votes for the left of centre.

Now in these elections, the electoral system has proved its maturity in a sense, in that about 96% of the votes went to the four parties who are going to be in the Parliament. That means that all the other parties have disintegrated and have been marginalised and they have only been able to receive about 5% of the vote. Remember these are 12 political parties. Four parties received 96% of the votes, 12 parties received 4% of the vote. That is a very significant development and in spite of the fact that there is a very high threshold (about 10%), I think the electoral system has its own checks and balances and its own rationality, which is reflected in the Parliament as a result of these elections.

Of course the priority is going to be the Constitution, but there are also several issues as far as foreign policy is concerned. Again, David Logan underlined a very important fact. The fact that EU issues are now going to be tackled by a dedicated Ministry is simply a commitment of the new government that the EU-Turkish relationship is going to be taken seriously in this third term of the AKP government.

Maybe I should simply refer to the project which has been introduced by Hüseyin Gün. When we talk about the Arab Spring, there is a tendency to make some similarities or parallels between the Arab Spring and the revival of the central and East European countries after the disintegration of the former Soviet Union in 1991. I would like to remind you that, after the disintegration of the Soviet Union in 1991, Turkey came forward with the idea of the Black Sea Economic Co-operation. If there

is that kind of a similarity between the dissolution of the Soviet Bloc and the Arab Spring, I think it is exactly the right moment to come up with the idea of Middle Eastern Economic Community. I have to underline, however, that the Middle Eastern Economic Community would never been an alternative to Turkish membership in the European Union. The Black Sea Economic Co-operation has not been an alternative for Turkey, but it is the right moment for Turkey to introduce a regional scheme which would simply complement the European Union and I think the Middle Eastern Economic Community is a very good idea in this respect.

Now, is this happening? It is happening because about two years ago, Turkey came forward with this idea of a Middle Eastern Economic Community and it has been circulated to all the countries in the Middle East, and we have been receiving some positive remarks. Further to that, last year, Turkey signed Free Trade Agreements with three of the members: Syria, Lebanon and Jordan. So there is already a background for a quadrilateral free trade area in the region and Turkey is counting on building on that existing scheme.

The conclusion that the European Union has to draw from this is simple: that this kind of initiative and this project would help the European Union to expand its influence in a very important geography which is immediately neighbouring to Europe.



From right to left:

Sir David Logan KCMG, HE Ünal Çeviköz, Rt Hon Jack Straw MP, Mehmet Ögütçü, Hüseyin Gün and the Baroness Nicholson of Winterbourne



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