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## Transcript

# Turkey after the 2011 Election: Challenges for the AK Government

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### **Michael Lake:**

Well, ladies and gentlemen. My name's Michael Lake. I'm a former member of Chatham House. I was a journalist for 20 years, and I finished up on *The Guardian*, and I did a lot of work for the BBC World Service. Then I joined the European Commission and served in several places, including seven years as EU Ambassador in Turkey, followed by four years as EU Ambassador in Hungary, helping to bring Hungary into the European Union.

We're very lucky today to have as our speaker John Peet, who is the European Editor at *The Economist*. John has been at the Economist for 25 years – that's a quarter of a century John, in case you hadn't figured that out. He has worked on the Britain section, and as Business Affairs Editor. He's also worked as the Washington and Brussels Correspondents, which is a very fine career indeed. And he founded the Charlemagne column, which for me is required reading every week. And since 2003 he's been the European Editor, and as such he wrote a 14 page survey on Turkey in *The Economist* last October. John, it's over to you.

### **John Peet:**

Thank you for that introduction, and it's an honour to be here. I have spoken on panels at Chatham House, but I've never had the slightly intimidating experience of being on my own and expected to speak for half an hour. And probably having said I will not speak for a full half hour, I'll end up over-running. But bear with me.

As you could tell from that introduction, I'm a journalist and I'm glad to hear that Michael Lake was a journalist too. That in one sense might disqualify me, because the journalist is somebody who knows a little about lots of things, whereas an academic or a diplomat will often be a person who knows a lot about a few things. And I have an extra handicap on this subject of not being fluent, in fact not knowing any Turkish. So I think there are probably many people in the audience who know more about this subject than I do, and I expect the Chairman knows more about this subject than I do.

But I do follow Turkey with interest. I did write a survey, which the Chairman kindly advertised. I even brought a copy with me. It's called 'Anchors away' and it came out last October. And I followed the election with great interest, partly because for me as the European editor, Turkey is one of my, in a way my two most important countries. The EU is obviously critically important if

you're the European editor of *The Economist* and as the Chairman mentioned, I started a column when I was the Brussels correspondent.

But the two countries that are most important that are not in the EU are clearly Russia on one level and Turkey on the other. And my reading of those two countries has been, during my time as Europe Editor, Russia is on the decline and Turkey is on the rise. Indeed, if you believe some population projections, it's not impossible that in about 30 or 40 years time, that the population of Turkey may exceed that of Russia. Which would have a very interesting bearing on the bilateral relationship, which has not always been a very good one in history between Turkey and Russia.

I want to talk mainly about where Turkey is going after the elections. And a lot depends obviously on the character and nature of the Turkish Prime Minister, Tayyip Erdoğan, and I will return to the subject of Tayyip Erdoğan on and off throughout my 30 minutes or so of talking, because he is the critical man in Turkey. In many ways, I think he will probably go down in history as the most important Turk since Atatürk. And that could be good, but it could also possibly be bad.

You all know, I assume, roughly what happened in the election. It was a big win for the AK Party. Indeed, three elections for the AK Party. They are in the unusual position... I'm not sure there are many other democracies where this could be true, of having increased their share of the vote at every election since 2002 when they first came into power. And this time around they won almost 50 percent of the vote. That's a very impressive number. For a single party to win almost 50 percent of the vote, think about that in the context of Britain or indeed anywhere else in Europe.

However, because there was a better performance by the CHP and the Kurdish BDP, and the Nationalist Action Party, the MHP which went down but managed to get into the Turkish Grand Assembly, the AK Party ended up with a slightly smaller majority than it won in 2007. I had written down that they had won 326 seats, but I think it's actually 327 now because there was a dispute about one seat, down from 341 in the previous Grand National Assembly.

In many ways, I and many others who looked at Turkey thought this was rather a good result, because there was a worry about the size of majority that AK would win. And indeed, we at *The Economist*, I at *The Economist*, wrote an editorial in which I suggested that it would be good for Turkey if the AK did not win too big a majority, and for that reason, we concluded with a slight flourish saying that if we were Turks, we would vote for the CHP.

I'll come back to that in a moment, because the response to that editorial was in itself quite interesting. But it was a good result because AK didn't win too large a majority. It was a good result because there was a very impressive turnout, 87 percent turnout. Again, think about that in the context of other European countries. And really very little suggestion of voter fraud or any election fiddling going on. This was a really triumphant example of democracy in action.

And the fact that it took place, again in a region that doesn't have a lot of democracies and in a country that is a secular Muslim state, I think does help to emphasise how important Turkey is. I'm not going to talk too much about the Turkish model, because I don't like the word model, but I think Turkey as an example or perhaps as an inspiration in terms of democracy is very, very important for Europe and for the region.

However, that's all the good news, so to speak. Looking ahead now, I think there are difficulties facing Turkey. And I'm going to group my remarks into four sets of what I call enormous challenges ahead for the new government of Recep Tayyip Erdoğan and for Turkey. I'll try and roughly cover each one in about five minutes, which I think should just about fill the time available to me. Perhaps you will be surprised, perhaps not given the name of the publication I come from, that I won't begin with politics and the constitution. I will begin with the economy instead.

The economy has been a fantastic success in the last decade. Since Turkey's catastrophic meltdown in 2001, when it had to call in the IMF, I believe it was for the 18th IMF programme and I believe I'm also right in saying that of the 18 IMF programmes that Turkey had started, it had not finished a single one of them in a satisfactory way. And I think it may be the record holder for the number of times it's called in the IMF for help. And the rate of inflation in 2001 was 70 percent, 75 percent. The recession was catastrophic. Banks, I think the number of banks that went bust was something like 40.

The situation in 2001 was really, really grim. And the developments since 2001, given that background, are incredibly impressive. Just to rattle off a few very quick figures. The economy has quadrupled in size since 2001. It's now, as I speak, it is I believe the world's 16th biggest economy and on current trends it's not at all unrealistic to think that Turkey may become one of the top 10 economies in the world.

Per capita income during the time of office of the AK Party has almost tripled, from just over \$3,000 to almost \$10,000. It's more than tripled, sorry. The public debt which was horrific when they came into office is now down to 40

percent of GDP. Just for a moment compare and contrast the situation of Turkey now with some of its neighbours to its west, most obviously Greece, but not only Greece. Look at the Mediterranean countries, and think about the amazing achievement of the Turkish economy during that period and compare it with the recessions in almost all Mediterranean countries.

And amid serious worries about the sovereign debt of several Mediterranean and you can see how well Turkey has done – from basket case to a fantastic economic success. In some ways, when I'm trying to look for a nice label to make it more striking, I've started to refer to Turkey as the China of Europe. Europe's very own BRIC. And indeed it has aspirations to be thought of as a BRIC country.

So that all sounds pretty impressive, but – there's always a 'but' when you look at the economy – the current situation is obviously very dangerous economically. I'm sure many of you will have seen last week's quarterly growth figures, in which Turkish GDP expanded at an annual rate of 11 percent, faster than China or India. Indeed, I think I'm right in saying it's among the fastest growth rates in the world for the first quarter of this year. The current account deficit of Turkey is now eight percent of GDP and at the back of my publication we have a table which I'm sure none of you ever get to, but if you do you can see a table of figures. Turkey has by far the largest current account deficit of any country in that table.

The central bank's policy, which it adopted late last year, of trying to discourage capital in-flows by cutting interest rates, short-term interest rates, but trying to offset that by raising reserve requirements for banks, has clearly simply not worked. And indeed when I put that to Mehmet Şimşek, who I met a month ago, just before the election, he more or less admitted that the central bank's policy simply hadn't worked. And he also admitted, as I think he has done publicly, that the Turkish economy is clearly overheating.

Where is it going to go? Well, that's going to present a huge challenge for the AK Government. It's obviously got to slow down. It could easily slow down very sharply. It could slow down with a form of bust – the precise way in which that happens is not certain. It won't be like 2001 again. The banks are in a much healthier position than they were in 2001. But it could be quite a painful period for the Turkish economy.

And the politics associated with that I think are going to be very, 'interesting', is perhaps the word I might use. Because the AK Government seems to me to have gotten used to the idea that they just sit there, they largely inherited this healthy economic situation because it was really created by Kemal Derviş,

who took over as Finance Minister during the 2001 bust and actually put right many of the things that were wrong with the Turkish economy. They've got used to the idea that they sit there and the Turkish economy grows at about six or seven percent per annum. And that's not going to happen over the next three or four years.

At the same time, unemployment, which has always been an Achilles heel of the Turkish economy, is pretty high. If you've got unemployment still running at around just under 10 percent, when you have that kind of rapid expansion of the economy, imagine what's going to happen when the economy slows down sharply. It's worse in the east of the country. It's worse among youths.

And I think the political climate of dealing with a slower growing economy, fast rising unemployment, and a continuing reluctance on the part of the AK Government to embrace the sort of reforms that we at *The Economist* urge everybody to embrace – ranging from Greece to even Germany – we keep saying Germany is obviously a disfunctioning economy, it needs to be reformed sharply, unlike Britain which we think is a wonderful economy and is obviously doing better than Germany. So we're not perfect either.

But Turkey clearly needs substantial economic reforms, and this government has been very reluctant to promote them. I'm talking about labour markets, minimum wages and so on, because the economy has basically been doing pretty well. I don't detect any sign that they will be more enthusiastic about reforms in the hard times to come, so I think the economic background for this government is going to be very different from the economic background of the previous two Erdoğan-led governments.

That's my first challenge and I think I did that in about five minutes, so I'll continue to aim at five minutes per challenge.

The second big challenge facing this government is of course the constitution. The constitution was the declared priority, both of the AK Party and indeed of the CHP, the main opposition party as they went into the election in early June.

There have been quite a number of constitutional changes in Turkey over the years, but basically, the document under which Turkey is run continues to be the military dictated constitution that came in 1982 after the military coup of 1980. And I think it's clear, and it's clear from the embrace of this point by both main parties, that that constitution does need changing. It needs updating. It needs to be made more European. It needs, certainly in the eyes of some of the critics of the constitution, to be made more liberal and somewhat less nationalist. It needs to be made more civilian, if you like. It's

not appropriate for a country like Turkey to be operating with a constitution that was essentially drawn up after a military coup.

So that is clearly a priority. But Erdoğan's goals in revising the constitution are somewhat worrying. Any of you who have read some of the commentary, not just in my publication but in other publications will have spotted that. He clearly wanted, before the election and I think probably still wants to create a presidency with considerably more powers than the current presidency. The model that he seems to favour is indeed the model of France, whose constitution I don't much like. I think it's particularly, it's even worse if you apply a model like that to a country like Turkey.

His party, and he personally, have repeatedly shown themselves to be intolerant of criticism. They don't like being attacked in the media. They don't like opposition. And if you want an example, which I actually brought with me, was after the editorial which I mentioned earlier. A day after we had an editorial in which we very mildly suggested that the Turks should support the CHP and not the AK Party, the *Hurriyet Daily News* had a piece which was headed 'The Economist faces a barrage of accusations from Turkish Government'.

And it said in that, Erdoğan was quoted as saying, 'This international media, as they are supported by Israel, would not be happy with the continuation of the AKP Government. Of course they have their hands on Turkey nowadays.' He added that 'international media organisations are surely in collaboration with the CHP', and the Deputy Prime Minister Cemil Çiçek said, 'We take power from the people, not from foreign magazines.'

He added, 'Those Turkish people who naively think that foreign magazines never pen articles in return for payment and never write headlines by calculating the expectations of the capital behind their publications, they're wrong. Look at the interest groups behind this. Some circles inside and outside are uncomfortable with our policies. Behind those magazines are the capitalists of those countries.' And Şimşek, even more shockingly, told readers that he was going to give up reading *The Economist* because of its shockingly biased coverage of his country.

We're a very small example, but we're also an example of how Erdoğan seems to have responded to quite a lot of media criticism over the years, and it's well known that many journalists are in jail in Turkey. It's said that there are more journalists in jail in Turkey than there are in China. Turkey currently ranks 138th on the International Press Freedom Index, which is below Iraq and only just above Russia.

And as I'm sure some of you will remember, Erdoğan famously once said that democracy was a train from which one disembarked once one reached the station.

There was a time, when I first started to take an interest in Turkey when I was told by people in Istanbul that the worrying thing about the AK Party was, of course, that it was in the phrase that I'm afraid we overuse at *The Economist*, it was mildly Islamist. And the consensus that one heard in a place like Istanbul was often, first of all there's no such thing as being mildly Islamist. You're either Islamist or you're not Islamist, which is a perfectly fair point. And secondly what one heard was that once one went down, once you started down that route, the end stop was Iran. The kind of thing that I'm sure some of you will have heard. You allow the headscarf, the next stage is Iran.

I never believed that and I still don't believe that. I think that Islam is not the problem with the AKP, although it is slightly worrying that, I found it slightly worrying when I visited Konya just before the election that it seemed to be impossible to obtain any alcoholic drink in the town. But that's just a small inconvenience. The problem that I have with the AKP and with Erdoğan is not about Islam. It's about autocracy and intolerance of criticism. And the journalists I talked to in Turkey who feel that they have to exercise self-censorship. And it's about some of the associations with the Ergenekon case, sledgehammer, and the way the government has responded to the Doan group over the years.

It's not a pretty democratic picture, and I think the character of Erdoğan makes that more worrying. He has, since the election, said some of the right things. He dropped the new cases that he had against journalists, and he announced immediately after the election that he would now reach out to the opposition, he wanted to work with them in forming a new constitution. All the right sort of mood music.

But only last week, he reverted to what I see worryingly as type. When the CHP and the BDP boycotted, actually I think one member of the CHP did take his seat, but BDP and CHP refused to take their seats in the Grand National Assembly because two CHP members and several BDP members were not allowed to take their seats because they had been jailed. So the two parties boycotted the Assembly.

Erdoğan reacted in a very polarised and bitter way. He's made it more difficult for these parties to climb down from their position. There is talk now of if they fail to turn up and take their seats, that they may be disqualified and new bi-elections may be held. And he has adopted once again the nationalist tone



which I found disturbing during the election campaign, when he was clearly trying to push down the MHP so that they would not get into the parliament. And that was my interpretation of the story of these rather tawdry videos that were released of various MHP candidates in compromising situations that looked as if it must have emanated from somewhere inside the AK Party.

But he generally talked up nationalism during the campaign, and was more hostile to the regions and to the Kurds in particular. And I think the risk which I hope is not going to happen, but I think there is a risk of the AK Party now teaming up with the Nationalist Action Party, which gives them enough of a majority to rewrite the constitution without talking to the CHP and the BDP, and the document that might result from that could be very bad and could entrench the presidency idea that Erdoğan seems to have embraced.

And one reason why I think that is worrying is the third challenge that's facing this government and previous governments, which is the Kurds. Perhaps 15 percent of the population, 10 million people, most of them in the southeast of the country, but also mainly in Istanbul which I believe is now the largest Kurdish city in the world.

The Kurdish problem has obviously been there for 20, 30 years now. And it's not an easy one to solve. It has produced very serious violence. The latest numbers that I think I've looked at, 40,000 people have been killed, most of them Kurds. That's 10 times as many as in the Northern Irish conflict. As one observer in Istanbul said to me just before the election, successive governments including this government have shown themselves to be rather better at conflict than at conflict resolution. And conflict resolution is a very different skill from conflict.

So that's very, very challenging. As with so many other things, there were some positive steps by the AK Government. The Kurdish opening of 2009 was positive and encouraging. The fact that there is now 24 hour broadcasting in Kurdish on TRT 6, on a television channel, is very encouraging. Erdoğan going to Diyarbakir to admit that successive Turkish governments have made mistakes was encouraging.

The fact that the Turkish Government is talking, obviously to Abdullah Öcalan, the jailed PKK leader, also is encouraging. And economic development, I think, should ultimately help too because one of the Kurdish problems, like so many of these situations is to do with poverty in the southeast.

But unfortunately, much of the good stuff seems to have stopped and the nationalist tone taken by the Prime Minister during the campaign, his apparent hostility to decentralisation of power and indeed his preference for

centralisation of power, these are all potentially worrying things in terms of the further progress with the Kurdish question.

And on the Kurdish question, where I think more needs to be done, possibly election of governors, possibly more Kurdish language education, I note that the CHP, the opposition party, has flipped over to actually be more positive about the Kurds than the AK Party. But much more attention needs to be paid to the Kurdish problem, and I think it would be good if this government re-launched the Kurdish opening that it temporarily had in 2009 and had another go at that subject.

And the fourth challenge, which I'll try and dismiss in five minutes, is foreign policy. Foreign policy which I will divide in two parts, and deal with as briefly as I can. The first part is Turkey and its region. You will all be familiar, I'm sure, with the famous doctrine of Ahmed Davutoğlu of having zero problems with the neighbours, as he set it out in his original book. And he clearly, as Foreign Minister, has tried to implement the notion that what Turkey needs to do is move away from its historic position of ignoring all the countries to its east and southeast, and concentrating only on countries to its west, towards a position where it is much more active in its region.

I think that was a very good idea. I think the way he's done it has also been, on the whole, very good. Turkey has clearly done a lot to try and improve its relations in the region. And it has a successful economy and is a secular democracy. I think its role in the region, it can only be applauded by outsiders.

Like I think us, Turkey was caught unawares by the Arab spring. And again, like many people in the West, including some European countries, some in the European Union, it started with one or two missteps. There was the moment where Erdoğan talked about a western crusade in Libya. They obviously weren't quite sure how to behave towards Syria.

But I think they've now ended up, rather as the West has done, in essentially the right position. They recognise that Arab countries need change. They are on the side of the democrats and not on the side of the autocrats, and I think they are doing some good in Syria and in other countries in the area. And I can only applaud that and I see Turkey as the weighty diplomatic power, if you like the Brazil of its region. And I think it's a big plus for the West that the West ought to continue to support and make use of.

There are two complications which I hope to see improve, which I will mention very briefly. The first, of course, is Iran, where I think Turkey did get a bit out of step with the West. And I think some in the Turkish Foreign Ministry want to

pull back and fall more in line with the West, particularly on the question of Iran's nuclear ambitions.

The second is Israel, where I think Turkish stridency which may be perfectly forgivable both over operations led in Gaza and over the Mavi Marmara incident last year... it's perfectly understandable that the Turkish would have reacted very vigorously to that. But they started, I think, to paint themselves into a bit of a corner, where it looked almost as if Turkish foreign policy was being dictated by Hamas and not by the interests of Turkey. And I look with some hope to a slight improvement of relations with Israel, that I think would benefit both Turkey and the West.

Part of the reason why I hope that happens is because Turkey's relationship with Israel over the last two years has obviously made its relations with the United States more difficult, but it's also made its relations with the EU more difficult. And I'll finish on the EU, because I continue to think that actually the EU is the most important thing of all for Turkey, and despite my enthusiasm for Davutoğlu's zero problems with the neighbours policy, I think he and others in the Turkish Foreign Ministry, but not always unfortunately the Prime Minister, recognise that the future of Turkey ought to be with the EU. And they mustn't allow their preoccupation with their region to mean that they lose interest in the EU.

The goal of membership to the European Union, I see as the biggest and best anchor for Turkish democracy and Turkish liberal society and I think that continues to be the case. Now obviously, there's a big problem. The big problem is that many countries in the EU don't want Turkey. And the mood has clearly changed over the past few years. There was much more enthusiasm about Turkey back in 2004, 2005 when negotiations began than there is today.

The election of Nicolas Sarkozy in 2007 was a disaster for Turkey's aspirations to join the EU. The election of Angela Merkel was also unhelpful, but actually she's been, I think, somehow more statesmanlike about Turkey than has Nicolas Sarkozy.

But the process has been pretty painful. It's almost ground to a halt. I can never remember how many chapters are now closed, I think it's something like 18 chapters are not able to be opened. This year we may expect no chapters to be opened at all, or possibly only one. Quite soon, unless something happens, the negotiators will run out of things to talk about. And the prospects of Turkey joining the EU look pretty remote.

What I would like to see this government do is make another effort, which I admit is difficult, but I think could be done, another effort on Cyprus. Cyprus is obviously the most difficult sticking point in Turkey's relationship with the EU. And I think a bold prime minister with his big majority could actually take on some of the interests that don't want a settlement of the Cyprus problem. And he could start by implementing the Ankara Protocol and allowing trade with Cypriot vessels, allowing Cypriot vessels to enter Turkish ports. If he did something like that, it could have a galvanising effect on the EU negotiations.

And I look forward myself, although I'm not confident of this, but I look forward myself to the possibility that Sarkozy will disappear after next May's presidential election. I'm no longer certain who his opponent will be. But I believe he's beatable and if things go well, I rather hope – and I'm talking now from the interests of Turkey, not from the interests necessarily France or the EU – but I rather hope that we might look forward to a period with a new French president.

And so I think I should probably conclude there. Just to say, go back to Mr Erdoğan. One of the things that disturbed me about Erdoğan's election campaign was the constant harping on the theme of 2023. I don't know if any of you went to Turkey during the campaign, but all the posters had pictures of him with 2023 written alongside. And to me, I know that's the 100th anniversary of the republic, but to me what that suggested is here is a man who is determined to stay in power for a long time to come.

He's not going to continue I think as prime minister after next election because his party rules don't allow that. But in his mind, he clearly has this model of completing this term, then taking over in Çankaya Palace as president, preferably with a powerful new presidency, and still being president in 2023. And I think given his, what I see as his, dangerous intolerance of criticism and tendency towards autocracy, I do not think that that would be good for Turkey. Thank you very much.

### **Question 1:**

You mentioned Mehmet Davutoğlu's zero-problem with the neighbours policy. However, there are certain voices that claim that there is an emerging rivalry between Turkey and Iran, particularly northern Iraq in the Iraqi-Kurdistan. How do you see this emerging relationship between Turkey and Iran? Thank you.

**John Peet:**

It's obviously an important relationship and it has been for a long time. I believe I'm right in saying that the border between Turkey and Iran is one of the oldest, firmest established borders in history. I think it was drawn up in maybe even the 17th century. And clearly the relationship between the Ottoman Empire and the Persians was always difficult, but one of some respect of each other's power.

And yes, in a place like Iraq there is going to be quite a lot of competition for influence. I think that was true even before the fall of Saddam Hussein. Iran clearly had a very difficult relationship with Saddam Hussein. One by-product of what's happened in Iraq over the past 15 years has been an increase in Iranian influence. I think that's clearly true. Iran has a bigger influence in its region than it used to, and I think some people might say that the West has helped that, perhaps inadvertently, perhaps not.

In terms of Turkey, however, I actually do think that Turkey has gained in influence more than Iran has. And that's partly because of economic success, which Iran can't begin to challenge. I mean, the Turkish economy is a far more impressive economy than the Iranian economy, notwithstanding the problems that I just talked about. But partly also because Turkey is a liberal, secular democracy. And I don't think many other countries – and I would include in that the people of northern Iraq – I don't think many other people look at Iran and think; 'That's a better way to go than the Turkish way.' So I would be optimistic that Turkish influence can be greater than Iran's in the long run.

**Question 2:**

Thank you very much, that was a very interesting discussion. As somebody who comes from Russia and has a house in Turkey, I found your comparisons very, very interesting.

I would like to – In spite of the chair's warnings – I would like to add one challenge to what you said, and that's the growing disparity, along different axes – East-West, haves and have-nots, cities and agriculture. So can he comment on that? I think that is by far the greatest challenge that Turkey is facing. Thank you.

**John Peet:**

I'm not sure how much inequality has increased. I think there's an economic problem in Turkey, as in so many countries, that the rich areas seem to get richer, and the east of the country in particular, I worry more about the east of the country than the south of the country. The east of the country seems to be left behind. It happens in a lot of places. It even happens in Russia, that there is a general problem of growing disparities, and I don't think it's worse in Turkey than elsewhere. But it obviously is a challenge. I don't know whether I would make it the fifth challenge, as it were.

Actually, I think the fifth challenge, if I'd had time that I might have mentioned is the environment, because I'm worried about the Turkish environment. I think they're ignoring environmental degradation in the country which also actually affects what you've just said, that that's going to be an issue with the east and the southeast – that environmental degradation could become a serious problem.

Yes, it's something that they should pay much more attention to. There's no question they should pay more attention to that. The only thing I would add on it is that it is, to me, an extra reason for making a much bigger effort on the Kurds, because I don't subscribe to the view that you sometimes hear that the only reason for a Kurdish problem is because they're poor. That if only they got richer, the problem would go away. That often used to be the talk that you heard in Ankara and Istanbul. I've never believed that.

But I do think that relative poverty makes it harder to solve the Turkish problem. So more effort on regional disparities, and I would think more decentralisation of power should perhaps be part of the sort of solution for the future of Turkey.

**Question 3:**

Have you got an explanation for where Israel's attitude to Turkey and the way Mr Lieberman chose to snub the... by putting him on a lower seat and all that stuff? What was their game exactly?

**John Peet:**

I honestly have no idea. I really have no idea. To explain Lieberman I think would be, well for me, I cannot begin to explain Lieberman. I can't explain where he's coming from. I can't explain why he believes what he appears to believe. I just can't explain that at all.

If you put Lieberman on one side and ask about Netanyahu, I would guess that what they might believe, rightly or wrongly, is that it was Turkey that moved against them and not the other way around. That it was some of the language that Erdoğan used, the famous incident when he walked off the stage in Davos in a rather ostentatious way. And he said many things around the time of the Gaza conflict, the Gaza war, which were far tougher and stronger on Israel than any previous Turkish prime minister.

And I think some Israelis that I've talked to believe he overstepped the mark, they say. Now on the Turkish side what they would argue, and I have some sympathy with them is that right until the day of the invasion of Gaza, they were engaged in a very delicate negotiation between Israel and Syria and they were actually thinking that they were making some progress. Turkey was fulfilling the role which many people always hoped it would fulfil of being a friend of both sides.

And they were not given any warning at all of what Israel was about to do in Gaza. And not surprisingly, public opinion in Turkey reacted very strongly to that, as it did in many Western countries. But in Turkey, you would expect an even stronger reaction to what happened in Gaza. And then it's just been aggravated by a chain of incidents. The one new quote about the way Lieberman treated the Ambassador, and the flotilla of last year.

If you talk to Davutoğlu, as I did just before the election, he once again reverted to a point which he's repeatedly made, this was the first time Turkish civilians have been killed by foreign troops since the 1920s. And we have had no apology. We've had an international inquiry which makes it very clear that in their eyes the Israelis overstepped the mark and got it wrong, and we can't forget that. We can't forget that. 'Relations with Israel can never be the same again.' That's the sort of thing he says.

I have some sympathy for him, but I wish that the two sides could find some way of getting to a position where they have slightly better relations. They will never go back to the sort of relationship they had 10 years ago, but it would be nice if Turkey could play more of a mediating role between Israel and some of its neighbours.

#### **Question 4:**

I was actually going to ask a question about Cyprus, but then I noticed that actually on our wonderful map behind, Cyprus has been sadly effaced. Perhaps that should be repaired by next week.

I wanted to ask about Turkey's relationship with Russia, because you sort of raised it rather tantalisingly but then left it hanging. I wondered if you had an idea of where you thought that relationship was going to go.

**John Peet:**

Let me not comment any further on Cyprus, other than to note that it was said, I've never seen this actually proved so I'm not sure it's quite true, but it was said that at one point, there was a proposal to redesign the map on the back of the Euro coin to exclude Turkey but include Cyprus, so it was going to be the other way around, that they wanted to wipe Turkey off the map. That was a French idea, I think.

Cyprus, by the way, I do think is critically important and my interpretation, I may be wrong, but my interpretation is, as so often, it's not going terribly well. It's very hard for the outside world to exert much influence on the Cyprus talks. They are going through all the motions. I think they're about to meet again in Geneva, if I've got it right. But there just doesn't seem to me to be much sign of enough concessions from either side, either the Turkish Cypriots or the Greek Cypriot side, to actually produce a settlement by the end of the year. And my impression is that the United Nations is getting fairly gloomy about the situation, and may even be rather tempted more or less to give up on Cyprus.

And that is very damaging. It's very damaging for the EU; it's very damaging for NATO. But it's obviously also very damaging for Turkey's prospects of making any progress towards joining the EU. So I do think it's worth the world paying attention to Cyprus.

Russia and Turkey is... you could write a book about it. In fact I wish somebody would write a nice book about Russia and Turkey, because I think it's a fascinating story. I've once or twice suggested that Norman Stone would be the perfect writer of the history of Russia's relationship with Turkey. Whether he'll ever get around to producing it, I don't know. But yes, the Caucasus in particular, is very, very interesting because one by-product of the war in Georgia was a clear attempt by the Turks to say 'We want to take more interest in this area.' Then there was this encouraging moment of an attempt at reconciliation with Armenia, which unfortunately went wrong, back to my worries about Turkish nationalism.

But there are many people in Turkey who would like to normalise relations with Armenia. They would like to see progress towards a settlement of the Nagorno-Karabakh dispute. And if in an optimistic scenario you did get to a



position where they had more normal relations with Armenia, and there was some kind of settlement between Azerbaijan and Armenia, I think you could immediately see a huge increase in Turkish influence throughout the Caucasus.

And Turkish economic influence is another very big subject in itself, because right across the former Soviet space, Turkish companies, particularly Turkish construction companies, are extremely active. And with them clearly also goes Turkish influence. I think relations with Russia at the moment are quite good. I'm not sure they're helped when critics like us sometimes use the word 'putinisation' to describe what's going on in Turkey. That's not necessarily a helpful way of talking, and I don't think it's the sort of thing that Mr Erdoğan likes. Perhaps Mr Putin wouldn't like it either.

But I think the bilateral relationship is quite good, but there's clearly also scope for tension over the influence in the Russian near abroad. And the Turks are also quite interested in what's going on in the North Caucasus. I don't think they have a direct influence in the North Caucasus, but the North Caucasus, some parts seem to be moving in a very Islamic direction. Totally out of the control of Moscow, and turning into really quite a worry for Russia and perhaps an opportunity for Turkey as well.

#### **Question 5:**

I wondered if you could comment on how you see Turkey's relationship with Syria evolving?

#### **John Peet:**

These questions are very difficult. I do think that Turkey has got into the right position. It was obviously difficult for them, because they built this idea of visa-free access, closer relationship. I visited awhile back when I was doing my special report, I visited the city of Gaziantep, which is absolutely booming and it's booming in large part on the back of trade with Aleppo, so the economic links with Syria had become very, very important.

But they've clearly seen that they've got to be on the side of those who want Assad to go. And there are lots of refugees now on the border or over the border in Turkey, so they are going to play a big role. I just don't know how far they can push it. And indeed, how far can the outside world generally push Syria? It seems to be very difficult. Libya, by comparison, is easier than Syria. And Libya is not exactly proving that straightforward.

My understanding is that most Turks, like some hopeful Western diplomats, think that it's a matter of time that Assad is on the way out. But nobody can be certain.

#### **Question 6:**

I agree that Turkish relations should not double up with the expanse of Europe, but don't you think European Union has made a mistake by tying Turkish EU accession to Cyprus? What would be the incentive for Turkey?

#### **Question 7:**

I have to congratulate you that, Mr Peet, because you are very brave. You have lost, I think, another reader. Mr Sarkozy if he follows Şimşek's example. *The Economist* must be doing very well. I really want to just pose one question. I sort of disagree with you, you can imagine, about who wants a solution and if both parties in the solution for the problem are doing as much as they can. We believe that we do. And I fully agree with you though that Turkey must do something immediately about the Cyprus problem. It would help immensely the accession negotiations towards the EU.

But it's not only the solution. It has to do something... I feel at least that you don't see that from Davutoğlu's foreign policy that is implemented. You caught some missteps on the part of Turkey in terms of the Arab spring, but we feel at least in Cyprus and in other countries of the region that there is an arrogance in the foreign policy Mr Davutoğlu is implementing towards the region. That explains a bit also the not very well reception that he has at the EU.

#### **Question 8:**

I have a question regarding the reaction the Turkish Government gave to the article that you wrote before the elections in Turkey. I'm wondering, did you expect such a reaction before publishing that article? And how and why did you decide to make such a recommendation which is to vote for CHP, main opposition party?

#### **John Peet:**

The EU, has it made mistakes? Of course it's made mistakes. It seems to me to be a huge mistake to embark on negotiations with Turkey and after you've

embarked on negotiations, unanimously, for one country then to come out and say, 'Actually, not only do we not want to talk to Turkey, we don't think Turkey is eligible to join.' I think that's an astonishing mistake for the European Union.

Cyprus, well, I don't suppose my colleague will agree with what I'm about to say about Cyprus in this context, which is that there are many people in Brussels even today who think that it was a mistake to admit Cyprus to the European Union. Of course there were reasons why Cyprus was admitted into the European Union. It was a partner to Greece and all the other issues. It was also linked to the fact that there was a perception then, back when it was done, that the obstacle to a settlement of the Cyprus problem was Rauf Denktaş, not the Cypriot Republic, and therefore admitting Cyprus to the European Union was a sensible policy.

But of course the difficulty with admitting Cyprus is immediately you've got one country that has a veto over everything to do with the future of the European Union. And in some eyes at least, once Cyprus had been admitted, it took some of the pressure off the legitimate Republic of Cyprus to go the extra mile in terms of trying to settle the Cyprus problem.

Who's to blame for the fact that the Cyprus problem continues to be unresolved? I guess I would like to say both sides have made faults. One problem from the Turkish Cypriot side is that they tend always to be maximalist in even small concessions. If you talk about, can't we reach some concession, can't we make some gesture that might help? They immediately say, 'Well the gesture we want is we must have Ercan Airport. Ercan Airport must be opened to flights from the rest of Europe.'

From the Republic's point of view, that would be an enormous concession. I mean, that's tantamount to recognising the TRNC as an independent country. But they see it as, oh, it's just a small detail. Tourists would be able to come to Ercan, so why can't they do it?

But the concessions demanded from the other side are also quite big. I do think that Davutoğlu has largely ignored the Cyprus problem and I think that's a mistake. When you talk to him about zero problems with the neighbours, he ostentatiously skates over Cyprus. He talks about everywhere else but he never mentions Cyprus. It's off the map. And I think that's rather sad, because Turkey should be doing rather more. Who's to blame? Let's not go down that route.

The one about the vote, I wasn't expecting the reaction I got, because I'm surprised anybody paid any attention at all to what *The Economist* wrote. I'm

surprised anybody in Turkey thought it was interesting. But it happened. The question of why we did what we did, which has been put to me repeatedly by many Turkish journalists, it's something we frequently do. Maybe it's an odd way of behaving, but in the American election, the British election, the French election, the German election, we often write editorials as an opinionated magazine in which we say 'We think that Merkel should win, we prefer Merkel to Schroeder' back in whenever it was. We preferred Obama to John McCain.

There is a British tradition which isn't true in some other countries of newspapers offering political endorsements, and I did try to explain to many people that we hadn't singled out Turkey as the only country in the world in which we offered election guidance before the vote.

#### **Question 9:**

I was just wondering about your views on Turkey's global role. You talked a lot about the changing role in the region and I was asking myself how you see that in the context of the wider shift towards a multi-polar world, or however you want to call it.

#### **Question 10:**

Some of the Arab Spring countries are looking at Turkey as a model nowadays and they actually... there are so many running negotiations with Turkey. Do you think Turkey will replace the role America and Europe played in these countries?

#### **Question 11:**

What happened that the Turks pulled out their support for their participation in the flotilla to go to Gaza? And what happened with Greece and Cyprus shutting all the other ships down?

#### **John Peet:**

Turkey's global role. It's obviously increasing. I think of it as having, the key role for Turkey is still a regional one. It's not yet a superpower, although I'm sure Mr Erdoğan thinks he is running a superpower. But it is obviously a very active and increasingly important member of the G20.

And I think under the right leadership and with the right optimism about the future, I think Turkey will play an increasingly important role. It is obviously always talked about, and this relates a bit to the second question, it was obviously always talked about as the example of secular liberal democracy in a mostly Muslim country. And that gives it a special position, but also the fact that it is an aspirant member of the EU, a member of NATO but has regional interests.

It sets it apart. It is in a unique position. I don't think it will play a big role in relation, you know, to Latin America or probably to China. But it will have an increasingly significant role in the world.

Turkey as a model in the Arab Spring. I think they don't like this word model and I think they're probably right not to use this word model. And the history of the Ottoman Empire does play a bit of a role here. I have heard Turks say, I think probably tongue-in-cheek, I've heard Turks say, 'Oh, look what's happening in places like Bosnia and Kosovo and so on... it was all much better when it was run by the Ottomans.'

But I heard a particular Turk say that to Carl Bildt at a conference. The Turkish influence in the region should grow because things were so much better when Turkey ran the Balkans. And Carl Bildt simply said, 'I think that if we went back to that period, we might find that Turkish rules of the Balkans wasn't entirely consistent with the European Court of Human Rights,' which is obviously true. I don't think it will replace America and the European Union now. I think the model that democrats everywhere look to continues to be America and the European Union.

But I do think Turkey offers some inspiration, not just as a democracy, but also economically. I think the economic example is very important in the Arab world because most Arab countries have been fairly unsuccessful economically. Turkey shows an example of a country that can be very successful economically if it adopts more free market policies. And I think that is an important part of Turkish influence.

And what happened about the flotilla, I just think that must have been somebody somewhere... very clever diplomacy. I wish that had happened last time around, because the Mavi Marmara saga was a very unfortunate affair. I'm clearly, in my mind, I'm very critical of Israel's response to the Mavi Marmara. But it was also clear that there was rather too much collusion at the Turkish end. Maybe not involving the government, but it involved people who knew what was going on. There was too much collusion in the flotilla.

And much more effort could have been made to stop it happening when it did happen, and I think the fact this latest one appears to have run into trouble in a port in Greece suggests that somebody somewhere has been quite clever about it.