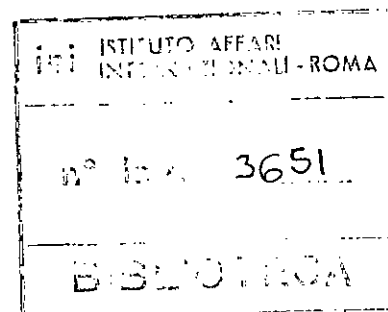


"THE ENLARGEMENT OF EEC AND TURKEY"
Foreign Policy Institute, Istanbul, 25-26/VIII/1978

- (1) Celasun, Merih: "The Turkish development policy problems and Turkey-EEC relations: an overview"
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- (4) "Viewpoints on the integration of the Turkish industry within EC"



(1)

THE TURKISH DEVELOPMENT POLICY PROBLEMS
and
TURKEY-EEC RELATIONS: An Overview

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August, 1978
Ankara

THE TURKISH DEVELOPMENT POLICY PROBLEMS

and

TURKEY-EEC RELATIONS: An Overview

Merih Celasun^(x)

I. INTRODUCTION

With the advent of the 1977-78 foreign exchange crisis and its disruptive impact on the economy, Turkey is now facing the politically demanding tasks of implementing a stabilization program, reassessing the relative merits of her past development policies, and designing a new transitional strategy which will serve more effectively the country's aims of achieving growth, employment, an improved income distribution and external financial viability. The serious and probably not so short-run nature of the present economic impasse, coupled with the concurrent political difficulties faced at home and abroad, calls for a nation-wide effort to search for and establish a working-consensus on internal policy reforms to pull Turkey out of the present bottlenecks, and place her on a more viable development path in the next decade.

The fact that the current crisis is felt most severely in the external trade area gives rise also to a need to re-examine Turkey's relations with the European Economic Community (EEC). The latter has been structured around the Association Agreement of 1963 and, in particular, the Additional Protocol of 1970 together with various supplementary accords made in recent years. The Additional Protocol commits Turkey to the process of gradual trade liberalization so as to form eventually a Customs Union with the EEC towards the mid-1990's.

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The Turkey-EEC relations have, however, begun to be strained in recent years, even before the full emergence of Turkey's 1977-78 crisis on the account of several developments which could not be foreseen properly in the early 1970's. Some of the latter are the conjunctural difficulties faced in expanding Turkey's cotton yarn exports; the reluctance observed in specifying a target date for free movement of labor; and the rapid erosion of Turkey's relative export advantages -with respect to her potential competitors- due to EEC's new Mediterranean policy and general trade preferences furnished to a number of developing countries. Also, having slowly begun to realize the real nature and scope of the problems associated with raising the degree of competitiveness of the Turkish industry, a significant portion of the earlier supporters of Turkey's EEC connection (among them some major private industrialists) have come to display less sanguine attitudes towards the full implementation of the timetable for trade liberalization envisaged in the Additional Protocol.

The Turkish policy-makers'dilemma in formulating a more decisive policy stance as regards the EEC relations has become further confounded in the context of the application of Greece, Spain and Portugal for full EEC membership in the coming years. The possible expansion of the EEC, incorporating several additional South European countries into its economic and inner political structure, portends several implications for Turkey's prospective export growth, because of the certain similarities that exist in the resource endowments of these countries and Turkey.

All in all, it is evident that Turkey-EEC relations are going through a difficult phase at the end of the 1970's, and thus require rethinking on a number of economic and non-economic issues. In the present discussion, I would like to provide an overview of Turkey's development orientation and policies with an eye on their possible implications for the future Turkey-EEC relations. Unlike in the early

1970's, discussions on Turkey's association with the EEC can not continue to be based primarily on political factors as the 1977-78 crisis demonstrates once again the critical bearing of external trade policies (i.e., exchange rate, import duties and restrictions, export subsidies, etc.) on Turkey's overall performance in the development process. Thus, any reassessment of the applicability and/or suitability of the Additional Protocol must come to grips with the basic facts of Turkey's structural problems and development strategy, characterized by an inward-looking import-substituting orientation. It seems therefore useful to discuss structural aspects briefly, and to draw attention to Turkey's adjustment to the changing external environment in the 1970's, as critical elements in the re-examination of Turkey's future relationship with the EEC.

II. TURKEY'S STRUCTURAL TRANSITION IN THE CONTEXT OF WORLD DEVELOPMENT EXPERIENCE: 1953-73

Despite a sluggish expansion in agriculture, Turkey's GNP growth performance has been quite substantial in recent past, averaging 6.7 per cent (per year) over the 1963-73 period, compared with the rate of 4.8 per cent attained in the 1953-63 period. Considering the moderate levels of external assistance, relatively slow growth of agricultural production and virtual stagnation in mineral output and exports, the 1963-73 performance (which involved moderate rates of inflation) was encouraging. The 1970-73 period, following the 1970 devaluation and introduction of a new policy package, saw a rapid growth of total exports, a notable increase in the share of manufactured exports, and a huge rise in workers' remittances, which culminated in a sudden and sizable accumulation of reserves. Such favorable developments in the balance of payments, which benefited from the rapid expansion of the OECD countries, workers' migration to Western Europe, and the commodity price boom of 1972-73, provided a suitable context in which significant steps were taken towards relaxation of import rationing and implementation of the initial steps envisaged in the Additional

Protocol with the EEC.

The 1974-77 period provides a totally different economic picture, however, characterized by favorable GNP and investment growth, but featuring spiraling inflation (averaging around 20 per cent per year), an explosion in merchandise imports (only partly due to four-fold rise in oil prices), stagnating exports and invisibles, unprecedented trade and current account deficits, rapid decumulation of reserves and massive short-term borrowing, which eventually paved the way for the 1977-78 foreign exchange crisis (see Table 4 in Appendix).

As part of a background to review Turkey's adjustment to the economic shocks of the 1970's, it seems useful to recapitulate the major peculiarities of Turkey's observed structural transition and strategy within the framework of data summarizing the world development experience.

All countries undergo, in some fashion and rhythm, a set of structural changes in several dimensions and in a series of stages. On the production and resource allocation side, the early stages normally feature predominance of primary production and exports, "easy" import substitution and concessional external aid. In the latter stages, the productive structure shifts towards industrial and service sectors, non-traditional exports gain more importance, deeper import-substitution becomes feasible, and non-concessional foreign borrowing becomes manageable. Chenery and Syrquin (1975), in their comprehensive study of some 90 countries over the 1950-70 period, investigate these issues and establish, by the use of statistical analysis, standard or normal patterns of development for specified values of universal factors that affect development in all countries. The major universal factors are identified as the country's income level and size (measured by population), as distinguished from the country-specific factors (such as social aspects, government policies and characteristic resources).

The overall structural transition is then described by a set of processes (accumulation, allocation, urbanization, distribution, etc.) which are measured, as much as possible, ⁱⁿ comparable quantitative terms. The empirical analysis of the cross-country experience then provides a basis to predict the structural norms for a country at given levels of income and population. The statistically predicted norms may then be contrasted against the actual data at given points in time. Such an analysis may shed light on the manner in which the country's development performance conforms to or deviates from the intercountry experience. The main results of an investigation for Turkey along these lines are given in Appendix Tables 1 and 2 for the benchmark years 1953, 1963 and 1973¹. They can be summarized as follows:

(i) In the 1950's and early 1960's, Turkey performed substantially below the standards of a country of its size and income in the accumulation of capital and skills, in restructuring demand and production, and particularly in developing a "normal" export base.

(ii) Quite unlike in the preceding decade, the 1963-73 period saw considerable structural transformation in capital accumulation, primary schooling and in reducing the share of primary production through an inward-looking industrialization. In this period, the change in the share of industrial employment was disappointing in view of the rapid pace of population growth and urbanization, and the continual presence of a large labor surplus in rural areas. Despite the favorable cyclical conditions and relative export buoyancy in the early 1970's, the shares of total and industrial exports continued to remain drastically below the intercountry norms.

(iii) As regards the social aspects, it is noted that income distribution (measured in terms of the shares of highest 20 and lowest 40 per cent) is clearly unsatisfactory, but somewhat comparable with the predicted values. The actual 1963 and 1973 figures point out some distributional deterioration in the 1963-73 period for the poorest

groups. The disparity between the rural and urban incomes/^{per capita} is very high (1: 4 in 1975), implying the existence of large economic rents in non-agricultural activities partly due to high rates of effective protection behind a restrictive foreign trade regime^{2/}. In the field of education, it is observed that Turkey's educational efforts increased substantially from 1963 to 1973, but the primary and secondary school enrollment (taken as a whole) remained below the intercountry standards. The latter signals the need for vigorous vocational training programs in the secondary school level.

The observed deviations of the Turkish structural transformation from the standard patterns of development place Turkey in the cluster of countries grouped under the category of import-substitution strategy, which exhibits inward-looking biases in production and trade activities. In particular, the deviation of Turkey's export performance from the typical country standards (even in 1973 when the external conditions were most favorable) indicates the limited nature of the rôle played by export-promotion in the growth of industrial production. The latter has been sustained mainly by the expansion of domestic markets, involving increases as well as compositional changes in the various components of internal demand.

Another complementary research on the "sources of industrialization" in Turkey throws additional light on the basic determinants of industrial growth over the historical period of 1953-73, as compared with the experiences of other countries (see Table 3 in Appendix)^{3/}. The results of this research confirm the limited rôle of export expansion in Turkish industrialization, and also indicate the comparatively modest contribution of "net" import substitution towards growth and structural change in Turkey. In sum, the ways in which industrialization has proceeded in Turkey have not been sufficiently effective in generating new sources of foreign exchange augmentation (i.e. earnings and savings) and employment in a labor-surplus environment.

The developments in the 1974-77 period have worsened further the relative rôles of foreign exchange augmenting activities in the domestic economic structure. As a result, the picture of the Turkish economy at the end of 1977 features an exceedingly narrow rôle of export expansion.

A major residual impact of inward-looking industrialization process observed in Turkey has been in the sphere of Turkey's economic institutions and policies which thrive on a restricted trade regime, a compartmentalized and inefficient financial superstructure and highly interventionist governmental methods. The striking fact is that the private sector accepts and in most instances derives substantial benefit (in the form of government guaranteed economic rents) from the system^{4/}.

In retrospect, it seems quite clear that the institutional rigidities and inefficiencies of the growth process were quite underestimated by the early proponents of the Turkey-EEC Additional Protocol within and outside the government. The net result has been an absence of political consciousness as regards the need for substantial reforms in several fronts of development policy to achieve rationalization in the productive and institutional structures.

III. DELAYED INTERNAL ADJUSTMENT TO THE ECONOMIC SHOCKS OF THE 1970'S

The present Turkish Government is currently in the process of responding to the 1977-78 foreign exchange crisis by implementing an IMF-supported stabilization policy package, incorporating the usual measures such a de jure devaluation (from 19.2 to 25 TL. per dollar), increased import rationing, tight monetary and fiscal policy, and moderated increases in government administered prices with minor modifications in the export premia. The re-scheduling of the existing foreign debt constitutes a helpful component of the present program. The difficulties thus far encountered in obtaining fresh and untied capital inflows place a binding constraint on domestic output for lack

of imported intermediate inputs. Hence, the Turkish economy is not reacting to the 1978 devaluation as it had done to the 1970 devaluation program mainly due to the limited nature of immediate import-financing facilities. As a response to restricted inflow of foreign exchange, the government also attempts to achieve an increased degree of geographical diversification of external trade and financing to expand the range of import and export possibilities.

These new developments in Turkey's external trade and trade policies, accompanied by intensified import controls and rationing, are likely to render the uninterrupted and/or unaltered implementation of the Additional Protocol quite difficult, unless a decisive switch is made to a more outward-looking strategy in the Fourth Plan period (1979-83).

The making of Turkey's 1977-78 foreign exchange crisis reflects, to a large extent, the country's delayed internal policy adjustment to the unprecedented economic shocks of the 1970's or more specifically to the "boom and recession" of 1972-75 in the world economy. Upon experiencing a remarkable export buoyancy, a huge rise in workers' remittances, and a rapid built-up in foreign exchange reserves (despite a large increase in imports) during 1972-73, Turkey chose to respond to the steep rise in the world price of oil, ensuing OECD recession of 1974-75 and consequent long-term shifts in the terms of trade by sustaining the growth of domestic investment, GNP and imports to preserve the country's developmental momentum. This choice was made possible by massive (and unplanned) short-term borrowing and reserve decumulation with the expectation that workers' remittances would somehow continue to flow at high levels to provide room for eventual improvement in the medium-run. The ratios of external resources (current account deficits) to GNP were around 5.5 per cent in 1975-76, and reached 7.4 per cent in 1977^{5/}. The external gaps of such staggering proportions could no longer be financed in view of a weakening international confidence in the future growth of Turkey's payments

capacity which could only be improved by export expansion. No significant measures were however taken in that direction.

Turkey as an oil-importing country with a threatening large-scale unemployment could not drastically reduce the current deficits to historically normal proportions without incurring substantial welfare losses and risking social unrest. Nevertheless, with the benefit of hindsight, it can now be stated that the internal adjustments to the boom of 1972-73, and world recession of 1974-75 have been too little and delayed for too long with a consequent balance of payments crisis and general economic impasse of 1977-78. Viewed retrospectively, it appears that a set of suitable policy responses were needed for (i) short-run anticyclical adjustments (perhaps by new tax measures in 1972-73, moderated increases in agricultural support prices in 1973-74, and restrained public expenditures in 1975-76) to reduce excess demand, and (ii) medium-term resource allocational adjustments to promote exports and new import substitution, to induce lower growth of import-intensive consumer demand, to encourage oil-saving measures in the energy economy, and to increase the economic and financial profitability of the state economic enterprises, collectively referred to as the SEE's.

An important missed opportunityⁱⁿ/the 1972-77 period was the large-scale channeling of workers' remittances (which simply accelerated the primary issue of money) to viable investment projects. The inefficiency of the financial system has been the key factor behind the difficulties faced in translating migrant workers' savings into a rational investment program in the productive sectors of the economy. The successive governments responded to this problem by half-hearted ad hoc measures and creating several weak agencies rather than embarking upon reforms to improve the resource mobilizing capabilities of the overall financial system.

If viewed and examined more closely, the highly mixed economic picture of the 1972-77 period reveals the adverse allocational and distributional effects of (i) the unchecked continuity of high rates of domestic inflation (which has been annually about 9-10 percent above the world inflation); (ii) the erosion of the real exchange rate due to insufficient successive adjustments in the official parity; and (iii) coincidental decline in the relative value of incentives for foreign exchange augmenting activities in the short- and long- run perspective ^{6/}. Although the world price increases contributed in a significant measure to domestic inflation, the contribution of a steep rise in high-powered money has been more prominent as a causal factor. The monetary imbalances originate mainly from the government's agricultural price-support schemes and SEE's massive financing requirements. In addition to the uncorrected continuity of the domestic and world inflation differential, and to the continual erosion in the real value of the exchange rate fixed by the 1970 devaluation, a series of other phenomena further increased the opportunity cost of foreign exchange. These phenomena include long-term shifts in Turkey's terms of trade, higher cost of energy, and compositional shifts in domestic demand requiring more import- and capital- intensive inputs . Such adverse distortions in the relative price structures could not be coped by ad hoc and non-market interventions in the economy, and accordingly resulted in an import spree and stagnating exports with the eventual balance of payments collapse of 1977-78.

Of the many lessons that can be drawn from the 1973-77 development experience, there are two which deserve particular attention in medium-run policy discussions. The first pertains to the management of Turkey's state economic enterprise (SEE) system, and its large investment program. Concurrent with the rapid increase in the operating deficits of the SEE system, the SEE investment program has also grown to very large proportions, requiring huge transfers from the Central Government's Budget, various pension funds and in some cases the

Central Bank. A major concern with the SEE's existing investment program is related to the massive accumulation of initiated but uncompleted projects in the pipeline, which will put heavy claims on the available financial resources in the future. Hence, a renewed SEE management system needs to be structured to attain higher levels of efficiency in this strategic sector of the economy, and to shorten the gestation periods of some of the major import-substitution projects.

The second lesson that emerges from the experience of the 1970's is the proven importance of co-ordinating and harmonizing planning and market mechanisms in the country. The absence of a public concern with the improved functioning of the market mechanism creates a milieu in which development planning becomes one of merely formulating goals and aspirations with limited interest in the proper design of consistent policy instruments, adjustment mechanisms and new distributional patterns. The experience of the recent past also shows clearly that an inefficient market mechanism, high rates of protection and unintegrated financial markets (although accepted and used by the private sector) do not serve well the country's objectives of achieving external financial viability and improved income distribution^{2/}. The fact that planned structural changes require major shifts in relative prices as well as in policy instruments needs to come to the forefront in development planning in a mixed economic environment.

IV. FUTURE EVOLUTION OF TURKEY-EEC RELATIONS

The overview of the Turkish structural experience of 1953-73 and main economic events of the 1970's provides a background to discuss the future evolution of Turkey-EEC relations in a medium-run perspective.

A need for reconsideration of Turkey's relationship with the EEC has become quite obvious after the world energy crisis and recession in the 1974-75 period, which generated a substantial cyclical and

structural impact on the oil-importing economies of EEC and Turkey. While the relevant cyclical effects relate to the slowdown of expansion in EEC markets for Turkey's exports and the reduced demand for "guest" workers, the longer-term structural effects pertain to fundamental shifts in comparative advantage in the international division of labor. The energy -and material- intensive industries and activities have clearly become expensive, and probably portend major changes in the world-wide distribution of industries. Put differently, the long-term shifts in the terms of trade (from 1974 onwards) create a new set of perspectives for the Turkish (as well as EEC) industrialization, which have yet to be explored. The extension of EEC's various trade concessions to other non-member Mediterranean nations, and a number of Third World countries, caused rapid erosion of Turkey's concessional export advantages provided by the Additional Protocol. The possible expansion of the EEC, through the additional membership of Spain, Portugal and Greece is likely to create increased competition to capture larger shares in fruits, vegetables and processed food markets.

All these new developments do not necessarily imply for Turkey a need to have a sharp reversal in the EEC relations, primarily because of the long-term advantages of the EEC connection when Turkey eventually switches to a more outward-looking industrialization strategy at some suitable stage in the 1980's. The critical question in this regard therefore becomes one of determining the optimal timing of a switch to an outward-looking strategy which identifies exports as a major source of growth and structural change. Such a strategy, if implemented in a mixed economy context, will have to adopt liberalized trade policies which cease to rely on import rationing, and/^{use}the exchange rate as a prominent policy tool in combination with other appropriate fiscal and monetary instruments and institutions in the economy.

Considering the objective realities of Turkey's current

economic situation and outlook, there seems to be two types of stumbling blocks to a sudden switch in the development strategy, besides the usual difficulties that would be faced in creating a working political consensus to support such a move. The first pertains to the nature of the present foreign exchange crisis, which features the simultaneous occurrence of a number of structural imbalances in the economy, and faces shortages in external resources -at suitable terms- to embark upon a sudden trade liberalization program. The second type^{of} potential economic difficulty, which may not be obvious to some observers, is related to the current state of resource mobilization in Turkey. To provide a tangible success without delay, a switch to an outward-looking strategy would require a rapid and substantial reallocation of resources towards foreign exchange augmenting activities. In entering a new Plan period (1979-83), Turkey finds herself, however, in an investment environment where a large proportion of investable funds to be available over the medium-run are already tied to ongoing projects, especially in the operational SEE sector. Moreover, the highly compartmentalized nature of the domestic financial system would preclude a large-scale mobilization of fresh capital for new and export oriented projects (with perhaps some relief provided by external private capital inflows to the extent they are allowed by the official authorities). Thus, Turkey would need time to design and implement a transitional economic program to prepare her economy for the eventual adoption of an outward-looking orientation in the future.

An assessment of Turkey's economic conditions and outlook along the general lines put forward in the present discussion lends itself to the suggestion that an interim Turkey-EEC agreement is needed over the Fourth Plan period (1979-83) to provide an adjusted time frame for the implementation of Turkey's import liberalization program envisaged in the Additional Protocol. The new interim program, while modifying and/or delaying the tariff realignment and import liberalization schedule, would preserve Turkey's association with the EEC. It would

offer a breathing space for Turkey to take steps to overcome the current crisis and bring about a long-term improvement in the productive structure of her economy. To lend support to Turkey's renewed export efforts, the new interim agreement should entail additional trade preferences and facilities by the EEC on a number of agricultural products at various stages of processing, for which Turkey has production and export potential (e.g., cotton yarns, fresh fruits, grape, wine, olive oil, beverages, concentrates, etc.) As part of the preparation for long-term industrial co-operation at the sector and enterprise levels (in view of the recent shifts in comparative advantage), the suggested interim agreement may also usefully incorporate a package of measures to facilitate the development and adoption of new technologies, and formation of mutually supportive industries. In the current Turkey-EEC dialogue, these points deserve more detailed consideration.

M. Celasun

August, 1978

FOOTNOTES

1. For the method of analysis and data sources, see Celasun (1977).
For the calculation of predicted values, the national income data are expressed in constant 1964 prices as in Chenery/Syrquin (1975).
2. The "rent or excess profit" element in Turkey's national income formation and growth is investigated and interpreted by Hatiboğlu (1978) within the framework of a "sources of growth" analysis based on factor contributions.
3. The analysis rests on price-deflated interindustry data, see Celasun (1977).
4. See Okyar (1973), Krueger (1974) and Hatiboğlu (1978) for various

assessments of Turkey's industrialization and related trade policies. Korum (1975) provides a thorough comparative study of public and private manufacturing industries.

5. The current deficit/GNP ratios are computed at the current rates of exchange, which were considerably overvalued. Under more realistic measurements, these ratios would be higher.
6. Derviş and Robinson (1978) analyze retrospectively the movements in the annual-flow equilibrium exchange rates with the aid of a general equilibrium model for Turkey and estimate the 1977 equilibrium rate at 28.2 TL. per dollar (against the actual/^{year-end}rate of 19.2 TL./\$). An earlier macroeconomic modeling study by Celasun (1974) provides an estimate of the opportunity cost of foreign exchange for the Third Plan period at 18 TL. per dollar in 1971 constant prices, which becomes -after adjusting to domestic and world inflation differential- about 29 TL/\$ in 1977. The latter estimate had been derived within the framework of the structural aims and constraints of the Third plan, which have been only partially fulfilled in the actual implementation.
7. See Hatiboglu (1978, pp. 192-5) for a discussion of economic rents and their distributional implications.
8. See Savaş (1978).

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APPENDIX

Table 1: Accumulation and Allocational Processes: 1953-1973

(Unit: Percent of GDP)^{1/}

	Actual ^{2/}			Predicted ^{3/}		
	1953	1963	1973	1953	1963	1973
A. Accumulation						
1. Investment						
a. Savings	11.5	12.0	14.8	16.3	18.0	19.8
b. Gross Investment	14.8	15.6	18.3	18.0	19.6	21.0
c. Capital Inflow ^{4/}	3.3	3.6	3.5	2.8	1.6	1.2
2. Government Revenue						
a. Gov't Rev. ^{5/}	16.0	16.6	21.1	15.6	16.8	18.7
b. Tax Rev.	12.6	13.9	18.5	15.0	15.8	17.8
3. Education						
a. Educational Expenditures	1.7	2.6	3.4	1.9	3.0	3.1
b. School Enrollment Ratio (%)						
Primary	58.0	72.0	90.0	-	-	-
Primary and Secondary	33.3	43.4	56.1	46.4	57.0	65.4
B. Allocation						
1. Domestic Demand						
a. Gross Investment	14.8	15.6	18.3	18.0	19.6	21.0
b. Public Consumption	11.0	11.5	14.1	12.2	13.6	13.7
c. Private Consumption	77.6	76.6	71.2	71.5	70.1	68.9
d. Food Consumption	41.4	38.9	28.9	33.9	30.4	26.7
2. Production (value added at factor cost)						
a. Primary	45.9	40.1	29.7	34.4	30.2	24.5
b. Industry ^{6/}	12.8	19.2	22.9	22.6	23.5	26.8
c. Utilities	5.7	8.8	10.7	6.2	7.1	7.5
d. Services	35.6	31.8	35.7	36.2	38.8	40.5
3. Trade						
a. Imports	11.3	9.6	11.4	17.0	16.2	15.6
b. Exports	8.0	6.0	7.9	17.3	15.2	14.8
c. Primary Exports	7.4	4.0	4.1	10.8	9.7	8.3
d. Manuf. "	0.6	1.0	1.8	4.4	4.8	6.0
e. Service "	-	1.0	2.0	2.1		

^{1/} Definitions and units of measurement follow Chenery/Syrquin (1975).

^{2/} Actual data for 1953, 1963, 1973 refer to respectively to 1952-54, 1962-64 and 1972-73 averages, except that B.2 is based on 1972-74 averages, and A.2 refers to 1973 data.

^{3/} Predicted shares may not add to appropriate totals

^{4/} Capital inflow is net imports of goods and non-factor services.

^{5/} Excludes savings bonds and public factor income.

^{6/} Includes manufacturing and construction

Sources: - State Institute of Statistics national accounts data
 - Sea Celasun (1977) for other sources.

Table 2: Demographic and Distributional Processes: 1953-1973^{1/}

	Actual ^{2/}			Predicted ^{3/}		
	1953	1963	1973	1953	1963	1973
A. Labor Allocation						
% Share of						
a. Primary labor	79.2	77.6	64.8	56.9	53.8	47.2
b. Industry labor	7.4	10.1	13.6	15.8	17.9	21.7
c. Utilities and Service Labor	13.4	12.3	21.6	17.4	28.2	30.8
B. Urbanization						
Urban percent of total population	20.8.	28.9	40.1	33.9	39.0	46.4
C. Demographic Transition						
a. Birth Rate (per thousand)	-	39.6 ^{4/}		37.5	35.2	31.5
b. Death Rate (")	-	14.6 ^{4/}		14.9	13.8	12.1
D. Income Distribution						
a. Share of Highest 20%	-	57.0	56.5	56.1	56.1	55.7
b. Share of Lowest 40%	-	13.0	11.5	11.7	11.5	11.2

^{1/} See footnote 1 in Table 1.

^{2/} " " 2 "

^{3/} " " 3 "

^{4/} 1966/67 estimates from "1966/67 Demographic Survey, Hacettepe University"

Sources: - State Institute of Statistics (Yearbooks)

- State Planning Organization for income distribution estimates.

Table 3: Sources of Industrialization in Various Countries

		Domestic Final Demand	Trade Effects		Technological Change
		(%)	Exports	Import Substitution	(%)
Japan	1964-54	38	6	15	42
	1950-60	44	6	10	40
	1960-70	53	22	11	14
Sweden	1819-1913	39	18	19	23
U.K.	1907-1935	19	37	26	18
	1935-1954	45	16	8	31
Argentina	1935-1953	18	22	34	26
Greece	1950-1960	50	5	20	25
India	1950-1960	85	7	9	-
Israel	1951-1958	18	19	27	36
	1958-1964	17	41	24	18
Korea	1955-1963	37	4	31	28
	1963-1973	27	42	10	22
	1955-1973	33	39	11	17
Turkey ¹	1953-1963	29	11	19	41
	1963-1973	51	13	8	28
	1953-1973	44	13	7	36

1 Tentative estimates.

Source: - Syrquin, M., "Sources of Industrial Growth and Change," :
World Bank, 1976

- Celasun (1977)

Table 4: Turkey's External Trade and Current Account Deficit: 1969-77

(Unit: Million S)

	Total Trade (Merchandise)		Workers' Remitt.	Current Account Deficit	EEC Trade		Petroleum
	Imports	Exports			Imports	Exports	Imports ^{1/}
1969	801	537	141	-221	384	251	61
1970	948	588	273	-172	421	283	67
1971	1,171	677	471	-122	572	309	122
1972	1,563	885	740	- 8	830	405	155
1973	2,086	1,317	1,183	+485	1,142	611	222
1974	3,777	1,532	1,426	-719	1,708	717	763
1975	4,738	1,401	1,312	-1,880	2,338	615	812
1976	5,128	1,960	983	-2,301	2,342	959	1,106
1977	5,796	1,753	982	-3,425	2,470	868	1,436

^{1/} Includes petroleum product imports.

Sources: - State Institute of Statistics.

- Savaş (1978) for EEC trade.

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THE OUTWARD ORIENTATION OF TURKISH FOREIGN TRADE
Symposium on the Enlargement of EEC and Turkey

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AUGUST , 1978

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AUGUST 25 - 26, 1978

The aim of this paper is to present the case for an outward orientation of the Turkish economy and of Turkish foreign trade. The paper will also touch upon the role of Turkey's association with the EEC and on the possible consequences of the enlargement of EEC upon Turkish foreign trade.

We begin by asking ourselves why the moves towards an outward oriented economy have become an absolute necessity for Turkey at this stage of her economic development, quite apart from the consequences which may arise on Turkey's balance of payments as a result of the enlargement of the EEC.

The paper continues by examining the principal factors which have caused the Turkish economy to remain inward-oriented since WWII and especially since planning was introduced in Turkey in the early sixties.

What are the main policies and other changes and measures necessary to bring about a fundamental reorientation in Turkey's economy and foreign trade ? These questions will constitute the third section of the paper.

The paper ends by taking a look at the contribution which the operation of the Brussels Annex Protocol can make to the proposed reorientation of Turkey's economy and at the probable effects of the EEC's future enlargement upon Turkish foreign trade.

Turkey has continuously had balance of payments problems for about three decades. Both internal and external factors aggravated the problem, intensifying it to the level of serious economic crisis from time to time. In each instance, however, the governments have invariably resorted to the same policies, involving, in the first place, the curtailment of imports through restrictive measures. Neglecting the export side has meant that the rise in exports has remained very slow in the terms of the growth of the domestic production and GNP. This has resulted in restricting the import possibilities of the economy, a process which was accompanied by accumulated heavy debt burdens. The export situation, and the lack of invisible earnings have made it very difficult to repay these debts through export proceeds.

With the beginning of development planning in the 1960's, the policy of import substitution was officially adopted. This policy, which was chosen in the light of the payment troubles experienced in the fifties, resulted finally an increased dependence of the economy on imports. Thus, the policy largely failed in this objective and also brought about other harmful effects in the economy (i.e., production with absolute protection, leading to the creation of high cost, uncompetitive industries.), although through internal production effects, it contributed to maintain the high level of the growth rate, for a time.

Thus, in the past, Turkey has managed to live with its balance of payments problems, but this was achieved not so much by eliminating them through structural measures, as cushioning them through foreign borrowing and temporarily pursuing devaluation and stabilization programs, with the result of deferring solutions to a late date.

The present economic crisis, however, has indicated that Turkey has come to a point where it can no longer go on applying the

inward looking policies of the past. The reasons why, are elaborated below.

The simple truth is that Turkey has to go back on inward-looking policies and bring about fundamental changes in her economy and foreign trade, because she simply cannot go on living on foreign borrowing forever. Turkey has now to repay accumulated foreign credits of the order of \$ 11 billion as well as begin to close the growing foreign trade deficits which have been the major source of her balance of payment deficits. The table below indicates the amounts and sources of balance of payments deficits between 1974-1977, a period of rapidly growing external deficits when the appearance of a new external factor in the shape of oil price rises, added its weight upon the existing balance of payments strains. These strains, we shall argue below, are the result of long-term structural tendencies, such as industrialisation based on import-substitution, and of the built-in inflation, long characterizing the Turkish economy.

TABLE I.
BALANCE OF PAYMENTS (\$ MILLION)

	1974 - 1977			
	1974	1975	1976	1977
Exports	1.532.2	1.401.1	1.960.2	1.753.0
Imports	-3.777.5	-4.738.6	-5.128.6	-5.796.3
Trade Balance	-2.245.3	-3.337.5	-3.168.4	-4.043.3
Invisibles (net)	+1.526.3	+1.575.0	+2.876.9	+ 618.2
Current Account	- 719.0	-1.880.0	-2.300.5	-3.425.,
Long Term Capital Movements (net)	+ 290.8	+ 519.8	+ 534.5	+ 457.5
Short Term Credit (net)	+ 52.3	+ 967.2	+1.669.0	+2.341.5
Changes in Reserve (Diminution +)	+ 430.9	+ 417.0	+ 111.8	+ 550.8

During this period the balance of trade deficit grew from \$ 2.245 million in 1974 to \$ 4.043 million in 1977, a rise of \$ 1.798 million. This has been the major cause of the worsening in the balance of payments deficit, from \$ 719 million in 1974 to 3.425 million in 1977, namely \$ 2.706 million.

The second negative factor has been the worsening in the trend of net invisible earnings, which come down from \$ 1.526 million in 1974 to \$ 618 million in 1977, namely a drop of \$ 908 million.

In this perspective, the balance of trade problem can be considered as Turkey's economic problem No.1, at the present time.

The worsening of the balance of trade during the above period was the result of sharply increasing imports while exports remained practically stationary.

The increase in imports during the period 1974-1977 was \$ 2019 million, with imports of petroleum products rising by \$ 974 million from \$ 726 million in 1974 to \$ 1600 million in 1977. Therefore, the imports of non-petroleum products rose by \$ 1.045 million in this period, indicating that the total rise of imports can be attributed half to the increase in the cost and the volume of petroleum products and half to increasing imports of non-petroleum products.

The rise in the value of petroleum imports is a problem largely separate from the general basic issues influencing the balance of payments deficits in Turkey. Born from the threefold increase in the price of raw petroleum at the end of 1973, the rise in the cost of petroleum imports was also fed by a subsidisation policy which kept the internal prices of petroleum products at around 1/3rd of world prices, until late 1977, when an all-round increase of internal prices brought

the internal prices to about half world prices. So, large-scale subsidisation continues, albeit at a decreased rate.

The present paper concentrates rather upon the long-term factors which are behind continuing Turkish balance of payments deficits, expressing the realities of an inward economy.

We have argued above that the main field in which the inward direction of the Turkish economy has manifested itself has been the field of foreign trade. It would be wrong to ignore the manifestations of the same inward looking tendencies upon the invisibles component of the balance of payments. In this field, the single positive element of the 70's has been the emergence and growth of workers' remittances from abroad. These remittances have grown from \$ 107 million in 1968 to a peak of \$ 1.462 million in 1974. After 1974, workers' remittances began to decrease, falling to \$ 982 million in 1977. The emergence of this single item transformed the whole position of net invisibles in the Turkish balance of payments from being a minus element in the early sixties to becoming a slightly positive element in the late sixties (+ \$ 37 million in 1968) and a major balancing factor in the early seventies (+ \$ 1.462 in 1974). However, the other items composing invisibles such as freight, insurance, tourism, profits have constituted largely negative elements in the total picture of invisibles, again reflecting the basically inward looking bias of the Turkish economy.

Our concern in this paper, however, will be with foreign trade movements, rather than with invisibles.

We would like to continue by indicating the reasons why it has now become imperative for Turkey to begin closing the underlying deficits in the balance of trade through a fundamental reorientation of her economy.

The first reason why the reorientation is necessary arises from the fact Turkey's economic development will continue to require in the future a rising level of imports, in the shape of intermediate goods, constituting the current inputs for industry and agriculture, as well as a rising volume of investment goods imports. It will be stated below that the indiscriminate import substitution policies of the sixties and the seventies have been self-defeating and have led to sharp increases in overall imports. Even if we assume that the strategy of import substitution is changed in the near future, economic development will still require a volume of imports, growing perhaps less rapidly than formerly, but growing all the same. The close relationship between the level of imports and economic development has been illustrated by the events of 1977, when very serious shortages of foreign exchange led to the curtailment of imports, especially intermediate goods, spare parts, etc. required by industry. This was probably the main reason why the rate of growth of GNP in real terms fell sharply in 1977, according to the latest estimates of GNP prepared by the State Institute of Statistics and published by the Milliyet newspaper on July 13, 1978. The annual real rates of growth of GNP which has been near 8% in 1975 and in 1976, fell by 50% to 4% in 1977. It is not far from the truth to assume that a major factor in the decline was the restrictions of imports, caused by foreign exchange shortages. It is now estimated, certainly optimistically, that similar restrictions will keep the rate of growth of GNP around 5% in 1978. These rates of growth are well below the plan target rates of 7-8% per annum.

The dependence of economic development upon a growing volume of imports shows that sound economic development in the future requires growing imports. Growing imports, in turn, must depend, in the long run, on the growth of exports. It seems impossible to expect that growing imports in the future can continue to be financed indefinitely through large-scale private or public foreign credits or through invisibles, such as workers' remittances, reaching the required levels of around \$ 3 billion per annum.

The second reason why a reorientation of the Turkish economy is necessary, stems from the role of foreign trade in economic development. Turkish development policy has so far tended to regard foreign trade as a passive factor in development, something that could always be regulated to meet the import requirements of the inward oriented economy, through adjustments in the levels of foreign aid or of foreign credits, through import restrictions or with the help of unexpected windfalls, such as the emergence of workers' remittances in the 1970's. In these various ways the continually growing gap between imports requirements and a very slowly rising volume of exports could be somehow closed. This view of foreign trade in economic development and in the five-year plans has been dominated by export pessimism, a feeling that Turkey or the Turks could do very little by themselves to increase Turkish exports. How far this feeling was justified by the underlying conditions of the world economy is a moot point, which is difficult to evaluate. However, the continued prevalence of such a feeling tended to discourage efforts towards increasing exports. Thus, in a sense, export pessimism justified itself by its very existence.

Such attitudes and beliefs could perhaps be explained up to a certain point, during the initial phases of economic development, when human management and marketing skills were scarce and yet underdeveloped. But such feelings have come to diverge more

and more from realities and basic requirements. Thus, they have become positively harmful in a stage of development following the take-off of the Turkish economy and its passage into the middle stage of economic development, the stage in which Turkey finds herself presently, with an average income per head of around \$ 1000.

At this stage, foreign trade should become an active factor in the development process of a mixed economy, in which the private sector has lately assumed a dynamic role. The enlargement and diversification of exports then becomes one of the key elements, besides the growth of the internal market, in stimulating industrialisation. If reliance is continued to be placed more or less exclusively on the enlargement of the internal market, firms will not find it possible to operate at optimum levels in many fields of industry. Therefore, the reaping of technological advance and of economies of scale will be severely obstructed.

The third major element necessitating an outward reorientation of the economy, consists in the obligation of repaying the large foreign debts accumulated by Turkey. Rough estimates concerning the total amount of foreign debts outstanding at the beginning of 1978 (x) are as follows :

(in million dollars)

Long term consolidated foreign debt	6060
Official and private short term debts	<u>4841</u>
Total \$	10901 million

(x) See " 1978 ilkbaharında Türkiye'nin İktisadi Durumu"
Etüdler Konferans Heyeti, İstanbul
1978 ilkbaharında Dış Ekonomik İlişkilerde Gelişmeler,
Güngör Uras, Page 3.

According to Ministry of Finance estimates, the total debt repayment due in 1978 (principal and interest) will amount to \$ 1210 million. In 1977, the total debt repayments had totalled \$ 574 million. Most repayment terms for the short-term private foreign debts have not yet been agreed upon between the Government and foreign lenders. However, it does not seem far from the truth to assume that yearly debt repayments in the coming five years will range between \$ 1000 - 1500 million. This burden will be additional to the need for financing future balance of payments deficits during the coming five years. On an optimistic estimate, yearly current balance of payments deficits may average around \$ 2000 - 2500 million per year, during the coming five year period.

Thus, the yearly foreign exchange financing requirements of the Turkish economy during the coming five year period may amount to something around \$ 3000 - 4000 million. Clearly, the financing of such burdens can not be left purely to new short and long-term private and public borrowing. A major effort to increase both exports and invisible foreign exchange earnings will be required.

In the second section of the paper, we are examining in more detail, the main reasons why the Turkish economy has remained inward-oriented, even though economic development took rapid strides after WWII.

A complex of interrelated factors, some economic, some socio-political, some psychological, come to our mind when trying to explain the above situation. Perhaps, it is possible to group these elements under three main headings :

(1) Economic development policies, more particularly the policies of indiscriminate import substitution, aiming at the establishment, in fact, if not in name, of an autarchic industrial structure in Turkey; (2) Built-in inflationary tendencies which exhibit a certain cyclical pattern, with pronounced upswings and downswings and which seem related to the particular way in which political democracy is working in Turkey; (3) Long established behavioural patterns, inhibiting contacts with the outside world. These three groups of causal factors are examined in turn in this section of the paper.

(1) Industrialisation Policies

Industrialisation and economic growth during the past thirty years have brought Turkey to the level of a semi-industrialized country, and to an economic size which may allow her to make a new choice among alternative industrial policies. In the mid-sixties, the turning point came when the total active population in agriculture began to decrease, and when the relative share of industry in GNP equalled the share of agriculture, which had been

the largest sector of the Turkish economy until then. However, the share of investment goods production in total industrial production remained low, and no significant development occurred in the home technological base during this period.

In general terms, there are two main industrial policy options for a developing semi-industrial country. It can take the direction of "gradualism" and selective industrialization, an approach mainly recommended by economists in already industrialised countries or it can take the path of "structuralism", as has been the case in some countries in the developing world. The basic objective of the structuralist approach is to achieve an industrial structure, similar in all aspects to the structure of industrialised countries. The Turkish planning approach has accepted, at least in theory, the goal of structuralism.

The problem which occurs in the path towards structuralism stems mainly from the shifts in demand caused by economic growth, from agricultural and consumer goods industries towards "producer" goods (i.e. intermediate goods and investment goods) industries. It can easily be shown that such shifts in demand have occurred in Turkey. How should these shifts in demand be realized? Through increased imports or through import substitution? Other problems arise from the consumer goods industries already established but now suffering from shortfall in demand. Should some of the industries be curtailed in size or should they be encouraged to export?

It seems that Turkish industrialization policy could have been more flexible in the past, emphasizing both exports

in comparative advantage industries and import-substitution in certain producer goods industries. These directions were not so mutually exclusive, as had been assumed in Turkey.

Apparently, the policy of import-substitution was adopted in Turkey on the following grounds: The replacement of imports of durable consumer goods constituted a relatively easy affair in the earlier stage of development, and secondly, it was thought that import-substitution would substantially ease balance of payments problems.

So, import substitution occurred since the sixties, mostly in metal products, electrical equipment and electronics, transport vehicles, chemicals, petrochemicals, paper and iron and steel. This drive was mainly directed by the private sector, with some contribution of foreign capital. The state sector's contribution to import-substitution has been on a smaller scale, especially when the two sectors relative shares in industrial output are considered.

Import-substitution did not achieve positive effects on balance of payments, on the contrary, it led to very substantial increases in imports. The increase in import demand over the past 3 years was of course intensified by the effects of the oil crisis. The outcome was the necessity to curtail imports of non-petroleum products so that the present needs of heavily import dependant industry have remained largely unsatisfied.

Apart from its negative results on the balance of payments, the contribution of the import-substitution strategy to sectoral output growth has been minimal, much less than the contribution provided by manufactured exports.

The adverse side effects of the above industrial policy have been manifold, such as increasing internal costs and prices, worsening comparative advantage situations, increasingly unequal income distribution, more underutilized capacity and increased concentrations.

(2) Built-in Inflation

Inflationary tendencies, especially since the early 1970's, have played a major part in preventing the economy and Turkish foreign trade from taking an outward oriented path.

The Turkish economy during the 3 decades since WWII and even during the early fairly successful period of planning during the sixties, has never been free of inflationary tendencies. Thus, between 1963 and 1969, the average annual rate of inflation in the Turkish economy, as measured by the GNP deflator, has averaged 5%, a figure distinctly higher than the OECD average for the same period (3%). In Turkey, the pace of inflation increased to 6.7% in 1970 and to 15.9% in 1971. These continuously unfavourable price developments were the cause of a long-delayed devaluation in August 1970, of the order of 66%, in a rate of exchange which had not been changed since 1958. The effect of this adjustment on the balance of payments proved to be only partially successful, because long-term industrialisation policy remained unchanged, oil prices rose sharply in 1973 and the built-in inflationary tendencies of the Turkish economy accelerated after 1970.

The table below shows the annual average rise in wholesale prices in Turkey, compared with the average annual price rise in the OECD area in the period 1970 - 1977 :

	<u>OECD Area</u> <u>(GDP Price Deflator)</u>	<u>Turkey</u> <u>(Wholesale Prices)</u>
1970	5.8	6.7
1971	5.6	15.9
1972	5.0	18.0
1973	7.3	20.5
1974	12.0	30.0
1975	11.3	10.1
1976	7.0	15.6
1977	n.a.	24.1

Except for 1975, price rises in Turkey were to 2 to 3 times higher than price rises in the OECD area after 1970. This was bound to necessitate further adjustments in the Turkish rate of exchange which had been more or less tied to the ₺ in 1971, after the introduction of floating rates. However, the readjustment of the exchange rate was again delayed until 1977, when the dollar/lira rate was increased by a clearly insufficient margin from 15 TL to the ₺ to 17.50 TL to the ₺. Another adjustment followed in January 1978 with the rate of exchange increased to 19.25 TL to the ₺. This move was followed by yet another devaluation in March 1978, the dollar rate rising to ₺1 = 25,25 TL. The last two moves were made in conjunction with negotiations with the IMF for a stand by credit.

What were the effects of these moves upon the rates of changes registered in imports and in exports ? The following table gives the annual rates of change in Turkish exports and imports since 1970, in dollar values.

ANNUAL RATES OF CHANGE IN FOREIGN TRADE
(In % over previous year)

	<u>Imports</u>	<u>Exports</u>
1970	18,3	9,7
1971	23,5	14,8
1972	33,5	30,0
1973	33,5	48,0
1974	81,0	16,3
1975	25,4	-8,6
1976	-8,0	39,0
1977	-13,0	-10,0

The year 1974 was one during which the effects of the oil price rise was observed upon the value of imports and indirectly upon the value of exports, which registered a marked fall in their previous rates of increase.

Between 1970 and 1974, the rates of increase in imports remained higher than the rates of increase in exports, except for 1973 which witnessed a remarkable export performance. Between 1974-1977, imports went on rising until 1976, when the trend was checked by import restrictions owing to foreign exchange shortages, while exports presented an uneven picture, with little real growth.

These developments were effected by a number of casual factors, long-term and short-term. However, the marked disparities between the inflation rates of Turkey and of the outside world and the acceleration of inflation in Turkey in 1973-74 were certainly among the major causal factors, through the effects of unfavourable price and cost changes upon the Turkish economy and through the continuous expansion of internal demand in Turkey, leading to larger import demands and to lower availabilities of goods for export.

One does not have to go very far in looking for the major source of the built-in inflationary tendency of the Turkish economy.

For the whole period since WWII, the source of inflation has continued to be the total current and capital account deficits of the public sector in Turkey, in the wide definition of the terms. The total deficit of the public sector can be broken down into three main categories:

- 1) The deficits of the central government budget
- 2) The deficits, both on current and capital accounts, of the state economic enterprises
- 3) The deficits of the price-support operations of the government, in the fields of agricultural prices and lately in the field of petroleum products.

The total size of the above deficit and the relative shares in the total of the three main constituents have varied over the years, thereby accelerating or decelerating the pace of annual inflation rates. However, in addition to the major source of inflation in Turkey, there have been other internal or external factors, which have also contributed to the inflationary process in Turkey.

The fact that devaluations have been carried out at long developed intervals, and generally in a massive dose, have exerted sudden and large pushes on cost structures and have created psychological expectations of further price increases.

Internally, the recent wage awards obtained by trade-unions have also been very large. Very often the rate of wage-increases have exceeded the rates of price increases, leading to a new phenomenon in the Turkish economy, namely cost-push inflation.

Finally, we should not overlook the effects of external factors upon price developments in Turkey. The rise in prices of petroleum products in late 1973, although cushioned by massive subsidies, is the outstanding case illustrating external influences.

Although the role of side factors upon the rate of inflation has been gaining ground lately, we think it is true to consider that inflation in Turkey is still mainly a demand-pull type of inflation, fed by the continuing deficits of the public sector. It is not easy to quantify the various elements entering into the total public sector deficits. For instance, no figures are available for the yearly amounts of petroleum subsidies. The most exact figures concern the deficits of the central government budgets, which are covered partly through the issues of bonds sold to the public and to the banks, partly through direct advances of the Central Bank to the Treasury.

The following table contains rough estimates of the possible sizes of the different components of the total public sector deficit in recent years:

	1975	1976	1977
Central Government Budgets	8.880	12.026	36.000
Agricultural price Supports	3.000	4.000	4.000
SEE deficits not covered through double counting and through non-inflationary sources	10.500	11.000	11.000
Petroleum deficits	7.000	8.000	9.000
T o t a l	29.380	35.026	60.000

The relative sizes of these deficits in terms of GNP at current prices are the following :

1975 : 5.0%

1976 : 5.2%

1977 : 8.5%

The relative and absolute increases in deficit financing in 1977 are striking.

(3) Behavioural Factors

So far, we have been speaking about the economic factors responsible for the inward orientation of the Turkish economy, namely industrialisation policy and the climate of built-in inflation.

At this point, we should add a few words about the non/economic, cultural, social and traditional elements, which have influenced the Turk's attitudes and behaviours towards trade and the outside world. These deep-seated cultural and psychological factors have not yet lost their hold on the behaviour of people.

Until recently, well into Republican Turkey, trading and commerce were activities which were generally looked down upon in the set of values transmitted from the Ottoman Empire. A stigma was attached to the making of money, of profit from commerce and industry and although these attitudes have changed partially since WWII, they are still noticeable in the anathema linked to profit and maney-making by left-wing intellectual circles in Turkey.

In addition to the slowly changing prejudice against trading and money-making in general, language and culture barriers have been hindering wider contacts with the outside world in the commercial and economic fields. The Ottoman outlook on the outside world of Christianity took the form of looking down on it from the superior vantage point of Islam. The Ottomans expected the Europeans to come to them for business and never thought of going out into foreign countries with the objects of commerce and money-making. The minorities of the Empire were the intermediaries between the Europeans and the Ottomans in questions of trade and diplomacy. They also constituted the bridge which broke the language barrier.

Some of these sentiments and behaviour patterns have changed with Republican Turkey, but one wonders whether they have completely disappeared. There are still many reluctances and reticences operating generally in many foreign contacts upon Turks.

III

What are then the policies or measures which can bring about the necessary outward orientation of the Turkish economy and of foreign trade ? It would be simple to answer that the solutions lie in doing the opposite of what has been done so far, namely, changing gears into reverse. This would involve abandoning the goals of self-sufficient industrialisation, of going it alone or almost alone, under absolute protection and instead turning towards selective industrialisation, emphasizing comparative advantage, both in export promotion and in import substitution and welcoming the participation of foreign capital and know-how. It would also mean turning back on the inflationary financing policies carried out in various fields by the public sector.

Basically, and in the long-term, the required solutions lie in the above directions, but it is easier to say so, than to do so. The Turkish economy has for so long been geared to absolute protection, to bureaucratic interferences of all kinds and to a secure, although inflationary domestic market, that it will not be easy to reverse gear that suddenly. Perhaps, the most difficult change to bring about will be one in economic philosophy, in the approach towards economic policy. Certain minds have long been wedded to such thinking as the one that it is the government or the SPO which knows best what is good for everybody concerned, that state enterprises are, in some sense, superior to and better than private enterprise and that foreign enterprise is essentially wicked and its only goal is to exploit the country. It will be difficult to change quickly the minds and hearts of a good number of politicians and of bureaucrats, in these respects.

However, changes in attitudes towards industrialisation, towards the role of the market mechanism and of foreign capital are essential to an eventual outward orientation of the economy and of foreign trade. One may begin by thinking whether any other alternative than the above presents itself for Turkey.

Continuing to tread past and present paths would result in further economic isolation, further inefficiencies such as the growth of government enterprises at the expense of the dynamic and cost-conscious private sector, in continued inflation and bureaucratic interferences in the economy, with similar results, i.e. slowing down economic growth, trying to live at the expense of others with large balance of payments deficits, while desperately squeezing meager internal resources in order to pay back large accumulated debts. Therefore, the point that has to be driven home to Turkish public opinion, foremost by the government and by politicians, is that the only viable alternative to continued crises is to resolutely open the economy, reduce bureaucratic interferences and allow market mechanisms to work.

If such are the final goals of the changes designed to bring about a fundamental outward reorientation of the Turkish economy, it is essential that they be translated clearly into official thinking and that they form the basis of the fourth five-year plan now prepared by the government.

Thus, the question facing Turkey, in its present crisis, is more that of choosing among the alternative tactics or paths leading to a final commonly accepted goal, rather than that of choosing among alternative strategies or final goals themselves.

In this sense, there are two basic choices to make in the road leading towards an open, outward oriented economy. First, is the change to be brought about quickly, suddenly by an all at

one go or is it to be achieved gradually, through a number of steps, leading successively towards the final direction ?

The second choice lies between trying to bring about more an open and flexible economy, purely through internal efforts and relying as little as possible on outside help, such as foreign capital and technology; and between travelling on the same road, not by oneself, but together with other companions, in the forms of foreign capital and technology transfers. Before examining these choices, it is necessary to point out that the main internal policies needed to bring about the reorientation of the economy, namely, the change in industrialisation policy, the dismantlement of absolute protection, the allowance of freer rein to economic variables, such as the rate of interest and the foreign exchange rate, the moves towards finance and price stability through curbing inflationary pressures, form the different parts of a single jigsaw puzzle and constitute the interrelated and interdependent parts of a single strategy. The strategy will survive and become successful, only if these various moves are combined and are undertaken together. The strategy will fall, if one or more of its constituent elements are allowed to go by default.

However, such changes are all difficult to bring about, psychologically and physically, at any time and particularly in the present circumstances. Most of the changes which will bring about a growing volume of exports are to our mind, linked very closely to the proper application of the Brussels Annex Protocol, and these questions will be taken up in the last section of the paper dealing with the role of Turkey's integration in the EEC. There are also certain measures Turkey should take up on her own, to develop her exports. These will be taken up briefly at the end of this section. On the other hand, the changes necessary to curb inflationary pressures within Turkey present formidable problems which, to our mind, have political

rather than economic dimensions. They will be discussed below, after we have touched upon the choices of tactics involved in the whole operation.

As regards the choice between a sudden complete reversal of previous policies and a more gradual and slow approach towards new policies, it seems that the great advantage of a sudden decisive move would lie in its finality and irreversibility. Turkey's past experience is littered with half-hearted attempts at the liberalisation and the stabilisation of the economy, quickly followed by reversals to old ways, in the forms of forcing the pace of industrialisation and development through public investments and inflationary financing. In other words, the danger of a gradual and slow approach lies in the temptations it offers of reversing gear and going off again into opposite directions. This is why a sudden and decisive turning, on the lines of the South Korean example of 1958, for instance, might be advisable. On the other hand, how can a country which has been geared to so much protection, bureaucratic interferences and inflation absorb the sudden shocks of foreign trade liberation, of freer markets and of a stable currency? Would such shocks not bring about unbearable political and economic difficulties in the forms of bankruptcies in the state and private sectors, of unemployment in many fields? Would they not appear intolerable to a bureaucracy anxious to keep its privileges? So, the risks and difficulties of a decisive and quick move are very great, probably too great for any government, especially a parliamentary government, to contemplate accepting. Inevitably, the slower and more gradual path will impose itself upon decision-makers. The main problem will be to persist advancing in the right direction and here, we submit, the close adherence to a slow but clear and rigid time-table for opening up the economy and for introducing successively larger doses of

competition will be crucial. The role of the model provided by the Brussels Annex Protocol will be of key importance in this respect.

Secondly, can the outward orientation of the Turkish economy proceed by going it alone as in the past, a period characterized by willingness to accept credits and foreign aid of a general type and by reluctance to accept foreign cooperation in specific fields and forms, exemplified by coolness towards foreign capital participation in the private and public sectors and towards other forms of foreign cooperation in technology and know-how ? It seems to us that the possibilities of the existence of a choice between going it alone and cooperating with foreigners in the road towards opening up the Turkish economy are rather thin, to say the least. Outward orientation will require that existing or newly founded Turkish industrial firms turn resolutely and on a large scale towards exports. The future growth in Turkish exports will have to come largely from the Turkish industrial sector, while the growth in exports of agricultural goods is bound to remain in the background. This means above all that Turkish industrial firms will have to operate on a much larger scale than before and will have to adopt their technology to changes in world technology. Can such changes take place by themselves within Turkish industry, without cooperation from abroad ? We would think that these chances are very remote. This is the second field where growing integration with the EEC will play a major role in helping the outward orientation of the Turkish economy.

We shall return to the role of Turkey's association with EEC in the global task of the reorientation of the Turkish economy. Next we turn to a consideration of the problems involved in the curbing of internal inflation, a vital element of the whole enterprise. It should be noted that the curbing of inflationary

pressures in Turkey is desirable from other standpoints than the outward reorientation of the economy, such as social considerations, a more equitable income distribution and the emergence of genuine savings in the economy.

Looking at the question now from the point of view of reorienting the economy towards the outside world, we may ask ourselves whether the achievement of this goal is compatible with continuing high inflation rates in an economy such as Turkey's, with high growth expectations, with comprehensive government interventions and administratively dictated rigidities? If Turkey had been a country geared for inflation, on a Latin-American style, with rapid adjustment mechanisms in economic variables, such as wages, salaries, interest and exchange rates, the answer might have been positive. However, Turkey is no such country, its economic variables are mostly rigid, due to bureaucratic intervention, and therefore change very slowly. This means that the distortions caused by severe inflation, both social and economic, are not corrected or alleviated over long periods of time. Turkey is not a country geared to living with inflation. The proper-functioning of the mixed economy in Turkey, especially with regard to the essential process of resource allocation, requires a more or less stable price environment, free from excessive inflation, excessive inflation being defined in the meaning of continuous rates of inflation far above the levels currently prevailing in the areas of Turkey's trading partners, namely the OECD area.

In analyzing above the course of inflation in Turkey over the recent past, we suggested that its main cause have lain in the financing policies of the public sector as a whole. An additional causal factor in the form of wage-push or cost inflation has also been contributing to the inflationary process in recent years.

This is not the place to go into a detailed analysis of causes and effects. The essential question about the nature of inflation in Turkey is whether the underlying cause is economic or whether it lies outside economics, namely in the sphere of Turkish politics. It has to be remembered that the multi-party system and parliamentary democracy have been operating in Turkey since 1946, with the context of the mixed economy framework, which gives the government in office, large powers of decision over investments in the public sector, over the fixing of prices in the industrial and agricultural sectors, over the determination of interest rates and exchange rates, over foreign trade, and over the channeling of financial flows within the economy. In the course of time, with the sharpening of political competition between the government of the day and the opposition of the day, the use, or rather the misuse, of the large powers of decision of the government became more and more pronounced, with governments resorting to deficit financing from the Central Bank to cover current and capital account deficits in the public sector. In this way, contending political parties tried to obtain support from the electorate in national and local elections. The political parties were trying to outbid each other in their courting of the electorate, with the result that the inflationary doses administered by the party which happened to be in power became worse and worse especially near election time. In the 1970's we have witnessed a rapid intensification of this process. Political parties have also started to court organised labour on a large scale, encouraging labour to come forward with impossible demands when they were in opposition, with the intention of embarrassing the government. This process has also intensified during the 1970's.

If this view about the underlying cause of the inflationary mechanism in Turkey is accepted, then the slowing down and eventual solution of inflation depends, above all, on a political

consensus to be reached by major political parties on economic issues. We do not want to speculate here over the possible nature of such political decisions, i.e. whether they may take the form of a coalition government or of an agreement between the government and the opposition. In any case, the inescapable conclusion is that the way towards the solution of inflation, something that is essential in the outward reorientation of the Turkish economy and foreign trade, goes through comprehensive political decisions, rather than through economic decision-making by the government in power.

To end this section about the policies and methods which seem necessary to bring about the reorientation of the Turkish economy, a few words will be said about each of the special problems or measures of a more specific nature, which are involved in the desired reorientation of the economy. These concern such matters as marketing, the problems raised by the insufficiency of infrastructure installations in Turkey, the questions of tax rebates for export and of the foreign trade regime.

Research about world markets on one side, and the problems of marketing Turkish exports on the other, are two obviously related important issues. Since the government has trade representatives in most foreign countries, a foreign trade center sponsored by the government and fed with information from trade representatives may be a solution for publicizing information about trends in world markets.

The question of marketing of Turkish products requires special research. It seems that many Turkish industries, with possibilities for export, do not possess means or abilities

necessary to market their goods in foreign markets. Specialized export companies or joint marketing associations to be established by groups of Turkish firms, with foreign participation, would seem appropriate answers in this vital field.

The questions raised by the insufficiency of infrastructure in Turkey such as warehouses, ports, roads and energy are important, both for the overall development of Turkey and for the outward reorientation of the economy. It appears that the sum allocated under the recent five-year plans to directly productive state investments have been too large in relation to public investments on infrastructure. Some readjustment is called for in this respect.

The question of giving special incentives in the form of tax rebates for exports has been on the agenda since the exchange rate adjustments carried on in the 1970's were not sufficient to correct the disparities between world and internal Turkish prices. These tax rebates are given to manufactured products and to certain agricultural goods, such as fresh fruit and vegetables. The percentages of tax rebates range between 5% and 30% of the value of exports and are highest for finished manufactured goods such as refrigerators, cars and TV sets.

It appears that such tax rebates have been useful in the growth of exports registered after 1972. Thus, it is significant that the total amounts paid out in tax rebates for exports showed large increases in the year 1972 when it jumped to 719 million TL from 385 million TL in the previous year, and in 1973 when it further increased to 1053 million TL. It is also significant that in spite of the large devaluation carried out in the Turkish currency in March 1978 when the margins of tax rebates

were drastically reduced, it has subsequently become necessary to increase the upper margin of tax rebates to 35% and the lower margin to 5%, in July 1978. Thus, as long as prices increase in Turkey at rapid speeds, tax rebates will remain as a special measure designed to make Turkish exports competitive on world markets.

Finally, we should mention the extremely cumbersome formalities still surrounding foreign trade and especially export activities. It has been estimated that a single export action requires the fulfillment of some 40 formalities and authorisations. The existence of such bureaucratic formalities is obviously incompatible with the achievement of large-scale growth in exports.

IV

The outward reorientation of the Turkish economy will be no quick and easy matter. It will require, first of all, a change in the complacent frames of mind and attitudes which have allowed, for so long, the continuation of indiscriminate import substitution and of inflation, on the premise that the resulting external deficits would be taken care of by the outside world, in one way or the other. Harsh economic realities are now proving that complacency is no longer possible. The realisation that Turkey is faced now with a deadly serious economic crisis, the solution of which lies finally mostly in her own hands, is beginning to dawn upon the politicians and the planners. As a result, talk about the pressing need for increasing exports and for a general outward reorientation of the economy is widespread within the government and in the press. However, it does not seem that the politicians and the planners are yet quite aware of the fundamental changes in policies which will be required, if the Turkish economy is to move in the right direction.

In the conclusion of our paper, we shall examine the role that Turkey's association with the EEC and more particularly the operation of the Brussels Protocol as regards the liberalisation of other trade and factor movements, may have in the outward reorientation of the economy. We believe that this role can be of great significance in assisting the change in the direction of the economy. However, the first and foremost condition for success still lies with the crystallisation of internal economic policy based upon an internal political will. As suggested above, there are two main requirements. As regards the curbing of inflation, we had said that the solution in the context of Turkey's present political and economic framework, lies in the achievement of

some political concensus between the major political parties and, above all, between the Justice Party and the Republican People's Party. The ground for rapprochement between the major parties is at present far from being cleared. Thus it seems that the Turkish economy will have to suffer from more distortions and hardships, before eventually the political parties come together on a common platform of minimum actions needed to curb inflation. The shift towards a new industrial strategy would also benefit greatly from a joint approach between major parties. The former coalition government led by the Justice Party had no clear cut common industrialisation policy. Within it, the National Salvation Party tried to force what seemed to be an autarchic policy of heavy industrialisation without much success. This was a policy with which its former coalition partners, the Justice Party and the National Action Party, did not seem to concur. The Justice Party's own views on industrialisation are not always clear. On paper, they seem to be pragmatic, outward looking and open to foreign capital participation, on the other hand, it should not be forgotten that the policies of indiscriminate import-substitution during the sixties were applied under Justice Party governments. The Republican Party's views again, on paper, favour government enterprises as against the private sector, they tend towards an autarchic approach, inimical to foreign enterprise. On the other hand, its policy pronouncements since it has been in office during the past seven months, have been mostly in the opposite direction, stressing the encouragement of the private sector and of foreign capital. Thus, it seems possible that from their previous respective policy attitudes and their subsequent somewhat contrary practices, the major parties can develop a common and clear industrialisation programme, the main points of which would be selectivity, export-orientation and openness to

foreign capital. The major economic requirement of the present crisis is a clear and definite statement of the future direction of industrialisation. In view of the past climate of hostility towards foreign capital, it would make it easier for each party to present and defend a common industrialisation policy open to foreign capital, rather than defend such a policy on its own.

What is then the part that Turkey's relations with the EEC, meaning particularly the mechanism of trade restriction reductions under the Brussels Protocol, can play in the outward orientation of the Turkish economy? This question should be seen first under the light of the above political considerations. In other words, unless a change in industrialisation policy and a marked slow-down in inflation are realized, the role of the Brussels Protocol in helping the Turkish economy to reorient itself is bound to remain negligible. The flow of goods and of factors between Turkey and the ECC area can only increase significantly, as foreseen under the operation of the Brussels Protocol, if the two economic preconditions concerning industrialisation and inflation are met, something which depends primarily on political conditions and on political will. It is obvious that if uncontrolled inflation and indiscriminate import-substitution continue to prevail in the future, there will come forward again repeated demands from industry or from the Plan Organisation to postpone the import-restrictions reductions time-table of the Brussels Protocol, whether these arrangements are kept as they are today or whether they are lengthened further and toned down, as presently demanded by some political and industrial quarters.

Let us briefly consider what would be the effects flowing from the operation of the Brussels Protocol, assuming that more selective and cost-sensitive industrialisation and more stable

budgetary and financial policies were pursued in Turkey. When the probable effects of the Brussels Protocol on the Turkish economy were discussed in Turkey by economists and planners, economists tended almost exclusively to think about the disadvantages or dangers which the process of gradually bringing down Turkish import barriers, in the form of tariffs or quantitative controls, would have upon existing industry or upon certain particular sub-sectors and on large firms, within present Turkish industry. Naturally, most of these effects would come out negative, since the considered sub-sectors or firms were the ones with extremely high costs and with inefficient and uncompetitive operation. This essentially static approach at tariff reductions assumed implicitly at least, that the preservation, within the Turkish economy, of extreme high cost inefficient firms constitutes an asset of unqualified benefit for the economy. This assumption is, to say the least controversial, it considers only production effects, but ignores the consumption side and also the distortions (continued protection and/or subsidies) which such unqualified support of inefficient firms will entail for the economy. But where this approach at looking at the effects of the Brussels Protocol is most dangerously wrong is in its concentration on effects upon past structures, i.e. the volume and structure of industry as it exists at any particular point of time. Unless we assume that the future will consist of a sad repetition of the past, this static evaluation of the effects of the Brussels Protocol will not only be incomplete, but plainly wrong.

It seems to us that the effects of the Brussels Protocol upon the Turkish economy should not be evaluated unilaterally and statically as has been mostly the case in Turkey, but multilaterally and from a dynamic view-point. While the effects,

negative or positive, from the gradual dismantlement by the Turks of import restriction reductions have to be considered on one side, on the other side, the effects of the almost complete dismantlement of tariff and other barriers by the EEC against Turkish industrial goods has also to be taken into consideration.

This is not the place to go into a detailed analysis of the possible various effects of a reciprocal reduction of import barriers, upon Turkey and upon EEC. Suffice it to point out that both positive and negative, short-term and long-term effects may be involved in such reciprocal import restriction reductions, and that to concentrate only on negative effects is to blind oneself to large parts of the truth.

A few thoughts upon the potential advantages entailed by the dismantlement of European import restrictions upon Turkish manufactured goods may illustrate the point we are trying to make.

Turkey is yet only semi-industrialised, but possesses assets which are of value in an advance towards a sound and fully developed industrial basis, such as natural resources, yet largely unexplored and undeveloped, a strategically situated transit position flowing from its being a bridge between Europe and the developing economies of the Middle East, a large and still relatively cheap labour-force, which if well managed, can become as productive as European labour, some experience in organisation, skills and industrial management derived from fifty years efforts towards industrialisation and economic development. Although these assets are of value in the task confronting Turkey today, they are not enough in themselves to achieve the outward reorientation of her economy through the development of export-oriented industries and other

activities. The Turkish economy's weaknesses consist in the lack of sufficient investible funds, of foreign exchange, of technological know-how and of foreign marketing skills, items which are of special importance in the build up of export activities. In this respect, the role of the Brussels Protocol could be critical in helping the transformation of Turkish industry. On one hand, industries already established or to be established in Turkey should benefit from the almost total dismantling of European import-restrictions. On the other hand, the provisions of the Brussels Protocol concerning increased flows of foreign capital, both public and private and cooperation in technology and marketing should be fully used. The weakness of the Turkish economy could thus be gradually filled and the basic problem confronting Turkey today could begin to be solved.

As suggested above, such an outcome is greatly dependent on the realisation of fundamental political changes within Turkey. Without clearly laid down political directives about industrialisation and the curbing of inflation, no significant progress seems possible.

In ending the paper, a few words about the effects which the imminent enlargement of the Community is likely to have on the Turkish economy. Here again, the talk in Turkey has been wholly about dangers and negative influences, with reference to increased competition from the agricultural sectors of the three countries concerned (Greece, Spain, Portugal) for similar Turkish products and from industrial sub-sectors such as textiles, which are strongly established in all four countries. No doubt, the possibilities of increased competition from the three new members, due to their easier access to the markets of the EEC, as compared with the more restricted access which

associated members such as Turkey such as Turkey would enjoy, are real. Very much will depend on the transitional agreements to be negotiated between the EEC and likely new members, determining the timetable and conditions of the periods before the time when the new members can assume full obligations and rights. Also, much will depend on the nature of the new arrangements to be concluded between Turkey and the EEC.

We think that, here again one should not be wholly pessimistic and negative about the economic effects which the enlargement of the community to 12 members may have upon Turkey. It is quite possible that the enlarged Europe may offer new opportunities for trade and investment to Turkey which could counterbalance negative effects. In other words, we should not only think in a mercantilistic way that what the new members gain, we shall necessarily lose. There may be gains for all from an enlarged European community, provided everyone is ready to take and seek new opportunities.

The political side of the enlarged community is an altogether different matter. Perhaps, political considerations may weigh so large upon Turkey, that Turkey will be induced to take, quite soon, the final step of applying for full membership, along with the three new members.

3

What are the prospects of Turkey's achieving full membership in the European Communities before the end of this century? In discussing this question, I shall adopt a historical, economic, and political perspective. The economic and political perspectives are self-explanatory, since the formation of the EC itself and its past and possible future enlargements all are so many exercises in political economy; between the two, I shall dwell more on the political perspective, and even look at economic prospects through political eyes, because my training and experience are as a student of politics. The historical perspective may require an added word of explanation.

The government of the Republic of Turkey first applied for association with the European Communities, with a view to ultimate full membership, on 31 July 1959. Yet according to the understandings now in effect (and partly still languishing, these past four years, for parliamentary ratification), Turkey will not achieve full harmonization of its tariffs with those of the EC until 1995. Thus even the proponents of Turkish membership in the EC have, in effect, envisaged a protracted rapprochement, stretching over at least 36 years.

But a period of three dozen years vastly exceeds the time range of economic forecasting and political planning. Economic analysts ^{always} are happy when they agree on their diagnosis of current conditions, sometimes achieve a range of consensus for the next year or two, usually indulge in heated debate about prospects five or ten years ahead, and only rarely make bold to predict bliss or doom for their children and children's children in the next century. Politicians tend to look a bit farther ahead, but then their vision from the start is more clouded. Legislatures typically are

elected for three to five years, and governments often hope to be reelected for a second or third consecutive term. In 36-year periods, entire regimes have come and gone: the Vichy government lasted 5 years, the Third Reich and the Fourth Republic 12, the Weimar Republic 15, the Fifth Republic (so far) 19, and Mussolini's rule 21. And when Winston Churchill in 1913 ordered the Royal Navy to shift from coal to oil he scarcely expected that less than four decades later he and others would be presiding over the liquidation of the Britannic empire. The Turkish Republic itself, shortly after its original application to Brussels, was celebrating its own thirty-sixth anniversary, having undergone by then and since (as we shall see in more detail) several drastic changes of regime and reorientations of foreign policy. In venturing to assess Turkey's prospects in Europe a generation hence it will thus not be amiss to look back briefly at her relations with Europe and her internal conditions over the last two or three generations.

II

Toward the middle of the last century there began a sweeping movement of modernization or Europeanization of the Ottoman Empire; and of course the Turkish Republic is the linear successor, or, if you will, the residuary legatee, of that empire. For centuries the Ottoman Sultans and their military-administrative elite (recruited by an intensive training process mostly from Balkan Christians) had ruled over the most extensive and most durable empire this side of China and after the fall of Rome. From that vantage point they looked with disdain and amusement upon their European neighbors, who seemed backward in their religion (which

contained shocking traces of polytheism and anthropomorphism); underdeveloped in the arts and sciences (which they had only recently relearned from the Muslim world); regrettably fanatic-al in their perennial squabbles among Orthodox, Catholic, Bogumil, Lutheran, Calvinist, and Unitarian; and hopelessly mired in kleinstaaterei. But by 1683 the Ottoman advance had been halted and by 1774 plainly reversed. The forced cession of Muslim territories to Christian overlordship (in the Crimea) cast nagging doubt on the Koranic promise which held out to the true believers power and prosperity in this world along with salvation in the hereafter. The reversal thus posed a problem not just in strategy and statesmanship but also in theodicy -- but to the latter a ready answer was found in another Koranic saying: to fight the devil with the devil's own tricks.

From the time of Sultan Selim III (1789-1807) a lengthening procession of European military instructors was imported, notably from France and later from Prussia. But the Ottomans soon found that it was not enough to try to borrow (in Lewis V. Thomas' phrase) the cutting edge of European power. Artillery officers required training in geometry--and in French. The new army and navy, and their arsenals and military schools, required unprecedented expenditures, which entailed a tightening of administration, a revamping of the laws, an expansion of schools--and so on to yet heavier taxes, more numerous schools, and ever swelling cadres of government.

As the movement of Westernization filtered down the social scale from vezirs to lieutenant, and school teachers, it became evident that the new elite would not remain content to act as a passive instrument at the orders of the sultan. The career

of Ibrahim Şinasi (1826-1871) was prototypical: sent to Paris as a young artillery officer to improve his mathematics and his French, he returned to Istanbul imbued with the ideas of Lamartine and Hugo, started an Ottoman tradition of romantic poetry (in sharpest contrast to the patterns of divan poetry as inherited from fifteenth century Persia), and founded the first political newspaper. Five years after his death, some of Şinasi's disciples contrived the deposition of two sultans in an attempt to impose on the Ottoman Empire its first written, representative constitution (patterned mostly on the Belgian model). In 1908 rebellious army officers forced the recalcitrant sultan to proclaim that constitution. The net result was that partisan politics, with its rhetoric and its violence, was introduced into Turkish public life, never to disappear except in relatively brief periods of repression.

The nineteenth century Ottoman reformers, in trying to catch up with the power of European weapons, organization, and training, were not confronting a static but a highly dynamic model--a source of frustration analogous to that of economic planners trying to attain European levels of industrial output or per capita consumption a century later. In the times of Selim III or Mahmud II (1808-1839), the Ottomans would have done well to match the military technology of the Habsburg or Romanov empires; by the beginning of the twentieth century the rulers at Vienna and Saint Petersburg themselves had joined their Istanbul colleague on the critical list of the "sick men of Europe."

The gravest threat to all three empires turned out to be nationalism. Nationalism gave the leading Western peoples

--British, Germans, French, Americans--their internal cohesion and external political strength; nationalism infected the subject nationalities of the Ottomans one by one (Greeks, Serbs, Romanians, Bulgarians, Armenians in the nineteenth century; Albanians, Arabs, and Kurds in the twentieth); and romantics such as Lord Byron and T.E. Lawrence did their best to spread the infection from one to the other, although statesmen from Canning and Palmerston to Clemenceau and Lloyd George did not disdain to profit from the results. The greatest asset of the Ottoman sultans in their days of strength--their evenhanded rule over dozens of ethnic groups, whom they left each to its language, creed, and local customs--thus turned into the gravest liability in the Ottoman days of decline.

The sultans themselves, as well as their Turkish-speaking subjects (from whom most of the ruling class was by then recruited), steadfastly resisted this nationalist lure. In 1873 a patriotic play extolling the heroic selfsacrifice of a young officer in a war on the Romanian frontier was banned as subversive. In 1896 a poem full of shallow pathos glorifying "Turkish" faith and descent was laughed off as the work of a crackpot and parvenu. Even the constitutionalists of 1876 and 1908, known to their hosts in European exile as "Young Turks," called themselves "New Ottomans," and later the Committee of Union and Progress--the phrase "Jön Türk" being naturalized in Turkish speech only as a French loan phrase. The wartime Ottoman cabinet was headed from 1913 to 1917 by an Egyptian prince of Albanian descent; and an occasional Arab, Armenian, or Greek served in most of the late Ottoman cabinets.

As late as 1920 Mustafa Kemal Paşa (known only since 1934 as Atatürk) felt compelled to disavow one of his ministers who had incautiously appealed for "Turkish" solidarity during the War of Independence--and closed the unpleasant incident in the National Assembly by urging earnestly that "We are all Ottomans, we are all Muslims."²

Yet in a historic speech a year earlier, Mustafa Kemal had insisted that "Today the nations of the whole world recognize only one sovereignty: national sovereignty."³ Since the territory left within the 1918 armistice lines included a population overwhelmingly Turkish in language, the transformation from an Ottoman multinational-dynastic into a Turkish national consciousness became both an urgent and a feasible goal for Kemal and his movement. The pursuit of that goal was combined with a consistent, radical program of cultural Westernization. Earlier a "Young Turk" intellectual and pamphleteer, Abdullah Cevdet, had asserted boldly that "There is only one civilization: Western civilization; and we must espouse it with both its roses and its thorns."⁴ Kemalism involved the replacement of Arabic with Latin letters, the outlawing of Muslim clerical garb and the closing of the Koranic schools, the adoption of Swiss and Italian codes for civil and criminal law, and the legal emancipation of women. The program was imposed from the elite on down through an elective parliamentary system that in practice became a single-party personalist dictatorship, and through a rapidly expanding system of primary, secondary, and university education.

Europeanization had been adopted in late Ottoman days from a sense of duress, and hence attitudes toward Europe have remained somewhat ambivalent. For example, the Independence March, which over Mustafa Kemal's objection became the Republic's official anthem, sneers at "that monster called Civilization with but one tooth left in its jaw."⁵ But in the Kemalist period, the positive, pro-European side of that mixed sentiment was uppermost. Victory in the war with Greece of 1919-22 (known to Turks as the War of Independence, that is, the war to preserve Turkish independence), resolved the major territorial problems and above all the question of national sovereignty in line with Kemal's own program (or National Pact) of 1919, and gave the victors a heady sense of self-assurance. The result was a foreign policy, during the period from 1923 to 1945, of remarkable and growing independence.⁶

In the late Ottoman period, as the sultans had tried to hold on, far beyond their political and military strength, to their farflung, polyglot empire, the European powers had moved in from all sides: Austria to Bosnia, Russia to Kars, Britain to Cyprus and Egypt, France to Tunisia, and Italy to Libya and the Dodecanese. Their intervention in the empire's internal affairs, on behalf of Balkan nationalities or Armenians and through establishment of the European-controlled Ottoman Dette Publique, had hastened the decline. Now, as a result of the peace settlement of World War One, the European powers had moved into even greater proximity: the British to Iraq, the French to Syria. But since the Turks had resolutely abandoned all Ottoman imperial ambitions, and instead concentrated on consolidating and developing their own national territory, the nearness of the great powers helped Turkey keep all of them at bay.

The Treaty of Lausanne provided for a wholesale population exchange with Greece, thus avoiding potential ethnic and irredentist problems; only Cyprus, as a British crown colony until 1960, was of course not included. In 1920, the Ankara government had received some money and military equipment from the Soviets, and in 1921 Moscow agreed to the retrocession of Kars and Ardahan--in line with Lenin's policy of post-imperial consolidation. Within Turkey, Kemal now felt free to proceed ruthlessly against Communist tendencies and organizations, but official relations with the Soviets remained friendly; and a program of economic aid (modest by standards of the next generation) resulted in the establishment of a textile plant at Kayseri. Turkey accepted the award^{by the League of Nations} of the disputed Mosul area to Iraq with good grace, and made possible a normalization of relations with Britain. In the Montreux Convention of 1937, Turkey regained the right to remilitarize the Straits. In 1937/8, Turkey applied much pressure to regain the disputed Alexandrette (Iskenderun) district from Syria, but the settlement with France was amicable and was soon followed by the British-French-Turkish alliance of October 19, 1939 (itself in part a response to the Nazi-Soviet pact of August 1939). In view of the Allied reverses on the Western front and in Greece, Turkey remained neutral throughout the Second World War (except for the pro forma declaration of war on the Axis powers in February 1945). Turkey's major contribution to the Allied side was its refusal in the spring of 1941 to let any German equipment or troops pass to Syria (under a Vichy-appointed governor) or Iraq (under a violently anti-British junta); even promises of territorial expansion in Syria, an exasperated Hitler explained to Italian Foreign minister Ciano,

would not sway the Turks. ⁷

IV

The situation changed drastically in 1945: Turkey's foreign policy shifted dramatically toward alignment with the West in the Cold War, and the earlier policy of cultural Westernization, which had mostly involved the educated elite, was followed by rapid economic development with American aid, which involved ever larger masses of the population at large. The immediate external threat after 1945 clearly came from Russia. The Soviets supported the Communist guerrillas in Greece and the Azarbayjan secessionists in Iran, registered diplomatic claims on the Italian colonies on the Dodecanese and in Libya, and confronted Turkey itself with claims to Kars and Ardahan and with a proposal for "joint defense of the Straits." The Turkish response was President İnönü's announcement, ten days after the final Nazi capitulation, that in consideration of the democratic victory in the World War Turkey herself would now move toward full implementation of the democratic promises in its own constitution. The Turkish single-party dictatorship, that is to say, would be transformed into a competitive liberal-democratic multiparty system. Despite some hesitation in 1946-47, İnönü stuck to this new course -- so consistently that he was turned out of office in a landslide election in 1950.

The initial American response was the dispatch to Istanbul of the battleship Missouri and the announcement of the Greek and Turkish aid program under the Truman Doctrine. But it soon became clear that Turkey's choice of domestic regime was a matter of some indifference to the Americans: Washington proved ready to lend similar assistance to Franco, Rhee, the Shah, Diem, Chiang, Perón, and many lesser dictators.

Still, a close pattern of American-Turkish cooperation developed in the ten years of the premiership of Adnan Menderes, victor in the Turkish elections of 1950. Turkey eagerly responded to the call for troops in Korea, thus helping to give credence to the notion of a "United Nations police action," and took the regional initiative in implementing John Foster Dulles' pet notion of a "Northern Tier" (or Baghdad) Pact. The United States in turn sponsored Greek and Turkish admission to NATO over initial Scandinavian objections and made Turkey into one of the largest recipients of military and economic assistance.

This American-Turkish relationship of the 1950s was based on both sides on pragmatic, not to say opportunistic, considerations, and thus resulted in much mutual disillusionment in the 1960s and 1970s. Menderes soon succumbed to the temptation of blaming the strains of rapid and uneven economic development on American stinginess in refusing to supply even larger amounts of aid. For the Americans, Turkey was only one of many bits of territory to be considered in the global struggle with the Russians, and a territory of decreasing value as nuclear strategy shifted from bombers to missiles. Thus the United States in 1962 proved willing to barter the withdrawal of Russian missiles from Cuba for that of American missiles from Turkey -- apparently without prior consultation with Ankara. When Turkey in 1964 was poised to invade Cyprus, relying on the right to intervention laid down in the 1959 Treaty of Guarantee, President Johnson warned Prime Minister Inönü to desist at once; if Russia became involved in the conflict, the letter specified, the United States would have to consider whether or not the mutual defense obligation under NATO applied. When the top-secret letter was published in Turkey, the reaction was a feeling of betrayal by the American ally.

Turkey's application in 1959 for associate and eventual full membership in the European Communities was conceived during the apogee of foreign policy cooperation with the West. The fact that the Brussels authorities had earlier received and granted an application from Athens was enough to rouse the Ankara diplomats to competitive initiative. The ministerial bureaucracy of the Menderes days had been trained by European and American teachers --at Istanbul University, a majority of whose professors in the 1930s and 1940s were anti-Nazi German refugees; at Robert College in Istanbul, founded by American missionaries in the 1850s and a century later the fashionable school for the wealthy Turkish elite; or on/government scholarships that sent many thousands of Turkish students to Europe or the United States in the 1940s and 1950s--and for most of them a reinforcement of Turkish relations with the West was a good per se beyond further argument. Menderes himself, in what turned out to be his last year in power, was eagerly grasping at any foreign policy success that would stave off the day of reckoning with the mounting internal opposition; and acceptance of the Turkish application in Brussels was just the sort of success after which he hankered.

But the Westernization of Turkey, as we saw, engendered from the start mixed feelings about civilization in its established Islamic-Ottoman and newfangled imported forms, about roses and about thorns. Typically foreign policy furnished the crucial impulse to Westernizing reform: when Selim III, in an era of monarchical absolutism in the 1790s, called in European military instructors to stave off further defeat; when Mustafa Kemal, in a Wilsonian era in 1919, pronounced nationalism the globally acknowledged basis of sovereignty; and when İnönü

in 1945 celebrated the victory of the democracies by pledging Turkey to government by, as well as for and of, the people.

Each time the expected foreign policy dividends were in fact obtained. Selim's new army and its military and civilian successors delayed Ottoman final defeat to coincide with that of his Habsburg and Romanov rivals. Mustafa Kemal secured for Turkey a new stature as an equal member of the family of states assembled in the League of Nations at Geneva. İnönü inaugurated a period of intimate collaboration between Washington and Ankara and hence secured effective American protection from Stalinist aggression.

Each time, too, the foreign policy impulse of Westernization was honestly and effectively "internalized." The military and civil bureaucracy inaugurated by Selim transformed Turkish culture down to the lyrical poem and the novel. Atatürk effected the conversion of most of the Turkish elite from traditional Muslim to secular Western values, including ideals of social reform, economic development, and equality among the classes that went far beyond Atatürk's own more purely political and cultural vision. And İnönü's choice for democracy in 1945 led to a radical transformation of the governmental and party systems that swept him from the presidency in 1950 and from the leadership of his own party in 1972.

And each time the internal repercussions of the foreign stimulus to transformation -- no matter how substantial the short-term gains in international stature -- served to precipitate strains in foreign relations for the longer run. Selim's successors in reform, by decreeing universal military training in the mid-nineteenth century and extending schooling to young males in all the towns early in the twentieth century, exacerbated the linguistic and nationality conflicts within the Ottoman Empire. (An army needs a single language of command; and while no one is

taught to read or to write it little matters in what language they remain illiterate.) Atatürk tried to turn national pride from its Islamic, Ottoman, and Byzantine antecedents and from any potential antiwesternism toward a (largely fictitious) Central Asian, Sumerian, and Hittite heritage; but in the very unreality of that choice of nationalist symbols promoted the chauvinism of a later generation over such issues as Cyprus and Aegean oil. And the competition at the polls and in the press that İnönü inaugurated made Turkey's Western orientation in foreign policy (including the association with the European Community) a subject of bitter contention among Westernizers, Islamic traditionalists, enthusiasts for state planning, left-wing radicals, right wing chauvinists, and assorted interest groups of labor, industry, and agriculture.

In short, the major effects of Westernization have been the espousal of nationalism in the 1920s and of mass participation in politics since the 1960s, and these were bound to create longrange difficulties in relations with the very Western countries from which these ideals had originally been derived. In this respect Turkey has followed the general Western pattern: for the history of Europe since 1789 and 1848 clearly shows that the advent of nationalism and radical democracy does not predispose governments to amity or tractability. In Turkey, moreover, the lingering awareness that these ideologies were embraced as part of the price of political survival is likely to sharpen the antagonistic elements in nationalism and democracy.

V

As Turkey has moved ever more rapidly since the 1940s, and especially since the 1960s, toward democratic mass participation and comprehensive industrialization, many of the values and insti-

tutions on which the First Republic (of 1923) and the Second Republic (of 1961) were based have been endangered. The net effect has been growing political conflict, instability, and indecision.

One notable change has been the reemergence since 1960 of the military as a major political force. Army officers played a decisive role in the political events of 1908-23: they forced the re proclamation of the 1876 constitution in 1908, the deposition of Sultan Abdülhamid in 1909, ^{and} the installation of the Union-and-Progress partisan and military dictatorship in 1913. Army commanders throughout Anatolia and the local remnants of the Union-and-Progress party machinery furnished the nucleus of the Kemalist movement in the War of Independence of 1919-22. But Kemal Atatürk effected a withdrawal of the military from politics in the way in which only a victorious general turned politician can; his role in this respect being not unlike that of de Gaulle three decades later. In Kemal's Republican People's Party, bureaucrats, school teachers, and economic specialists rapidly replaced the original nucleus of ex-officers.

This pattern of civilian political supremacy endured until the 1950s. But toward the end of that decade, the Democratic Party under Adnan Menderes increasingly relied on military support in repressing the growing political opposition. Faced at length with a choice of intervening in politics for or against Menderes, the military deposed Menderes in the coup of May 27, 1960, ruled the country by a military junta under General Gürsel for a year and a half, and decreed the execution of Menderes and two of his closest associates after a lengthy trial.

The experience of 1960-61 has made the majority of officers reluctant to repeat the experiment of direct rule by junta.

For a while military discipline and efficiency were badly shaken. High ranking officers will not gladly take orders from junta members who only a month ago may have been their own subordinates; within a year, the 1960 junta saw itself forced to consign to early (and lucrative) retirement virtually all the general officers and about half the colonels throughout the Turkish armed forces. Also, as the army gets into politics, politics inevitably gets into the army: several military conspiracies aimed at the establishment of an authoritarian regime of one kind or another were uncovered in the following years. The worst blow to national pride was that, as a result of the wholesale shake-up of the top ranks, Turkish units for the first time in memory scored behind Greek units in the regional NATO manoeuvres. And the junta members soon found that the problems of administering a farflung bureaucracy, regulating a rapidly developing mixed economy, and settling contentious and intricate questions of constitutional legislation went far beyond the training they had received as regimental or divisional officers. The net result was that the 37-man junta decided, by a crucial vote of 24 to 13, to return power to civilian hands at the earliest opportunity, and that the dissident members of the junta were sent into honorable exile as military attaches in distant capitals.

Yet the withdrawal of the military from politics in 1961 was by no means final or complete. Repeatedly in the 1960s the military hierarchy made it clear that it would not tolerate any reversal of the outcome of the Yassıada trial by which all leading members of Menderes' Democrat Party had been deprived of their political rights. Several times in the early 1960s incongruous coalitions were formed among rival political parties in the face of pointed warnings by the military about

the likely consequences of "instability" or "irresponsibility."

A similar warning in 1964⁴ settled the choice of Süleyman Demirel over ^{Sadettin} ~~Sait~~ Bilgiç in a hotly contested leadership election in the Justice Party, successor to Menderes' Democrats (Bilgiç being widely considered the representative of the more extreme or "revanchist" faction). And as late as April 1973 a prolonged parliamentary deadlock over the election a new President of the Republic was settled by laborious negotiations between the party leaders and the military hierarchy. (Significantly all the Presidents of the First and Second Republics, except Celâl Bayar in 1950-60, have been ex-generals.) The constitution of 1961 even tries to institutionalize this military participation in politics through the creation of a National Security Council composed of top military commanders and leading ministers.

In 1971 the military commanders went beyond the veto right and pattern of specific interference of the previous decade, by a public declaration forced the resignation of the Justice Party cabinet under Demirel, and for two years attempted to rule the country indirectly through cabinets enjoying tenuous support

(or running into outright opposition) from the parliamentary parties. This experiment, too, was considered unsatisfactory by almost everyone concerned. The immediate occasion for the "coup by manifesto" was a wave of urban terrorism and the inadequate measures which, in the eyes of the military, Prime Minister Demirel (whom they had backed in the 1964⁴ dispute within the Justice Party) was taking to cope with it. The proclamation of March 12, 1971, issued by the Chief of Staff and the three service commanders, bears rereading for the light it sheds on the political ideology of Turkey's senior military officers, and the function which they wish to reserve for themselves within the country's govern-

ment. Parliament and government, the military memorandum (addressed to the President of the Republic) declared, "have driven our country into anarchy, fratricidal strife, and social and economic unrest; made the public lose all hope of reaching a level of contemporary civilization, a goal set by Atatürk; failed to realize the reforms stipulated in the Constitution; and placed the future of the Turkish Republic in grave danger." Unless a "strong and credible government" were formed, the memorandum warned, "the armed forces are determined to take over the administration of the State."⁸

One of the first measures of the militarily installed regime of 1971 was the imposition of martial law on as many as eleven Turkish provinces, thus putting the army, the military police, and military courts in control of political life throughout much of the country, including all the major cities. Since the Constitution restricts impositions of martial law to periods of two months, parliament regularly voted renewals of this military mandate. In January 1973 martial law was lifted in Izmir and Eskişehir (the third and fifth largest cities), but it was continued in Istanbul, Ankara, Adana, and six other provinces.

VI

General staff officers are said to be forever planning for a repetition of the battles of past wars; just so, constitution makers try their best to remedy the shortcomings of past political regimes. Menderes and his Democrats had been voted into power in 1950 under a multiple-member plurality system of elections that enabled a party with a bare majority of the popular vote to gain as much as 80% or 90% of the parliamentary seats. The drafters of the Constitution of 1961 instead opted for proportional representation in full knowledge of its party splintering effects. They added numerous other safeguards against

majority tyranny: constitutional guarantees for free speech and freedom of the press, freedom of assembly and organization within wide limits, judicial review of the constitutionality of legislation, independence of the courts and universities, and a second chamber indirectly elected and with terms for its members longer than (and staggered against) those of members of the National Assembly.

The extreme liberalism of the constitution is in sharp contrast to the political realities of military intervention and martial law that have just been reviewed. But in practice the elaborate checks and balances of the constitution serve to weaken the ordinary political process -- through multiplication of political parties and through the encouragement of vocal and violent factionalism -- and thus to invite the very authoritarianism which they were designed to prevent.

In the democratic period of the First Republic, from 1947 to 1960, Turkey developed a strong two-party system. The Republican People's Party (RPP), in office until 1950, had been founded by Atatürk on a loose alliance of Ankara bureaucrats with conservative landowning families in the less developed regions. It preserved this conservative and bureaucratic character under Ismet İnönü's leadership until the early 1970s, although in the late 1940s and 1950s it vastly extended its local organization throughout the provinces. Since then it has been thoroughly revamped and revitalized under the leadership of Bülent Ecevit as a reformist, social democratic party with strong support in the urban middle class, among small farmers, and from the more moderate of the two national trade union confederations. Ecevit was one of the few political leaders to take an unequivocal stand against the military coup

by memorandum in 1971, and under his prime ministership in 1974 Turkey launched its military expedition to protect its conationals on Cyprus; both circumstances have served to enhance the popularity of the RPP and its leader.

The other major party of the First Republic was the Democrat Party founded by Celâl Bayar and Adnan Menderes in 1946 and the victor (first overwhelmingly and then by diminishing margins) in the elections of 1950, 1954, and 1957. It started out as a broad alliance of large and small landowners, businessmen, urban intellectuals, industrial workers, and assorted local opponents of the RPP and its earlier single party rule. More than any other movement, it contributed to transforming the elite politics of the 1930s and 1940s into the mass politics of the present day. In contrast to the pronounced secularism of the RPP, the Democrat Party appealed strongly to the moderate Islamic tendencies of the electoral majority. Under Menderes' increasingly authoritarian rule (1950-1960), it gradually antagonized its supporters among intellectuals and labor and developed into a party mainly of business and of landed interests.

This character of a conservative movement of businessmen and large landowners is even more pronounced in the Justice Party, which in the early 1960s emerged as the major successor of the outlawed DP. The Justice Party's leader since 1964 has been Süleyman Demirel, remarkable for both the intense criticism and personal antagonism he arouses and for the adroit and even brilliant maneuvering with which he has time and again recovered lost political ground.

JP and RPP remain the major political parties of the Second Republic. The JP won an absolute majority of the vote in the Assembly elections of 1965, and parliamentary majorities both in 1965 and in 1969. The RPP in 1961 started out as the

largest political party (37% of the popular vote), and sharply declined in 1965 and 1969 (29% and 27%) at a time of growing dissatisfaction with the aging İnönü's paternalistic leadership. In 1973, in Ecevit's first election campaign, the RPP once again emerged as the largest party, with 33% of the electorate, whereas the JP declined to 30%. But the main gainers of the successive elections of the Second Republic have been numerous smaller parties: the combined support for RPP and JP, which remained steady at 72% to 74% in the 1960s, dropped to only 63% in 1973.

The most powerful among the lesser parties has been the National Salvation Party, founded as recently as October 1972, which combines a strongly Islamic-religious orientation with skilful electoral propaganda and pragmatic concern for agricultural and industrial development in the poorer regions of the country. In the 1973 elections it gained just 11.8% of the vote, a fraction less than the 11.9% gained by the Democratic Party (see below); its 48 seats in the Assembly put it just ahead of that group. Yet with neither RPP nor JP commanding an absolute majority in the Assembly, and with its limited ideological commitment on the religious question, the NSP managed to become an essential coalition partner both in Ecevit's government of 1974 and in the four-party coalition formed under Demirel in March 1975. Under the skilful leadership of Necmettin Erbakan, the NSP has overcome the stigma of economic and political backwardness that severely limited the popular support of earlier religious conservative parties, such as the Nation Party of the 1950s and 1960s and Professor Erbakan's own National Order Party (1970-71), which had been dissolved by the courts as contravening the secularist antitheocratic provisions of the 1961 Constitution.

Two other minor parties represent the extremes of the political spectrum: the marxist Turkish Workers' Party and the fascist National^{ist} Action Party. The Workers' Party gained as many as 15 seats in the Assembly in 1965 on the basis of 3% of the vote; in 1969 it was reduced to 2 Assembly seats; and in 1971 it was dissolved by court decree, although several of its former members ran in 1973 as independents or on other party tickets. Like extreme leftist groups in many other countries it has been beset by bitter factionalism. But Marxiam of Muscovite, Maoist, or anarcho-syndicalist coloration has continuing support among a small group of vocal intellectuals, among sizable groups of university students, and among the smaller and more militant of the two trade union confederations (DISK).

The fascist National^{ist} Action Party is led by Alparslan Türkeş, formerly a career military officer who in the mid-1940s had been disciplined for Turanist-Panturkist agitation, became one of the chief architects of the 1960 military coup, was the leader of the dissident faction in the 1960/61 junta that wished for the continuation of authoritarian military rule, and in 1965 took over the leadership of a minor rightist party (the Republican Peasants Nation Party) which he transformed into a militant nationalist and activist direction, changing its name to National^{ist} Action Party in 1969. The Türkeş group registered modest successes at the polls -- its vote being 3.0% in 1969 and 3.4% in 1973, its representation in the Assembly 1 and 3 respectively. But its paramilitary organizations have engaged in running gun battles with leftist students (or students and other persons whom the National^{ist} Action Party considers to be leftist). In 1975, the NAP entered Demirel's 4-party coalition, two of its three parliamentarians assuming ministerial portfolios, including Türkeş himself as one of three Deputy Prime Ministers.

As Feroz Ahmad, a keen observer of the recent Turkish political scene, noted of the formation of the 1975 coalition: "The Action Party had made the best bargain: of its three representatives in the Assembly, two ... were ministers. However, ... the party made its contribution in the streets, where it directed the violence against all opponents of the Right, and became the strong arm of the Nationalist Front" -- the latter being the high-flown name that Demirel had chosen for his heterogeneous coalition.⁹

This summary account of present-day Turkish political parties must be rounded out by describing two conservative groups, the Reliance Party and the Democratic Party. Both are offshoots from the two major parties. The Reliance Party split from the Republican People's Party when the RPP in 1967 took a moderate turn to the left, and received sizable reinforcement in 1972 when Ecevit displaced İnönü as the RPP leader on the basis of a reformist, Fabian program. The DP split from the Justice Party in 1970, mainly from personal opposition against the leadership of Süleyman Demirel. At the end of the 1969/73 legislative period, the Reliance and Democratic Parties each controlled one tenth of the Assembly seats. In the 1973 election, the Reliance Party declined sharply, from 44 to 12 Assembly seats; the DP somewhat improved its position, advancing from 41 to 45 Assembly seats, but was badly divided early in 1975 over whether or not to support Demirel's Nationalist Front cabinet.

VII

Turkish party politics reflects the social and economic tensions of the country, but also bears the traumas of recent and current political history. The division between the two major parties, especially since the RPP's decisive move to the left in 1972, is clear-cut as far as it goes. The Justice Party

and Republican People's Party are, broadly speaking, the equivalents of Republicans and Democrats in the United States or Conservatives and Laborites in Great Britain. One is the party of property (both industrial and commercial-agricultural in the Turkish case), dedicated to free enterprise and minimal government in principle and to subsidies or tax favors to specific interest groups in practice. The other is the party of social reform dedicated to equalization of incomes and expansion of the welfare state, and supported by urban intellectuals, industrial workers, and small farmers.

The first historic trauma imposed on this straightforward pattern of interest politics is that of the forced secularization of the Atatürk period. The RPP bears the stigma of its elitist-secularist antecedents, and in 1947-50, with the advent of competitive mass politics made significant concessions to continuing religious sentiment. But in fact the RPP faces a dilemma, risking the antagonism of devout Muslim voters if it sticks to its secularist principles and the charge of inconsistency and opportunism if it does not. This RPP liability, conversely, became a major asset for the Democrat Party of the 1950s, whose very first measure in government was to revoke the ban on the Arabic prayer call from the minaret. And in this and other respects the Justice Party has been the heir of Menderes' Democrats. Its very choice of name in 1961 implied a rejection of the injustice of the hanging of Menderes and of the other Yassıada sentences; but its initials "A.P." are said to stand not only for Justice Party (Adalet Partisi) but also for God and Prophet (Allah ve Peygamber).

In the last decade issues of secularism vs. Islam have receded among the two major parties in favor of socio-economic questions, constitutional questions, and issues of law and order. Still, there is a significant portion of the electorate

that is repelled equally by the RPP's secularist antecedents and the JP's social conservatism. Thus the chief beneficiary of the Islamic-secularist trauma today is the National Salvation Party, led by Professor Necmettin Erbakan. Unlike earlier Islamic-conservative groups, notably the Nation party of the 1948-54 period and Erbakan's own National Order Party of 1970-71, the NSP has steered clear of the penal and constitutional provisions against advocacy of a theocratic order and has risen above a narrow regional base. More importantly, it has avoided the stigma of combining Islamic fundamentalism with economic backwardness. Its leader has the credentials of a faculty member at a technical college, won his political spurs as the victorious anti-Demirel candidate for the presidency of the Union of Chambers of Commerce and Industry in 1969, and in his rhetoric adroitly combines the symbols of Islamic traditionalism and economic modernization. The party has been no less adroit in parliamentary maneuvering and coalition politics, where its narrow ideological commitment to Islam enables it (not unlike the Center Party in the Weimar Republic or the National Religious Front in Israel) to enter alliances with either the right or the left, and in return to bargain for specific economic benefits for its regional supporters. Thus a little over a year after its formation, the NSP became the coalition partner in the government headed by Ecevit of the RPP; a year later the NSP became the second largest group in the coalition headed by Ecevit's arch-rival Demirel of the JP.

As the parenthetical reference to Germany and Israel indicates, religious traumas are not uncommon in democracies;¹⁰ and if Turkish politics were dominated by RPP at the left of center, JP at the right of center, and a religiously oriented,

vaguely radical-populist vaguely conservative party in the middle (or rather, all over the place), Turkish politics still would be fairly rational and predicatable. Even the extremist groups -- Marxists on the left and fascist Action Party on the right -- which have never shown much strength at the polls or in parliament, could be kept from shooting it out on the streets by a moderate majority or coalition government with solid parliamentary backing.

But here the second, continuing trauma sets in. The powers of parliamentary cabinets, and hence of the political parties and of the electorate, are severely circumscribed by the background presence of the military as a potentially decisive political force. To be sure, the military hierarchy will protect the civilian political process from coups by authoritarian military factions such as the two conspiracies of colonel Talât Aydemir in 1962-63, or the plans for permanent military dictatorship advocated by colonel Alparslan Türkeş in 1961. But this military support for the civilian constitutional and electoral process is by no means unconditional: There must be no "social and economic unrest," let alone "fratricidal strife" or "anarchy"; there must be "strong and credible government" such as will inspire "hope of reaching a level of contemporary civilization" as envisaged by Atatürk. And of course it is the top military commanders who decide in each case when "strife" becomes "fratricidal" or "anarchic," when governments are or are not "credible," and what "level of contemporary civilization" it was that Atatürk envisaged.

Since the 1960s, the military's conception of the imperatives of the political situation has repeatedly been at variance with that of the electorate. The majority of voters in 1961 voted for parties that vied for the succession of the banned Democrats, and given a choice would have favored full amnesty for Menderes' surviving associates; yet the military made it clear that any such move was considered out of bounds. The military, both in the Constitution drafted under their aegis in 1961 and in the memorandum of March 1971, stated their commitment to far-reaching social reforms such as land redistribution; yet parties representing the economic status quo have constituted overwhelming majorities of all parliaments of the Second Republic. And of course, the military's conception of what is needed may change: thus ^{in 1964} they lent crucial assistance/(through a timely public declaration) to Demirel's bid for the Justice Party leadership; yet by 1971 they had become sufficiently disenchanted with his government to depose him.

Civilian politicians, bitterly divided among themselves, are unlikely to put up a united front against the threat of military intervention. Some may welcome it generally, or at least in specific situations; others may use it in a squeeze play against their political rivals. To the first group belong those radical intellectuals who dream of themselves as part of the brains trust of a military, or militarily installed, regime-- a regime that will push through their favorite reform schemes without the tedious necessity of finding parliamentary or electoral support. The second group includes minor parties who hold out for an exorbitant price in coalition negotiations; or left wing groups who blackmail a government with the threat of street violence -- in the consciousness that prolonged deadlock or widespread disorder

will lead to military intervention.

Once the military do intervene, they will not be without support. Ambitious politicians, frustrated in their desire to attain power by normal means, will offer their services as premiers or ministers. Technocratic reformers of the type just referred to will staff the ministries for which no political candidates can be found. The opposition parties may find it hard not to gloat over the displacement of the government party, even if by irregular means. The government party itself--such as the Justice Party under Demirel in 1971--may find on second thought that a "coup by memorandum" relieves it of the need to shore up crumbling majorities or face the risk of national elections -- while still leaving it in control of what parliamentary voting strength remains to it.

It is hard to estimate the future prospects of military intervention. Ecevit's principled stand against the military intervention of 1971 -- in marked contrast to the vacillating or cooperative attitude of most other political leaders -- enhanced his popularity and political stature and thus helped him in his leadership bid against İnönü and in restoring the RPP to the rank of the leading party in 1973, whereas his decision to intervene in Cyprus in 1974 presumably improved his and his party's relations with the generals. The difficulties of the governments of 1971-73, which depended for survival on support both from the military commanders and ^{from} shifting majorities in parliament, presumably would make everyone rather more reluctant to attempt a renewed "coup by memorandum." And the generals' traditional commitment toward Europe, combined with the EC's record of opposition to military regimes in Greece, Spain, and Portugal would add to this hesitation.

Yet the political ills that precipitated the military onto the political stage in 1971 -- governmental indecision, parliamentary deadlock, and violence in the streets -- have become worse rather than better. The RPP-NSP coalition (January-September 1974) was incongruous to begin with and soon broke up over differences on Cyprus, where the NSP favored a more militant nationalist stand. It was followed by a cabinet crisis of unprecedented length, from September 18, 1974, to March 11, 1975, resulting in an even more fragile and indecisive government of the JP, NSP, Reliance, and Action parties. And as the June 1976 elections approached, political violence grew to record dimensions.

VIII

Turkey's association with the European Community evolved from 1959 to 1973, in a period when Turkish government moved from a democratically elected but by then authoritarian and repressive regime to a government by military junta (1960-61), to a variety of coalitions with the military command keeping discreetly in the background (1961-1965), to majority governments of the Justice Party (1965-1971), and to quasi-parliamentary governments following the "coup by memorandum" of 1971. No further action respecting the association has been taken since the restoration of parliamentary coalition governments since 1973.

The original application for Turkey's association, as indicated initially, was submitted by the Menderes government in its declining year. The Association Agreement was signed on the Turkish side by a coalition government headed by RPP leader Ismet Inönü (25 June 1963) and became effective when another coalition under Inönü was in office (1 December 1964). A Supplemental Protocol (Katma Protokol), defining the details of the transitional phase

of the association was signed by the Justice Party cabinet of Süleyman Demirel on 23 November 1970, to take effect on 1 January 1973. An Interim Agreement (Geçici Anlaşma) putting some of the provisions of that Supplemental Protocol into effect earlier was signed on 27 July 1971 by the government of Nihat Erim that had been installed at the behest of the armed forces the previous March. The expansion of the European Community from the Six to the Nine on January 1, 1973, required a revised Association Agreement and Supplemental Protocol, which were signed on the Turkish side by the government of Naim Talu, a presidentially appointed cabinet that had the task of preparing for the elections of the autumn of 1973; these documents have not so far been ratified. But a second Interim Agreement, also signed on 30 June 1973, took effect on 1 January 1974.

This record indicates at first glance that Turkey's movement toward association with, and ultimate membership in, the EC, with its deep roots in Turkish history, enjoys near-universal support and is a matter above partisan politics. Parliamentary, quasi-parliamentary-military, and presidential cabinets have signed the various agreements just listed. Crucial steps have been taken under the aegis of both major parties -- the Republican People's Party and the Justice Party, as well as the latter's predecessor, the Democrat Party -- and both of them stand committed to proceeding further along this same road. Keen public interest in Turkey's European association is attested by the fact that early in 1977 a 300-page documentary compilation issued by the Ankara EC office and entitled Turkey-EEC Relations rated fifth among the non-fiction works on Turkey's current best seller list.

But all is not well behind this surface. With the steady growth of interest politics and of vocal political discussion, Turkey's association with Europe is no longer taken for granted as an automatic desideratum; rather it has become a matter of intense dispute. Even the most devoted advocates of Turkish association with the EC are concerned about the conditions envisaged for the transitional phase, and insist that many of the details must be renegotiated. The fact that the Supplemental Protocol of 1973 still has not been ratified is a clear reflection of this increasingly critical and even skeptical attitude.

While both the RPP and the JP favor continuation of the association, with appropriate modifications, the NSP (a coalition partner in both the Ecevit government of 1974 and the Demirel "Nationalist Front" government of 1975-77) has been frankly hostile or at least equivocal in its attitude. Thus in 1970 the later NSP leader, Necmettin Erbakan, declared:

Turkey ought not be in the Common Market of the western states but in the Common Market of the eastern nations. Turkey is backward in relation to the westerners but advanced in relation to the easterners. If Turkey enters the Common Market under today's conditions it will become a colony. Today the Common Market resembles a three-storey building. The American Jews live on the top floor, the European workers in the middle. Now they are looking for the lackey-janitor to live on the bottom floor. That is why they want to take Turkey into the Common Market.¹²

And later that year, Erbakan proposed a motion in the Assembly that would have subjected the Association agreement to a referendum. The Agreement, he explained, would subject Turkey "more onerous conditions than the Treaty of Sèvres"--referring to the punitive peace treaty against which the Turkish War of Independence was fought. As a deputy prime minister in the coalition governments of 1973 and 1975, Erbakan toned down his rhetoric, but persisted in his opposition to full Turkish membership in the EC. Another quotation will illustrate this modified recent position:

... all the states of the world may one day become a world state. While we think this possible, we do not consider it appropriate at this time that Turkey under present-day conditions in the world should be broken away from the world to which she belongs, be carried off, and become a single state with the countries of the West. Therefore we have not accepted the political goals of the Common Market. But on the other hand we consider the economic aspects of the Common Market from many points of view advantageous at the present time. For we do want Turkey to become stronger. We want Turkey to industrialize. We want our manufactures and products to be strong enough to compete with the Western nations in the world market.¹³

Nor has Professor Erbakan abandoned the phantasy of an "Eastern" alternative to the Common Market which would join Turkey to "the world to which she belongs": in January 1977 he announced that he had given "directives," presumably as deputy prime minister, to foreign ministry officials to begin "negotiations" for the formation of an "Islamic Common Market" to consist of Iraq, Libya, Saudi Arabia, Syria, and Turkey. There was no immediate reaction from Tripoli, Riyadh, or other capitals.

These flamboyant, demagogical statements are not, of course, typical of the more considered sentiments of other Turkish parties and interest groups on the subject of Turkey's ties with the European Community. They are worth quoting, however, because they illustrate the emotional heights to which a full public debate on the subject might ascend -- and because they come from the lips of a man who since early 1974 has held the second highest post in the Turkish cabinet. And the fact that Turkey for the last four years has been either in a state of prolonged cabinet crisis or ^{ruled} by incongruous coalitions in which Professor Erbakan's MSP was a crucial partner goes a long way toward explaining why no full fledged debate on the roses and thorns of Turkey's relations with the EC has yet been held.

Within the inner circle of academic economists, foreign policy experts, and interest group representatives, however, an intensive debate has been going on for some time; and here too, critical and skeptical opinions have been expressed on the current arrangements of Turkish-EC relations. Thus a commission of experts convened by the State Planning Organization of the Prime Minister's Office in June and July of 1976 drew the following conclusions, among others:

1. The Supplemental Protocol in its present form does not correspond to our industrialization and development policies. This discrepancy will widen over time and is such as to open up serious dangers.
2. For Turkish-EEC relations to attain an open, continuous structure and a balance commensurate with the levels of development of the parties, there is need for radical changes in the existing relationship.
3. The necessary changes in the relationship can be effected either within the framework of the Association Agreement or by considering new alternatives outside an association agreement.
- ...
5. Outside the Association Agreement, there are alternatives such as a Preferential Trade Agreement, a Non-preferential Trade Agreement, and an Agreement on Commercial and Economic Cooperation. The advantages and disadvantages of these alternatives should be carefully examined.¹⁴

One member of the expert commission, Professor Sadun Aren, representing the Confederation of Revolutionary Trade Unions (DISK), added a terse, one-sentence dissent:

The DISK representative declared that ^{he} was opposed to accepting as an option in the Report the continuation of the Association Agreement, even in improved form.¹⁵

Among the concerns expressed by the critics of the present EC relationship is alleged insufficiency of concessions on agricultural exports from Turkey, both in relation to the composition of Turkish exports and in view of concessions granted to other associate and non-associate states, notably the Maghrib countries. For example, only 33% of

Turkish hazelnut exports are included in the preferred quota, even though hazelnuts are among the very few products where Turkey, having a virtual world monopoly, does not compete with other sources of EC imports. A similar source of complaint is that Turkish exports of cotton manufactures are unduly restricted, although cotton products account for about one fourth of Turkish industrial exports.

Still, there appears to be a continuing consensus that Turkish trade relations with the EC (accounting for roughly one half of Turkish exports and imports) should be strengthened, that a lowering of tariff barriers with the EC is to the benefit of the Turkish consumer, and that Turkish industry must learn to compete with the products of Europe and other industrial regions on the world market. For example, the report just cited emphasizes that "It is absolutely necessary that Turkish industry be opened to foreign competition and oriented toward exports."¹⁶

IX.

The continuing debate on Turkey's relationship with the EC is likely to dwell both on economic and political factors. In a longer range economic perspective, it is apparent that Turkey's European association was developed in the 1960s and early 1970s in a period of unusual prosperity, and much will depend on the future development of the economy in the relevant respects.

Turkey has a relatively balanced economic endowment, being largely self sufficient in foodstuffs, and exporting a variety of agricultural and mineral raw materials. (For example, the leading primary products for export in 1975 were, in that order, cotton, tobacco, hazelnuts, dried fruits -- mainly raisins and figs --, and chromium ore.) But industrialization has been

rapid, and whereas in 1963 primary products (agricultural and mineral) accounted for as much as 92% of all exports, that ratio by 1975 had declined to 64%, with manufactured products increasing from 8% to 36%. Average economic growth in the period from 1950 to 1962 was 6.3%, and from 1963 to 1975 6.9%.

The balance of payments situation also was unusually favorable in the late 1960s and early 1970s, with international reserves mounting steadily from 1967 to 1973 (in millions of dollars): 1967: 119; 1970: 431; 1971: 761; 1972: 1,401; 1973: 2,102. A major factor in that nearly eighteenfold increase were the remittances of Turkish workers streaming to West Germany and other West European countries -- which by 1972 approached the total value of all Turkish exports.

The world recession of 1972-75 affected this unprecedented prosperity in two ways: the cost of petroleum imports increased sharply, and more than compensated for the increase in the prices of raw materials exported by Turkey. At the same time the flow of workers to Europe has reached a plateau since the early seventies (their number more than doubled between 1966 and 1969, and nearly doubled again by 1972, but between 1972 and 1975 increased by only 12%); also better conditions for Turkish guest workers (their ability to bring their families with them, and the right for themselves and their children to compete on more nearly equal terms for jobs with indigenous jobseekers) has begun to decrease the average remittance per worker.

The fact that 600,000 to 700,000 Turkish workers abroad have been contributing as much to the balance of payments as all agricultural, mineral, and manufactured exports combined indicates how closely the Turkish economy already has become

tied to Europe. More obviously, it is a direct reflection of the rapid Turkish population increase, which ^{at} 2.6% per year (1973/4) is the highest in the OECD area, and among the highest in the world. In long-range prospects for Turkish relations with the EC, this probably is an ambiguous factor. If in future periods of prosperity Western Europe (as in the 1960s) creates a sizable surplus of work places, Turkey is one of the most convenient and plentiful sources of additional labor supply. Because of its absolute size, its rapid increase in per capita income, and its rapid population growth Turkey also is the fastest growing market for European industrial products. On the other hand, Turkish per capita GDP today is still only roughly 1/6 the EC average--just over 1/3 that of Greece and just over 1/2 that of Portugal. At present rates of population and per capita GDP, it would require \$172 billion to bring Turkish income levels up to those of the nine EC members, as against only \$140 billion for Spain (\$82b), Greece (\$26b), and Portugal (\$32b) combined. And even though the income gap may diminish per capita, the absolute gap is bound to increase. If recent population growth rates are projected to the year 2000, Turkey will be more populous than any present member country of the EC--its population being 78 million as against 74 million for West Germany, 70 million for Italy, and 293 million for the nine present EC members combined. ¹⁷

But political factors are likely to loom just as large as economic ones in the future shaping of Turkey's relationship with the EC. The original application of 1959 and the 1963 Association Agreement, on the Turkish side, were (as repeatedly noted) a natural outgrowth of Turkey's increasingly westward orientation over the last century. But recent events have

put that orientation (or rather occidentation) under something of a cloud. When Turkey in 1974 used its right under the Cyprus Treaty of Guarantee to thwart the authoritarian coup by Sampson instigated by the Greek junta, European reaction was mostly unfavorable; it was quickly forgotten that one of the incidental benefits of the operation was the fall of the Greek junta itself and hence the restoration of democracy in that country. The Aegean oil dispute has added new and direct strains to the relationship with Greece. And the Cyprus invasion also clouded Turkish-American relations (which for most of the period from 1946 to 1964 had been the very pivot of Turkish foreign policy).

Recently at least two other possible foreign policy alignments have suggested themselves in competition with Turkey's traditional cooperation with the United States or with Europe. The negative reaction of the Afro-Asian majority in the United Nations to the Turkish case with regard to Cyprus suggested the need for a rapprochement with the Third World. The fact that Turkey is indeed a developing country, and like much of Asia and Africa has suffered from the effects of Western imperialism, makes such an identification with the Third World natural. The recent prosperity of Arab oil countries has also added new zest to the memories of Turkey's Islamic heritage -- and the circumstance that most Arab countries, notably Libya, Saudi Arabia, and the principalities of the Gulf, are money-rich and population-poor may suggest a vast and lucrative new direction for the export of Turkish surplus labor.

The Soviet Union also has profited from Turkey's recent tensions with the West and vastly stepped up its development assistance. An orientation toward the Russian-East European socialist block of countries is welcomed by Marxist radicals

and kept in mind by moderate and pro-Western politicians such as Bülent Ecevit as an ominous alternative.¹⁸

Yet unless constructive solutions are found to the present discontents in Turkey's relations with the EC, the most likely alternative for Turkey would be a policy of "going it alone," of attempting the daunting job of promoting industrialization and social development out of Turkey's own resources and with Turkey's own efforts, whatever the odds, and of steering a neutralist foreign policy course that reflects Turkey's geographic situation at the juncture of the Western European, Eastern European, and Middle Eastern regions, that is of the First, Second, and Third Worlds.

NOTES

1. Lewis V. Thomas and Richard N. Frye, The United States and Turkey and Iran (Cambridge, Mass.: Harvard University Press, 195), p. . For an excellent account of Turkey's Westernization see Bernard Lewis, The Emergence of Modern Turkey (2nd edition; London: Oxford University Press, 19); see also the pioneering work by Arnold J. Toynbee, The Western Question in Greece and Turkey ().
2. Kemal's remarks are quoted in D.A. Rustow, "The Modernization of Turkey in Historical and Comparative Perspective," in Kemal H. Karpat, ed., Social Change and Politics in Turkey (Leiden: E.J. Brill, 1973), p. 106.
3. For a fuller quotation from the speech, see ibid., p. 119.
4. Abdullah Cevdet's statement of 1913 is quoted in B. Lewis, op.cit., p. .
5. On the Independence March and the religious element in the Turkish War of Independence see D.A. Rustow, "Politics and Islam in Turkey," in R.N. Frye, ed., Islam and the West ('s Gravenhage: Mouton, 19 57), pp. 69-107.
6. For a fuller account of Atatürk's Foreign policy see D.A. Rustow, "The Foreign Policy of the Turkish Republic," in R.C. Macridis, ed., Foreign Policy in World Politics (Englewood-Cliffs, N.J.: Prentice-Hall, 1958), pp. 295-322.
7. Hitler's statement to Ciano is quoted from the latter's memoirs, ibid., p. .
8. Quoted from Keessing's Contemporary Archives, p. 24640; see also Feroz Ahmad, The Turkish Experiment in Democracy 1950-1975 (London: C. Hurst for RIIA, 1977), p. 288f.

9. Ahmad, p. 348.
10. Stein Rokkan has theorized about the delayed impact of reformation and counterreformation on European party patterns three and four centuries later. See Seymour Martin Lipset and Stein Rokkan,
11. Türkiye - AET İlişkileri (Ankara: Avrupa Topluluğu Yayinlari /1976?/, 331 pp.). For a listing of best-sellers, see Yanki (Ankara, no. 306, 24-30 January 1977), p. 24.
12. Quoted from Ahmad, p. 382f.
13. Quoted (translated) from Türkiye - AET İlişkileri, pp. 246f.
14. Translated from T.C. Başbakanlık Devlet Planlama Teşkilati, İkinci Avrupa Ekonomik Topluluğu Özel İhtisas Komisyonu Raporu (Ankara: DPT, August 1976), p. 34.
15. Ibid., p. 40.
16. Ibid., p. 35.
17. The per capita GDP figures are calculated from 1975 GDP figures (at current prices and exchange rates) and mid-1975 population figures given in OECD, Main Economic Indicators (Paris, December 1976), pp. 156f. For population increase rates (1974 over 1973) see Ibid., p. 157.
18. Thus in June 1975, three months after the formation of the Demirel four party "Nationalist Front" coalition, Ecevit declared in an interview with the Frankfurter Allgemeine Zeitung: "If Turkey gets separated from the West, after being separated from America, there will be only one alternative left, as you all know and the whole world knows, and one which no one wants. We should not be dragged to this." The reference to a possible alignment with the Eastern, socialist bloc was unmistakable. Quoted in Ahmad, p. 423.

4

V I E W P O I N T S
ON THE INTEGRATION OF THE TURKISH INDUSTRY
WITHIN EC

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In 1963, Turkey by signing the association agreement with EC took the following basic political and economic decisions.

Turkey would remain in Western free democratic world, would be willing to liberalize its foreign trade and to reorientate its industry towards the free market economy. The governments were to take appropriate measures for the restructuring of the industry within the framework of the association agreement to be realized within a period of transition with minimum possible damages. By the additional protocols, Turkey reconfirmed her will for gradual liberalisation of her trade in order to attain the customs union with EC in 1990.

But, in spite of this political will and decision, the successive governments ignored the basic concept of free economy while implementing the economic policies. Adopting import substitution as a basic economic policy, and applying unlimited protection, Turkey gave rise to a very rapidly growing but mostly uncompetitive industry. Self-sufficiency policy was coupled with the will of rapid growth beyond the financial possibilities of the country.

This policy, in contradiction with EC free trade concepts, led Turkey to an economic crisis which was largely deepened with the oil price increases. After exhausting all foreign short and long-term borrowing possibilities, the balance of payment deficits put the country in an economic impasse.

As a natural consequence of economic collapse, Turkey was not able to fulfill its obligations stipulated in the association agreement. This adverse economic trend has its impact in the public opinion. The consensus of 1963 to join EC vanished. According to these new opinion moves Turkey should revise its relations with EC. The erosion of Turkey's export advantages, difficulties of EC in freeing the labour movements, lack of financial support^{to} improve the competitiveness of the Turkish industry, the time-table of the additional protocols for the liberalisation of the trade prove that Turkey has no advantage to continue her association with EC.

According to more extreme views, the limitations imposed by the association agreement are endangering the development of the Turkish industry, because their basic concept of the industrialisation is to build-up an industry in all aspects similar to those of industrialised countries. Thus the liberalisation of trade becomes a major obstacle for further industrialisation. Under these circumstances the logical decision would be to give up the idea of joining EC, to cancel the association agreement and to assess trade relations with the community on bilateral trade agreements.

The country's gradually growing economic and financial difficulties created a strain in the relations of Turkey with EC.

Just at the time when Turkey-EC relations were going through a difficult phase, the enlargement of EC forced the Turkish government to reconsider its policy with the Community and to speed up decisions related to the implementation of the association agreement as well as its enlargement.

On the other side, Turkey's 1977-78 acute foreign exchange shortage forced the government to take urgent action to overcome the crisis. A stabilization program agreed with IMF is implemented. A political decision is framed behind this program. Turkey will try to develop her economic and trade relations with socialist as well as the third-world countries; but, basically the former foreign policy towards Western Europe will also be followed. Such a political decision prepared the ground to take up negotiations with EC. At the first stage difficulties arising from the implementation of the association agreement will be solved. At the second stage, the enlargement of EC, will be considered.

Under present conditions when turkey can not fulfill its obligations stipulated in the association agreement, full membership seems to be unthinkable. But, integration of Turkey with EC should be envisaged in a perspective of 20-30 years, as conceived in the association agreement. Presently, the Turkish industry has important structural problems which prevents any challenge to compete with European industry.

Previous economic development policies based on self-sufficiency and a high growth rate beyond country's economic possibilities were applicable at a cost of very high rate of inflation , approximately an average of 20% per year since 1973 which had dreadful effects on production costs of the industry. In addition the following factors caused increase in production costs :

1. Insufficient and unbalanced infrastructural investments in the fields of communications, transport and particularly energy.

2. Political prices imposed by the state enterprises which increase the cost of local inputs to the industry.
3. Small size of production units due to import substitution policies
4. Low level of technology as a consequence of unsound protection of industry.
5. Scarcity of management and marketing skills
6. Negative developments in labour relations
7. Low rate of capital accumulation, leading to shortage of financing and increasing tremendously the cost of capital.
8. Foreign exchange shortage, creating bottlenecks in procurement of raw materials, intermediary goods and investment goods and consequently reducing the utilization of industrial production capacity.
9. As a consequence of all these factors, the quality of the goods manufactured by the Turkish industry is inadequate and creates another handicap for exports.

It is obvious that in spite of the large potential, under present conditions the Turkish industry can not challenge its competitors in EC. This economic impasse is not caused by custom concessions granted by the association agreement or by erosion of export advantages but by wrong industrialisation strategy and the high rate of growth basis of economic development policies of the previous governments.

Recently it has become evident that Turkey has to curb the inflation, change the development and economic policies to re-structure its industry, harmonize planning with her market mechanism and increase her export.

If Turkish economy is re-organized and its industry is re-structured, then there is a big potential which can be coupled with unexplored important natural resources to generate the foreign exchange necessary for a balanced growth.

The implementation of such an economic reform can be eased by reasonable assistance of EC. Such an assistance is also to the advantage of EC. Turkey is a big market today and will grow fast in the future provided that sound basis of development is assessed. Turkey's economic growth will continue to require imports at an increasing rate. In the next 5 years Turkey is expected to purchase yearly 5 billion U.S. dollars worth of intermediate and investment goods.

A number of basic commodities, machinery and equipment which are required by the Turkish industry are produced and manufactured in excess in EC. The European industrialists effected by the economic recession of the oil crisis, can find for these products a growing market in Turkey by credit arrangements. They would enable their industry to overcome bottlenecks. Thus, EC has interest to support Turkish industry, supply technology, know-how and financing and contribute to its re-structuration. In the long run Turkey has the potential to become an important trade partner with EC.

A selective industrialisation policy based on comparative advantages is the basic concept of the Rome Treaty. It was applied without restriction among the full members of the community. But when the same basic principle is adopted and implemented by associate members, they are confronted with EC's obstruction. Immediately import prohibitions, quotas, contingencies and all sorts of protective measures, in contradiction of the basic principles of the Rome Treaty, are introduced. Examples to such action were recently observed in export of textiles, electronics, tomato paste and few other products.

While encouraging the developing members of the community, to build-up a specialized competitive industry during a period of transition introduction of new protective barriers, quantitative restrictions to new candidates will hamper the development of their industry.

Consequently, if EC is willing to associate fully the developing Mediterranean countries and Turkey in particular, to the Community, then it has to weigh the long-term advantages of such membership against the concessions it has to grant them.

At present Turkey is implementing an economic stabilization programme. In the 4th 5 Years Development Plan, new strategies and policies will be adopted to curb inflation, to attain above structural changes. An outward looking foreign trade policy will increase the country's foreign exchange resources. Such a fundamental reform necessitates the adoption of an interim programme. Parallely, an interim Turkish - EC agreement has to be elaborated in order to enliven the relationship.

NOTRE CHOIX DE POLITIQUE ETRANGERE

Istanbul, 1978

NOTRE CHOIX DE POLITIQUE ETRANGERE

La politique extérieure d'un pays dépend naturellement de l'environnement, des données et des conditions du système politique international. Avant donc de réfléchir aux différentes possibilités de choix de politique étrangère par la Turquie, il n'est pas inutile de rappeler et de décrire les lignes de force de cette situation internationale.

Pour mieux comprendre cette situation internationale et apprécier d'une manière exacte sa nature actuelle, ses exigences et ses caractéristiques, il nous semble indispensable de faire un retour en arrière : seul en effet l'étude de l'évolution du système politique international peut permettre d'effectuer d'une manière saine une analyse réaliste des possibilités qui s'offrent à la Turquie. Certes, dans l'avenir la situation peut changer et spéculations restent possibles quant au devenir de ce système. Il faut donc tenir compte de ces perspectives et de les intégrer à l'analyse. Par conséquent lorsqu'on se penche sur les différentes possibilités de choix de politique étrangère par un pays, il est plus que nécessaire de faire des distinctions entre les possibilités s'offrant à court terme qui découlent du passé et celle à long terme dont les données dépendent des modifications qui affectent les structures à l'échelon mondial.

L'existence de relations directes entre les politiques intérieure et étrangère constitue un phénomène bien connu. La politique étrangère d'un pays dépend comme on le sait, de ses ressources économiques, de sa force militaire, de sa population, de l'idéologie de son régime, de la stabilité de celui-ci, du degré d'unité nationale et des valeurs qui la soutiennent, ainsi que de la compétence de son appareil diplomatique. Des attitudes changeantes découlent donc de l'ensemble de ces facteurs formant une synthèse dont la compréhension devra s'effectuer dans une perspective dynamique. Notre politique étrangère qui se dessine dans ce cadre sera déterminé à court et à long terme par les données du système politique

internationale et les préoccupations de défense nationale se placeront au premier plan dans l'appréciation et l'orientation des objectifs extérieurs.

I - L'ENVIRONNEMENT POLITIQUE INTERNATIONALE

A) L'évolution du Système Politique Internationale :

Si l'on examine la situation depuis la fin de la seconde guerre mondiale, on s'aperçoit que le système politique internationale a connu trois grandes périodes : la guerre froide, la coexistence pacifique et la détente.

Dans les années qui suivent la conférence de Yalta et la fin de la seconde guerre mondiale, les pays d'Est et d'Ouest se groupent dans des camps adverses et le monde entre dans une période caractérisée par la présence des blocs. La perte par les Etats-Unis du monopole nucléaire accélère cette division du monde en zones d'influences et l'on entre dans la période de guerre froide.

On peut dire que lors de cette période de guerre froide l'orientation de la politique étrangère des Etats-Unis était dictée par le souci de maintenir le plus possible de pays dans le camp du "monde libre" et de créer des institutions et organisations en vue de conserver son influence. Si l'on se rappelle certaines situations (en Grèce, en Iran), on peut affirmer que les efforts déployés par les Etats-Unis dans ce but ont été considérables. D'ailleurs la politique menée par Staline en Europe Centrale comme au Moyen-Orient rendait légitime l'attitude des Etats-Unis.

Economiquement aussi les Etats-Unis devenaient le leader du monde occidentale dans cette période d'après guerre : principal pays resté intact au milieu des décombres de la guerre, les Etats-Unis imposaient la suprématie du dollar surtout après les Accords de Bretton Woods. Cette suprématie se renforçait encore avec l'entrée en vigueur du Plan Marshall et la Doctrine Truman. Parallèlement, les pays de l'Est s'organisaient sous le leadership de l'Union Soviétique et dans le

cadre du COMECON : les blocs commencent alors à exister économiquement. Ce regroupement en blocs se prolonge sur les plans militaire, idéologique renforçant à leur tour cette coupure dichotomique.

Cependant par la suite, comme conséquence des excès de la course aux armements, de la découverte et de l'innovation des armes sophistiquées capables de destructions massives, les super puissances ont commencé à cesser de se menacer mutuellement. Le relèvement de la Chine populaire qui commence à s'imposer sur le plan international, notamment par le poids que lui donne sa population crée un nouveau facteur intervenant dans le sens d'un rapprochement des deux grands.

Un autre facteur agissant dans le sens d'un assouplissement des hostilités est créé par le développement des rivalités économiques à l'intérieur même des blocs. (Les E.U. face à la C.E.E. ; l'U.R.S.S. et la Chine).

B) La Situation Actuelle :

Les blocs idéologiques, sociaux, économiques, militaires créés après la seconde Guerre Mondiale par les deux grands commencent à avoir des relations plus souples, moins tendues ces dernières années comme le montrent les observations.

Le monde occidental tend par sa logique à créer en son sein des centres concurrents et ceux-ci ne cessent de se renforcer. La concurrence s'observe notamment au niveau des capitaux américains et de ceux de la C.E.E.

A l'intérieur du bloc oriental, d'autre part, des rivalités idéologiques et territoriales opposent l'U.R.S.S. à la Chine. La politique menée par cette dernière sur le plan international gagne en importance depuis notamment son entrée dans l'O.N.U. . Dans les Balkans, poursuivant l'exemple de la Yougoslavie en politique étrangère, la Roumanie tend à avoir des attitudes relativement moins dépendantes de l'Union Soviétique. Par ailleurs, parallèlement la rivalité idéologique entre Moscou et Pékin, des divergences d'opinion apparaissent entre les partis communistes des pays non-orientaux.

Parallèlement à cet assouplissement des relations à l'intérieur même des blocs, on constate un dégel entre les blocs- eux-mêmes : la reconnaissance au temps de W. Brandt par l'Allemagne Fédérale de la République Démocratique Allemande dans le cadre de l'"Ostpolitik" du parti social-démocrate, la normalisation des relations entre la République Populaire de Chine et le Japon, le développement des relations entre la C.E.E. et l'U.R.S.S. en constituent des exemples. Nous sommes en présence d'une situation telle que, constatant cette évolution des relations entre les blocs jadis radicalement opposés, les pays qui en font partie pensent aussi pouvoir effectuer des choix nouveaux jugés auparavant impossibles. Dans ce nouveau cadre, de nouvelles perspectives apparaissent rendant obligatoire une révision des conceptions périmées et une nouvelle définition des données de la situation.

Ainsi des développements tels que la révision de la politique américaine à l'égard de la Chine et de l'U.R.S.S., le développement des attitudes positives réciproques (l'enlèvement des rampes de fusée au Cuba et en Turquie) pour la création d'un climat d'apaisement, ont eu comme conséquence l'entrée dans la période de la coexistence pacifique.

Cependant il n'est pas exacte de dire que ces développements ont permis de clore définitivement cette situation créée au lendemain de la guerre caractérisée par le partage du monde. Il n'est pas vrai non plus que les deux grandes puissances ont perdu toute hégémonie à l'intérieur de leurs blocs respectifs. Non seulement les alliances et les rapprochements politiques, idéologiques, militaires et économiques créés après la guerre n'ont pas disparu, on ne voit pas aussi comment cela peut disparaître totalement. Les rivalités d'intérêts continuent entre les deux grands. Peut-on alors parler dans un tel contexte de la fin de la situation bipolaire, de la naissance d'une nouvelle situation multi-polaire ? N'est-il pas plus exacte de parler maintenant d'une situation bi-polaire assouplie ?

D'une manière générale on peut avancer l'idée que ni l'Union Soviétique ni les Etats-Unis veulent créer des situations irréparables dans le sens

d'une renaissance des hostilités. L'Union Soviétique n'a pas manifesté une vive réaction lors du renversement sanglant du régime marxiste d'Allende venu au pouvoir pourtant à la suite d'élections légales. Les Etats-Unis ont quitté le Vietnam et la Cambodge. Les deux grands font maximum d'attention vis-à-vis de la situation au Moyen-Orient et agissent avec une grande prudence à l'égard du conflit entre l'Israël et l'Egypte. Ce soin pour ne pas envenimer la guerre froide s'observe aussi à propos de l'affaire chypriote. S'agit-il d'une poursuite du partage du monde sous une forme nouvelle, au niveau économique, en somme un second Yalta ? Toute réponse à ces questions reste dans le domaine de la spéculation. Une chose est cependant certaine : depuis 1972, les E.U. et l'U.R.S.S. veulent poursuivre la politique de la détente.

Dans les années de l'après-guerre, dans le monde occidental l'Europe est devenue, au niveau économique, un puissant rival des Etats-Unis. La C.E.E. avec au début six, après neuf et bientôt douze membres constitue une puissance économique de premier plan sur les marchés mondiaux. Sous le poids de ses charges directes en Extrême-Orient et indirectes ailleurs, l'économie américaine est amenée à accepter l'écroulement du système de Bretton Woods en 1971. Décretant 1973 "L'Année de l'Europe", l'Amérique demande à ses alliés européens de partager d'une manière équitable ses charges de participation aux frais de défense de la Communauté Atlantique. De même elle propose la convocation d'une conférence au sommet pour traiter ensemble les questions commerciales, militaires et diplomatiques. Dans la même période, le Japon apparaît comme un nouveau rival économique de la C.E.E. comme des Etats-Unis. Au delà de ces rivalités économiques et la concurrence, le rapprochement se poursuit. C'est en 1978 que commencent les travaux au niveau le plus élevé en Europe pour traiter du problème d'une monnaie européenne. Concurrence et coopération constituent donc les caractéristiques des relations au sein des pays du bloc occidental.

Une question épineuse persiste cependant dans le domaine militaire. Le rapprochement E.U. - U.R.S.S. d'une part, le développement de la portée des

fusées soviétiques d'autre part créent des soucis en Europe quant à la protection de l'Europe par l'Amérique dans le cas d'un éventuel conflit armé. Les pourparlers directs que les super-puissances mènent entre eux pour limiter les dépenses pour la défense qui s'accroissent démesurément de part et d'autre alimentent ce souci européen. Les conversations SALT, la non-autorisation par l'Europe de l'utilisation de ses bases militaires lors du conflit entre l'Israël et l'Egypte en 1973, la mise en état d'alerte de l'Armée américaine sans consultation des alliés européens ont créé à l'époque un certain état de tension entre les deux parties.

Les Etats-Unis par le biais des euro-dollars et du pétrole sont toujours en mesure de tenir sous contrôle les économies européennes. Surtout la vulnérabilité en matière énergétique de la C.E.E. apparue lors de la crise du pétrole après les conflits du Proche-Orient montre les limites de l'autonomie de la C.E.E. devenue cependant la troisième puissance économique du Monde. Toute influence sur les conflits au Moyen-Orient, principal fournisseur d'énergie de la C.E.E. risque de bouleverser les économies européennes dépendantes pour 80% du pétrole de la zone. Alors que l'Europe devient vulnérable à chaque augmentation du prix du pétrole, celui-ci affecte peu les Etats-Unis et pas du tout l'Union Soviétique. La crise du pétrole a donc servi les Etats-Unis d'une manière éclatante en lui assurant une fois de plus sa suprématie à l'intérieur du bloc occidental. Cependant il ne faut pas exagérer outre mesure ces conflits intra-bloc. Le système politique des pays du monde occidental lie de manière structurelle les deux parties et en cas d'un éventuel conflit avec le bloc oriental, les Etats-Unis se placeront obligatoirement du côté des démocraties libérales européennes.

En résumé, la période actuelle peut être caractérisée par l'existence d'un système bi-polaire souple. Les super-puissances continuent leurs suprématies malgré les très grands progrès économiques enregistrés par la C.E.E. Les pays font partie des blocs tant que leurs intérêts sont satisfaits. Le poids des choix économiques influenceront à court et à long terme l'état des relations entre

et à l'intérieur des blocs. De ce point de vue, la situation de la C.E.E. qui possède un très grand potentiel économique et politique reste très caractéristique.

II - NOS POSSIBILITES DE CHOIX DANS L'ENVIRONNEMENT POLITIQUE INTERNATIONAL

Si l'on prend pour hypothèse une modification des données économiques, politiques, idéologiques ou militaires de notre pays, les différentes options de politique extérieure peuvent être les suivantes :

- A - Rapprocher notre politique étrangère de celle du bloc oriental
- B - Avoir une politique étrangère orientée vers les pays musulmans, surtout arabes.
- C - Faire partie du bloc des pays non-alignés
- D - Rester solidaire du bloc occidental
- E - Rester solidaire du bloc occidental tout en devenant membre intégral de la C.E.E.

Dans le cadre de nos intérêts nationaux à long terme, il reste donc à déterminer la politique étrangère la plus digne, rationaliste et réaliste qui conviendrait à notre pays.

Les facteurs qui déterminent notre système politique sont les dirigeants, l'idéologie de ces dirigeants, les institutions et la solidité de celles-ci, et nos organisations politiques. Quelle est donc la politique étrangère la plus rationnelle qui correspondrait à notre système démocratique ?

Chaque système politique possède sa spécificité déterminée par son histoire nationale, ses traditions, ses mœurs. Toute en ayant son originalité notre système politique reste aussi fondamentalement influencé par l'idéologie démocratique occidentale. En outre lorsqu'on rappelle les équilibres fragiles de nos structures économiques à l'heure actuelle, il faut tenir compte des conditions de renforcement de notre système démocratique à long terme dans la détermination d'une politique étrangère. Il faut donc essayer de réfléchir aux différentes possibilités qui

s'offrent à la Turquie dans une perspective du renforcement de notre système démocratique libéral.

A - Se rapprocher du bloc des pays de l'Est:

Les relations qu'entretient un pays avec un autre sont toujours déterminées par les intérêts nationaux de celui-ci notamment sur le plan économique, idéologique. Les soi-disant sacrifices consentis ne doivent donc dissimuler cet aspect fondamental déterminant.

Il n'est d'ailleurs pas possible d'aligner sur le plan international notre politique nationale sur celle du bloc oriental lorsqu'on rappelle les structures démocratiques libérales de notre système politique défini par notre Constitution. Une politique étrangère possède aussi sa structure, sa logique déterminées par le temps qu'on ne peut modifier brusquement. La grande puissance hégémonique du bloc oriental, l'U.R.S.S. possède des frontières avec notre pays. Il est donc normal pour la Turquie d'avoir comme ligne directrice de sa politique extérieure de chercher des alliances en vue d'équilibrer ce voisinage. Cette méfiance de la Turquie est alimentée non seulement par les souvenirs de la période d'avant la révolution d'Octobre (politique traditionnelle des Tsars de conquérir le Sud), mais aussi par les revendications soviétiques de la période stalinienne sur les Détroits et les départements Est de la Turquie.

Au temps de la présidence d'ATATÜRK et même jusqu'à la fin de la seconde guerre mondiale, la politique extérieure turque était dictée par la politique de "Paix dans le pays, Paix dans le monde". Ainsi la Turquie a pu alors réaliser au niveau de ses relations extérieures un équilibre entre l'Ouest et l'Est. L'importance stratégique de la Turquie à cette époque des armes conventionnelles rendait nécessaire et utile une telle politique définie d'avantage par l'intérêt que par l'idéologie. Par ailleurs lors de la même période, la politique soviétique, préoccupée davantage par les problèmes de la construction du socialisme à l'intérieur avait moins de visées expansionnistes. Dans la période suivante tout a changé à cause notamment de

la nature des armements, la politique extérieure de l'U.R.S.S., l'importance de la situation stratégique de la Turquie dans l'éventualité d'un conflit global...

D'autre part le choix par la Turquie dans les années d'après-guerre d'un régime démocratique pluraliste l'a rapproché d'avantage du bloc occidental et rend de moins en moins probable et possible l'alignement de sa politique extérieure sur celle de l'Union Soviétique.

C'est donc dans cette perspective qu'il faut comprendre et interpréter la phrase de notre Premier Ministre Bülent ECEVIT qui affirme que " le rapprochement sur le plan économique de la Turquie avec l'U.R.S.S. ne constitue pas une alternative à sa politique occidentale, mais un complément " Ainsi, les accords bilatéraux avec les pays de l'Est permettent d'établir un dialogue servant à l'objectif de la création de relations amicales. Ces pays aident aussi la Turquie pour la réalisation de ses plans pour la construction d'une industrie lourde, au niveau de l'envoi des cadres et techniciens et du financement. De même pour l'accroissement des exportations agricoles turques, ils constituent un marché.

B - Choix d'une politique étrangère orientée vers les pays musulmans et surtout arabes.

La région du Moyen-Orient qui lie trois continents et qui s'étend de l'Iran jusqu'à la Libye a une très grande importance dans le système international bipolaire souple actuel. L'importance de la région découle de ses ressources en pétrole et de sa situation stratégique. La rivalité idéologique intense observée dans la région entre l'Est et l'Ouest s'explique par ces facteurs.

L'Iran, l'Israel, Le Pakistan et la Turquie exceptés, la zone est peuplée de pays arabes. Or ces derniers qui n'ont pas encore atteint sociologiquement et politiquement le stade de "Etat-Nation", et connaissant des rivalités locales, tribales, régionales se caractérisent par une incessante instabilité politique et la scène politique est dominée par des régimes autoritaires. La succession de coups d'Etats s'expliquant souvent par de rivalités personnelles constituent dans cette zone un cercle

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vicieux. Comment alors un pays tiers peut axer sa politique étrangère sur la solidarité avec une région si instable et mouvante ? Axi la politique extérieure sur le facteur religieux - L'Islam - donne des résultats encore plus décevants et transforment dans un sens rétrogradé la signification des alliances.

Cependant la nécessité énergétique de notre pays qui revête une si grande importance ces dernières années rend la coopération obligatoire avec ces pays. Les revenus pétroliers de ces pays en voie de développement créent aussi en Turquie des attitudes de plus en plus favorables à une révision des conceptions de politique extérieure turque à l'égard de ces Etats. Le problème est donc important politiquement. En Turquie on avance l'idée qu'une telle coopération nous permettrait de combler notre déficit énergétique, de profiter des euro-dollars et d'accroître notre poids diplomatique sur la scène internationale.

La possibilité d'initiative de la Turquie reste cependant limitée dans la région à la suite de l'importance qu'y accorde les deux super-puissances. De ce point de vue il n'est pas inutile de rappeler les conditions de la création et du développement du Pacte de Bagdad, de sa transformation en C.E.N.T.O., et la naissance de la R.C.D. . Les limites à l'intérieur de laquelle la Turquie peut avoir l'initiative découlent de l'état des relations E.U. - U.R.S.S. . Certes, dans une certaine mesure nous pouvons adopter ici une politique plus souple. Mais on ne peut aboutir à partir d'une telle situation à la définition stricte et durable de toute une politique extérieure ayant comme base l'établissement de relations fondamentales dans la région et en privilégiant cette région.

Quant à nos relations avec les deux pays non-arabes de la région, l'Iran et le Pakistan, elles s'établissent dans le cadre du C.E.N.T.O. et de la R.C.D., qui se situent l'un comme l'autre dans une perspective occidentale.

En ce qui concerne la situation de l'Egypte qui a des prétentions au leadership dans la région, ce pays agit ouvertement pour limiter l'audience de la Turquie. La période nassérienne en constitue une preuve. Dans la région les sentiments

d'hostilité sont encore vifs à l'égard de la puissance colonisatrice de jadis, l'Empire Ottoman, qu'on rend responsable de l'état d'attardement actuel de la région. Or, notre politique chypriote nous oblige à améliorer nos relations avec les pays arabes. Economiquement aussi, comme prouve l'exemple de la construction de la pipe-line Irak-Turquie, nos intérêts vont dans ce sens. En somme, des améliorations de la politique turque doivent être attendues dans la région. Mais lorsqu'on songe à l'état de sous-développement, d'instabilité et aux conflits dans la région il ne paraît ni réaliste ni rationnel pour la Turquie d'axer toute sa politique extérieure sur les relations avec les pays de cette région.

C - Faire partie du groupe des pays non-alignés :

Il n'est pas réaliste du point de vue des intérêts à long terme de notre pays d'adopter une politique extérieure non alignée et faire partie de ce bloc.

D'ailleurs les discussions sont en cours sur la validité et la réalité de l'existence d'un bloc non-aligné. La plupart des pays qui affirment en faire partie sont des pays sous-développés très différents des uns des autres sur tous les plans et il n'est pas rare qu'ils entrent en conflit entre eux. Comment d'ailleurs une unité de vue et une solidarité peut exister entre des régimes dont certains sont d'extrême-droite et d'autres d'extrême-gauche. De même, on retrouve dans ce bloc côte à côte des pays producteurs de pétrole assez riches et d'autres démunis de toute ressource. Nous sommes en fait en présence d'un groupe de pays extrêmement hétérogène. Du point de vue du développement politique, le niveau de ces pays est très bas. Dans la plupart le processus de démocratisation commence à peine et nous sommes souvent en présence de leaders et de régimes extrêmement autoritaires. Dans ces pays souvent à structure tribale, une unité de vue ne se manifeste pas non plus au niveau des résolutions à l'O.N.U., certaines s'alignant sur les positions de l'U.R.S.S., d'autres des Etats-Unis. La plupart des décisions qu'ils adoptent lors de leurs propres réunions sont guidées par les pays ne participant pas à ces réunions. Les limites de leur autonomie réelle sont très étroites; les décisions servent surtout à accroître le prestige des leaders

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des pays participants devant l'opinion publique mondiale. D'ailleurs leurs affirmations restent sinon toujours contradictoires souvent sentimentales et utopiques. La position de certains pays non-alignés apparaît comme plus que douteuse (CUBA), celles d'autre semble être liée à la présence au pouvoir d'un leader. Il s'agit donc en somme d'un bloc difficilement définissable, à utilité discutable sur la scène internationale.

Comment alors la Turquie peut prendre ce groupe comme une entité viable pour aligner sa politique extérieure sur celle du "bloc"? Il est plus réaliste pour la Turquie de développer ses relations bilatérales avec les pays de ce groupe pour mieux défendre ses intérêts nationaux.

D - Rester solidaire du bloc occidental :

Après la seconde guerre mondiale la Turquie s'est rangée sur la scène internationale dans le camp occidental. Il ne faut pas expliquer ce choix uniquement par des revendications territoriales soviétiques. Des raisons plus profondes d'ordre culturel et historique interviennent aussi pour expliquer ce choix turc. Le choix s'est facilité par le climat de la guerre froide et bien accueilli par l'Occident.

Depuis le XIX. siècle, l'empire OTTOMAN se fixait comme objectif la modernisation et prenait alors comme modèle la civilisation occidentale. Malgré la guerre que la Turquie a dû mener contre certaines puissances de l'Occident à la fin de la Première Guerre Mondiale, notre pays a maintenu son objectif de doter ses structures politiques des institutions démocratiques de type occidental. L'évolution vers la démocratisation s'est donc réalisée après cette Seconde Guerre Mondiale. Dans ce climat, lorsque l'Union Soviétique a commencé à menacer la Turquie, notre pays a pris la décision de se rapprocher d'avantage des pays occidentaux et concrétiser ce rapprochement par l'entrée dans des alliances politiques, économiques et militaires. C'est ainsi que la Turquie est devenue membre du Conseil de l'Europe et de l'O.T.A.N. . Quant à l'accord d'Ankara de 1964, il manifeste le désir turc d'entrer dans le Marché Commun. Sur le plan régional d'autre part, la Turquie est entrée

dans des alliances qui sont la prolongation des organisations occidentales : le Pacte de Bagdad (le C.E.N.T.O.), la R.C.D. . Le voisinage avec l'U.R.S.S. explique donc en partie ce rapprochement avec les Etats-Unis. Mais par suite de ce voisinage, la coopération militaire avec les E.U. s'est beaucoup développée. Cette coopération convenait sans nul doute beaucoup aussi aux intérêts des Etats-Unis d'un double point de vue : Politiquement dans cette période de la guerre froide - qui était avant tout idéologique - il convenait aux Etats Unis de maintenir la Turquie dans le camp des pays libres démocratiques. Militairement, la Turquie possédait pour les Etats Unis une valeur stratégique incomparable : son voisinage avec l'U.R.S.S. et les bases militaires qu'elle pouvait abriter attestent cette importance.

Cette coopération Etats-Unis - Turquie commencée dans le cadre de la doctrine Truman et de l'Aide Marshall a accru à long terme la dépendance technologique militaire de la Turquie à l'égard du E.U. . Les inconvénients se sont faits sentir depuis l'éclatement de l'affaire chypriote. En outre les Etats Unis préfèrent de plus en plus, comme prouve l'exemple de ses rapports avec l'Iran, à vendre des armes aux pays qui paient au comptant, ce qui rend aussi la situation turque difficile sur le plan de la modernisation de l'équipement de son armée. La stratégie actuelle de l'Union Soviétique consiste à maintenir la statu quo en Europe et en contrôler l'expansion chinoise en Asie. L'importance stratégique de la Turquie apparaît comme moins importante à l'heure actuelle sur le plan mondial. Toutes ces raisons poussent la Turquie à définir elle-même ses objectifs nationaux sous un éclairage différent de la période de la guerre froide. Notre pays doit diminuer sa dépendance militaire en armement en développant lui-même ses industries de la défense.

Les questions qui se posent à court terme à notre politique, étrangère pro-occidentale sont celles relatives au problème chypriote et égéen. La résolution pacifique de ces problèmes exige l'établissement d'un dialogue entre les partenaires. La Turquie, poursuivant une ligne pacifique en la matière, cherche à trouver un compromis avec la Grèce mais elle ne peut bien sûr renoncer à ses intérêts nationaux : la tension règne donc entre les deux Etats malgré la multiplication par la Turquie

des initiatives dans le sens du rétablissement de la coopération et de la réalisation d'un accord juste et durable.

C'est sans doute à la suite de ce problème chypriote que la plupart des pays du Moyen Orient, le Pakistan et la Libye exceptés, ont modifié leur politique étrangère à l'égard de la Turquie. Les Nations Unies sans aller jusqu'à condamner l'intervention turque à Chypre a montré cependant son désaccord par ses résolutions réclamant le retrait des troupes étrangères de Chypre. Il faut donc constater l'insuccès de notre politique étrangère en matière de l'explication des aspects véritables du problème à l'opinion publique mondiale : il est temps pour la Turquie de passer d'une politique extérieure immobiliste à une politique dynamique.

Le problème Chypriote a servi la Grèce en lui permettant un retour au régime démocratique. Depuis, redevenu membre du Conseil de l'Europe, la Grèce, notamment en s'appuyant sur l'influence qu'elle possède aux Etats Unis, (la présence d'une colonie grecque et des capitaux importants) a réussi à mobiliser les groupes de pression et l'opinion publique occidentale en sa faveur. C'est ainsi que faisant oublier le coup d'Etat de Samson en accusant en la matière les politiciens de la junte renversée, la Grèce a réussi à présenter son point de vue d'une manière positive.

C'est dans ce climat que certains états occidentaux ont réclamé de la Turquie le retrait de ses troupes de l'Ile. Non seulement l'intervention turque était rendue obligatoire à cause du coup d'Etat de Samson, il n'est pas non plus possible pour la Turquie de consentir dans cette situation de grands sacrifices sur le plan militaire à Chypre. La Turquie étant un des signataires des accords de Londres de 1960, elle doit garantir l'indépendance et l'intégrité territoriale de l'Ile. En outre, des sacrifices outre mesure non réalistes risquent de nuire aussi à la Turquie sur le plan de sa politique intérieure. Les deux parties doivent donc s'entendre sur une politique réaliste et rationnelle réglant à la fois le problème chypriote et celui du plateau continental de la mer Egée. Un calendrier peut donc être fixé par les hommes d'Etat, des deux parties. La mer Egée importante aussi bien économiquement que du point de vue stratégique peut devenir une zone de paix. D'autres nations dans le

passé ont réussi à transformer l'hostilité historique en une amitié durable (cf : France - Allemagne Fédérale).

En somme , bien que son importance stratégique diminue, la Turquie fait toujours partie d'une zone instable (rappelons le problème libanais) où l'union soviétique constitue une menace. Les Etats Unis veulent, sans retourner à une position isolationiste diminuer leur contribution économique pour maintenir le statu quo dans la région. D'autres alternatives s'imposent comme prouve l'initiative giscardienne d'une politique européenne méditerranéenne. La C.E.E. semble, tout en se plaçant dans le camp occidental, s'orienter vers une nouvelle division des tâches sur le plan diplomatique. L'adhésion de la Grèce à la Communauté devient certaine. C'est dans ce nouveau climat de coopération politique qu'il faut maintenant envisager le choix d'une nouvelle politique étrangère par notre pays.

E - Développer notre politique étrangère dans le cadre d'une C.E.E. élargie :

La C.E.E. a sans doute comme objectif final l'aspiration millénaire d'une unification harmonieuse européenne. Fondée à court terme sur les intérêts commerciaux et économiques des pays membres, elle s'avance lentement sur la voie d'une unification politique dont les premiers pas sont la création d'une monnaie européenne et l'élection des députés du Conseil européen au suffrage universel.

Politiquement et idéologiquement, la C.E.E. est composée de nations fondamentalement attachées au régime démocratique pluraliste. Ainsi s'explique sans doute ce désir des nations périphériques (Espagne, Portugal, Grèce) qui attachées aux principes des institutions démocratiques veulent les concrétiser et rendre durables dans leurs pays : ceux-ci, en entrant dans le Marché Commun espèrent clore définitivement tout retour à des régimes autoritaires.

Dans les pays membres du Marché Commun, non seulement cette idéologie démocratique est puissamment enracinée, mais, en outre, la Communauté favorise le succès des forces les plus démocratiques. Les forces politiques dominantes de la

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Communauté sont la démocratie chrétienne et la social démocratie. Seul en effet, des hommes politiques de pays différents se réclamant des principes démocratiques plus ou moins similaires peuvent réussir à faire avancer cet ensemble dans la voie d'une unification à l'échelle européenne.

Par son fonctionnement, la C.E.E. développe les relations non seulement au niveau des politiciens professionnels, mais à celui d'un ensemble de groupements : du fait des prises de décisions communes à Bruxelles, les organisations patronales, syndicales commencent à se connaître, se rapprocher, voire même à se concerter à l'échelon européen pour définir elles aussi des politiques communes. Un rapprochement s'effectue aussi au niveau des municipalités. Les organisations de jeunesse, de sports, les associations culturelles coopèrent aussi de plus en plus, l'Europe devenant de plus en plus petite, solidaire et unie. L'unification réalisée au sommet descend petit à petit à la base.

Pourquoi alors la Grèce est-elle tentée d'une manière si subite d'entrer dans la C.E.E.? Pour se protéger sans doute des aventures autoritaires la Grèce a intérêt à devenir membre intégral de l'Europe. Mais en même temps on peut se demander si le conflit avec la Turquie n'accélère pas cet envie grecque ? Dans le conflit qui oppose la Grèce à la Turquie sur les problèmes chypriotes et du plateau continental égéen, la Grèce préfère obtenir l'appui des pays européens en entrant elle dans la C.E.E. et en laissant dehors la Turquie. Ainsi, le choix pour la Grèce est d'avantage politique qu'économique.

Devant cette perspective, mais en tenant aussi compte de la situation historique, économique, idéologique de nos structures nationales, il est de notre intérêt d'adhérer nous aussi à la C.E.E. . Ne pas y adhérer constitue aussi un choix politique mais ce choix ne convient ni à nos intérêts politiques, ni à nos intérêts économiques, ni commerciaux. Comme la C.E.E. constitue un partenaire privilégié, au niveau politique des Etats Unis et un grand sous-groupement de l'OTAN, la position d'une Turquie tenue en dehors de la Communauté devient préjudiciable pour la politique

méditerranéenne . Militairement, une Turquie affaiblie n'arrange pas non plus les intérêts des puissances alliées. Une Turquie membre de la C.E.E. présente des avantages pour l'Occident. Cette adhésion renforce aussi en Turquie, sur le plan intérieur, le régime démocratique, assez enraciné, mais menacé toujours par le développement des idéologies anti-démocratiques.

Nous vivons dans un monde où même les problèmes politiques mineurs des nations intéressent toutes les autres. De plus en plus les conflits sont portés aux tribunes internationales, exposés à l'opinion publique mondiale. Dans une telle situation, la solitude est toujours préjudiciable et l'importance des alliances devient évidente. Une Turquie membre de la C.E.E. pourra y trouver des appuis pour défendre mieux ses intérêts nationaux devant cette opinion publique internationale. L'adhésion à la C.E.E. ne constituera pas non plus pour elle un obstacle pour le développement des relations amicales avec les pays tiers. De ce point de vue, beaucoup de pays de la C.E.E. (France) maintient une politique extérieure ouverte et souple. Dans une Europe élargie la Turquie aura des relations aussi bien avec les pays du tiers monde qu'avec les pays musulmans arabes ou autres producteurs du pétrole. Cette situation pourra être bénéfique aussi pour l'Europe dans l'établissement des rapports amicaux avec ces pays.

Une organisation internationale n'est pas une construction théorique. Elle est faite d'Etats représentés par des hommes politiques qui, de réunions en réunions finissent par se connaître, devenir amis. Ainsi lorsqu'un pays membre est confronté avec un problème extérieur, ces relations permettent une meilleure défense de ses intérêts. La situation du pays voué à la solitude devient par contre de plus en plus difficile même si la thèse qu'il défend est juste. Dans la résolution des problèmes extérieurs - Chypre, plateau continental de la Mer Egée - la véracité de cette situation est apparue une fois de plus. La Turquie a intérêt à entrer dans la C.E.E., et la C.E.E. doit tenir compte de la position géographique, économique, sociale, démographique et politique de la Turquie pour faciliter cette entrée, dans son propre intérêt.

Le choix d'une politique étrangère orientée vers la C.E.E. n'interdit pas à la Turquie de développer ses relations plurilatérales avec le reste du monde. C'est pourquoi le maintien de la Turquie dans le camp occidental, son rapprochement avec la C.E.E. constituent un choix rationnel correspondant sans doute le plus aux exigences de ses intérêts nationaux vitaux.

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