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Turkey's Political and Economic Relations with the USSR and the
Eastern Block Countries. Possible Future Developments

Comment by Roberto Aliboni, Director, Institute of International
Affairs, Rome, Italy

1. For some years now, as is well known, Turkey's relations with the European socialist countries and, in particular, with the Soviet Union have been of growing importance. In 1978, for instance, Rumania concluded a trading agreement with Turkey. This was followed by the granting of a credit line for the purchase of Rumanian exports. On April 19 of this year, another agreement was signed with Yugoslavia. In the future, the number of these accords might well tend to grow.

This report will be centred primarily on Turkey's relations with the Soviet Union. Here relations are being developed particularly intensely, especially in the field of economic and trading relations. Both sides attribute political significance to this trend. It is being said that Turkey is beginning to look "elsewhere".

The most important steps in this improvement in Soviet-Turkish relations were Kosyghin's visit to Turkey in December 1975, Caglayangil's visit to Moscow in March 1977 and, most recently, Ecevit's visit to Moscow from June 21 to June 25, 1978. At the end of this visit a declaration was signed on the principles regulating neighbourly relations and friendly cooperation between the USSR and the Republic of Turkey. A number of other agreements were also ^{signed} [initialled] on this occasion. This included accords defining the extent of the continental shelf, as well as others on industrial, trade and cultural cooperation. During the period of Hikmet Cetin's visit to Moscow, the press (Financial Times 18.10.78, International Herald Tribune 4.10.78) reported that the Soviet Union was giving aid to 44 different development projects in Turkey.

Given Turkey's role in Western defence and in the Western economy, the NATO allies have viewed this improvement in relations with some concern. How far is this concern justified?

2. It is generally recognized that the improvement in relations between Turkey, the Soviet Union and the other socialist countries is in some way tied to the following factors:
- a) The dispute with the United States following the embargo on US arms supplies imposed by the Senate following the Turkish intervention in Cyprus in 1974.
 - b) The enlargement of the EEC to include Greece. General dissatisfaction with the results of Turkey's association agreement with the Community, and with European insensitivity towards Turkey's

social and economic difficulties. Given the worsening of the dispute with Greece, there is widespread feeling in Turkey that the EEC has been less than even handed in its relations with the two sides.

- c) The intollerable pressure of economic difficulties, in particular the cost of oil imports.

These factors are inter-linked and have led the Turks into the belief that they have been abandoned by their allies and, therefore, that diversification of their relations has become an objective necessity. Turkey is thus seeking closer relations with the developing countries and with the socialist states, in particular the Soviet Union.

Now, in the short term, there can be no doubt that these factors are working to bring about a rapprochement with the Soviet Union and the other socialist countries. The important point, however, is to see whether these factors are capable of leading to a significant long term change in Turkey's international role. If we are to make this evaluation, it becomes necessary to discuss the three orders of factors mentioned above in rather more detail.

3. There can be no doubt that in the period prior to the crisis which followed the American Senate's debatable decision to cut off arms supplies to Turkey, Turkish relations with the USA were, if anything, over-exclusive. Even Turkey's relations with NATO did not imply participation in a multilateral alliance so much as close bilateral relations with the United States. The



crisis, together with the measures taken by Turkey in reprisal for the embargo, has reduced Turkish over-reliance on the US; overall Turkish foreign policy has returned to a more "normal" pattern. In other words, Turkey has diversified her economic and political relations in exactly the same way as other members of the Alliance already did, a considerable time ago, as part of the process of detente.

The intensification of relations with the Soviet Union and the other socialist countries may thus be ^{connected with} ~~interpreted as~~ a crisis in Turkey's alliance with the Americans. This does not mean however, that this alliance is being abandoned. What it does mean is that Turkey is loosening her over-exclusive relationship with the USA. In a world characterized by loose bipolarism - as Prof. Esat Cam has put it (Foreign Policy preferences of Turkey "Dis Politika", No. 3-4 1978, pp. 77-111) - rather than by the tight bipolarism of the past, this kind of relationship has lost its raison d'être.

This was very clear in a recent statement by Ecevit: "We see no reason why we should stick to a function reminiscent of the cold-war years in this period of détente. It is unfair of our allies to look upon these intentions with concern. In any case, we would not deviate from the sense of responsibility that our geopolitical position and our historic experience impose upon us..." (Newsweek, March 19, 1979).

The experience of recent political earthquakes as in Iran, along with the presence of armed groups and of terrorism in

Turkey might lead one to take a pessimistic view. Nonetheless, as has been shown by the Italian example, if the army is loyal and the main political parties are united in their defence of the constitution, terrorism and the presence of armed underground groups, while constituting a very serious and painful problem, is not enough in itself to lead to a change in the existing order. As far as the Iranian example is concerned, it should be said that Iran is very different from Turkey which is essentially a European country with deeply rooted democratic institutions. What is more, unlike the situation in the other Southern European countries (Italy, Spain, France, Cyprus, Greece and Portugal), those organizations in Turkey which are presumably linked to the Soviet Union and to the other socialist countries are only very small.

In practice, Turkey is anchored to Europe regardless of insults from the American Senate, the weaknesses and hesitations of European governments and the errors of successive administrations in Washington.

4. The second order of problems concerns the insensitivity of Community policy towards Turkey. Here, however, although the Europeans deserve criticism, the feeling in Turkey that she has been unjustly treated and that she has been left to her own fate, seems, at least so far, to be unjustified. Greek membership of the Community is only the first step in a long and complex process which is going to involve the countries of the Iberian peninsula, the other Mediterranean countries, and the non-member states in general. This process is of primary concern to the Community itself. In the past, the less developed regions of the Community

(the Mezzogiorno and a few other limited areas) have played only a marginal role. With enlargement to include the countries presently applying for membership, they will come to constitute a priority problem for the whole Community. In other words, the EEC will be forced to concern itself with the problem of economic backwardness no longer simply as a problem concerning the associate members and non-member states, but rather as a problem within the Community. If she wishes to do so, Turkey could very well take advantage of this new situation.

A second point which should be mentioned in any discussion of the future of relations between Turkey and the Community is that Turkey, like Italy, is committed to improving the efficiency of public enterprise so that ^{social equilibria (for ex., the structure of public} ~~(the new wealth created can be used to~~ ^{expenditure in Italy; price controls in Turkey)} ~~maintain social equilibria, without this signifying any reduction~~ ^{and not by seizing the wealth produced in other} ~~in accumulation in the productive)~~ sector of the economy. (This implies increased public expenditure in Italy, price control in Turkey.) Turkey also needs to clarify her present ambiguous position in which the desire for international integration contrasts with nationalist economic policy (obstacles to foreign investment, subsidies, etc.). This is not enough to tie Turkey to Europe. Nonetheless, if there are no clear decisions in this field, she will continue to play a marginal role in the Community.

If the Turkish economy is to make the transition to development and liberalization, the Community is responsible for helping her, along with other weaker industrialized countries in Southern Europe, to make this possible. If this is not done, Turkey's incentives to look "elsewhere" will grow. This would

lead to a strengthening of Turkish relations with the Soviet Union and with the other socialist countries for technical as well as for political reasons. One could, however, be sceptical of the results for Turkey. Many previous examples - from India to Egypt - have shown that the present socialist countries have only very limited economic and industrial effectiveness when they operate abroad.

5. The third order of factors concerns the effects of Turkey's present economic difficulties. Like many other countries, Turkey has had to face the inflation and stagflation resulting from the crisis of the 1970s. The effects of this crisis have been extremely severe. Following the summit meeting at Guadalupe, aid has begun to arrive, but with very poor results considering the needs of the country. One of the reasons for these difficulties may well lie in the analysis which is usually made of the difficult situation in which Turkey finds herself. Richard Cooper, the American under-secretary of state, reflected current opinion when he stated that Turkey is one of those countries, like Spain which has reacted to the crisis with "a conscious decision to ride out the inflation and recession of the mid-1970s through borrowing rather than reducing their level of economic activity". (I.H.T. 21.2.79) Turkey is thus invited to reduce her level of economic activity or, alternatively, to reduce domestic consumption and to increase exports.

This kind of bitter medicine could prove to be not only politically useless but also extremely damaging. In terms of in-

creasing the gap between Turkey and the West, that is of the risk of a rapprochement with the Soviet Union, this kind of policy could play a far more decisive role than disputes with the allies or the lack of sensitivity shown by the EEC.

An over-drastic cure for the country's economic ills could have profoundly disruptive effects at a social level. The Italian experience teaches us perhaps that an increase in exports at the expense of internal consumption and a lowering in the level of economic activity are only possible in highly specific economic and political conditions. The trade unions and the Communist Party have made it possible to gradually devalue the lira and have allowed increased labour mobility. The administration has allowed the setting up of numerous productive activities which take no account of tax law and labour legislation. This has made it possible for a "submerged" economy to come into being. With its extremely low production costs and its high competitiveness, this submerged economy makes an important contribution to the overall wealth of the economic system.

This does not mean that this would be the ideal solution for Turkey's economic problems. It does, however, go to show how complex a situation can be compared to the simplistic solutions proposed by international financial circles.

Turkey will have to be very cautious when it negotiates economic commitments in return for financial aid. It is difficult to help Turkey to put her foreign accounts and her economy back into a healthy position without creating dangerous, and irrevers-

ible social and political disruption. Nonetheless, this has to be done.

6. It seems unlikely that the various factors listed here could lead to a long term change in Turkey's international position. The primary reason for this is that as was stated earlier, Turkey has ties with the West and with the industrialized world which allow her to maintain a stable position regardless of adverse events and the insensitivity of her allies.

In the future, Turkey's relations with the Soviet Union and with the socialist countries could well become even more intense than at present. Nonetheless, they are not likely to go beyond the same kind of acceptance of detente and increased cooperation typical of the general relationship between the industrialized and the socialist countries.

There is, however, a risk, namely the light-heartedness with which Turkey's friends - that is both the EEC and the other OECD countries - could in the future approach her economic development and employment problems. A failure or even just mistakes in this field, could throw Turkey into a situation of apathy and abandon. In this case, Turkey would no longer feel that she were actively participating in the Atlantic Alliance. This would not imply a sudden change of camp but it would lead to just the kind of atmosphere the Soviets are waiting for.

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