

Turkish Foreign Policy, Economy and Politics: The View from the Opposition

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4th Floor Conference Room, CSIS

Moderator: Bulent Aliriza, Director and Senior Associate, Turkey Project

The Republican People's Party RPP (CHP) Delegation

Osman Koruturk: Vice Chairman in charge of Foreign Relations. (Former Ambassador)

Faik Oztrak: Vice Chairman in charge of Economic and Financial Policies and Member of the Grand National Assembly.

Gulsun Bilgehan: Vice Chairman in charge of Women Organizations.

Umut Oran: Vice Chairman in charge of Employers Unions and Professional Organizations.

Faruk Logoglu: Party Assembly Member. (Former Ambassador)

Osman Koruturk:

We are the CHP delegation that came to Washington after decades for the first time. We are a new team. The leadership of the party has changed since last year. We call ourselves the new CHP because we have a wider vision and we are more open than the former CHP to international relations. We decided to come to the United States- we have been in a number of countries, we have been in Germany, we have been in France, we have been in Belgium, we have been in the UK- and we are going to continue to visit many countries because we want to act from now on as our own image makers. We understand that some other people have acted as image makers for us, giving an erroneous image of the CHP. CHP is a social democrat party concentrated on democracy and freedoms and our foreign policy also is based on democracy, freedom, human rights,

secularism, supremacy of law, national development and prosperity, social justice, gender equality and universal civilization values.

Faruk Logoglu:

We are looking at a new CHP for a new Turkey. By a new CHP we don't just mean new leader at the helm of the party but a political party that is resetting itself- to borrow a term from Secretary Clinton. It is going to be a party that emphasizes continuity and change. Continuity with the basic principles, the founding principles of the Turkish Republic, which Ambassador Koruturk mentioned such as democracy, the rule of law, human rights and secularism. In terms of change, we want to create a new Turkey. We are not saying that what happened in the last ten years- everything was wrong, everything was black- that's not our contention. There were good things done, but we want to do better and specifically we want to eliminate poverty, we want to eliminate corruption, we want to offer equal opportunities to our citizens whether in terms of employment and education or otherwise. One other point we would like to emphasize is gender equality, participation of women in the economic, political, social and cultural life. In other words, our points of connection to the general population in the upcoming elections on the 12th of June will be basically bread and butter issues; issues that really matter to the people.

In terms of foreign policy, many things will be different when CHP comes to power. First of all, I think putting Turkey back into the European, Euro-Atlantic fold but not as it was ten years ago is important. Turkey is a different country than it was ten years ago. The way I put it is not just a renewed commitment to our accession to the European Union but a Turkey in the Euro-Atlantic community that will have an equal voice in running the affairs and the direction of the Euro-Atlantic community. Perhaps the best way to put it would be instead of the Washington and Brussels relationship we've seen for the past 10-15 years, we want to achieve a Washington, Brussels and Ankara dialogue. A triangular relationship where Ankara will have an equal voice within the community.

We also want to put Turkey back into a Middle Eastern equation; the peace process that will require a restoration of our relations with Israel. Without enjoying some degree of confidence from Israel, Turkey will not be able to play an effective role in this region. This is not just a bilateral thing between Turkey and Israel. Turkey that can play a role in the region is a strategic asset for the region. That's why a restoration of relations with Israel, under appropriate conditions of course, because there are certain problem that need to be cleared with Israel and we think we can do that by diplomatic means. CHP will also emphasize multilateralism. This is something your president--in this country--has promised when he came to power. In contrast to what we have seen on the part of Turkish policy in the last 6-7 years and especially in the last couple of years, increased

unilateralism, an increased assertion of Turkey's powers; yes, Turkey is a regional power but the effectiveness of that power depends on its ability to connect with others. To connect your energy, your weight with the weight of your friends and allies means multilateralism, not a unilateralist approach to regional and international problems.

There will also be changes in the style, in the conception of Turkish foreign policy. We want a more realistic, a more result oriented foreign policy for Turkey. I think we all enjoy the fact that Turkey is very active and has a high profile and the Turkish foreign minister is everywhere, but that's not enough. We want to produce results, results for Turkey and results for whatever problem that we are trying to address. This will also mean a changed style in our foreign policy, calmer, more calibrated, a more deliberate foreign policy to be followed by CHP when we come to power. One of our prime objectives will be to restore a healthy relationship with the US. We are experiencing a number of problems, whether it is over Iran or the state of our relations with Israel. We also have some difficulties in dealing with Libya and Turkey's reticent attitude towards some NATO activities. All these have to be reordered and clarified under a new arrangement with the United States. A relationship which we think should rest on mutual respect and interests because generally speaking, the US being a big superpower, sometimes forgets the interests of its partners and can get a little pushy. But I think the US also understands the best way to promote its interests would be to work with other countries on an equal footing. CHP's attitude, regarding our relationship with the US will be from that perspective. We are asked, how can we help Turkey? That's not a very easy question to answer but when we are asked this question, my answer is that the way to help Turkey and other countries is to defend the same principles, the same values that you defend in the United States; freedom, democracy, equality, human rights. This is all we need to do as a community of nations.

Faik Oztrak:

During the last ten years, we have witnessed a very interesting period in the global economy and in Turkey. We had a very favorable global climate at the start and then we ended up with a global crisis; a crisis which started in the developed markets and then affected also the developing countries. Now we are also observing, following this crisis, radical changes especially in the Middle East and North Africa. Somebody can tell that these changes that we are witnessing in these regions are mostly related to the regimes over there but I have to remind you that the crisis started with a young guy burning himself because he could not find a job and was not able to feed his family. Although, now everybody is telling that the latest crisis is the crisis of developed economies and affected developed countries, we have to see that the impact on developing countries was also quite large, triggering radical changes in those economies.

Now as CHP, how do we look at the economy and what are the problems we are seeing related to the Turkish economy? First of all we are observing that the growth rate is fluctuating between %10 and %-6 in the last 20 years. We had four years that we had %-6 growth, reflecting crisis periods. The average growth rate is also low by the standards of a country that is living in the demographic window of opportunity, which shows that we did not do a good job mobilizing the resources in the Turkish economy and also shows that we are having problems as we have such frequent crises in this economy. When we look at the last ten years in terms of growth performance, we were lagging behind our competitors. For example, among the 150 developing and developed countries, we were at the 88th place during the last ten years. The previous ten years, we were 49th. That means that our performance in terms of growth- although the image was very bright outside- was not in line with the growth performance of our competitors. Another problem is that growth is not creating jobs. Between 2003 and 2010, the unemployment rate was %11.2 and it never went down below %10. While during the previous 10 year period it was %8. The employment creation is low; the participation of women in employment has deteriorated. The women participation in labor force was %30.7 between 1988 and 2002, between 2003 and 2010 it has fallen to %24.8. There are explanations that migration from rural areas would create such a fall in women participation in employment but it is still important. Expenditure based relative poverty rate, which was %14.7 in 2002 is now standing at %15.1 in 2009.

Another problem is youth unemployment in Turkey. The most important asset in terms of creating competitiveness is the youth in Turkey. But when you look to the youth unemployment, it is %20 which is below the rate we are observing in Sub-Saharan African countries. On the other hand, if we make the same comparison for unemployment among the 150 countries, we are now ranked as 26th in terms of having the highest unemployment. During the previous ten year period, we were 49th. So there's deterioration there also. More important than that, we are observing deterioration in the competitiveness of the country. The current account and trade deficits are widening tremendously. The current account deficit that we are observing now is more or less similar to the current account deficit we had in 1993. The recent current account deficit is the largest we have had in the last ten years. We had a very high growth rate, much better compared to our peers in Europe, especially in comparison to the developing countries in Europe. But the cost of that was very high, very large current account deficit. The central bank is trying to do something in order to curb this deficit but it is not working. The government is in the business of elections. Although we are seeing some improvement in the fiscal figures, they are not very convincing. It is interesting to see that between 1923 and 2002, since the foundation of the Republic, the cumulative foreign trade deficit was \$247 billion. The trade deficit during the last eight years between 2003 and 2010 was \$ 387

billion. We are also observing that growth became we are more dependent on external capital inflows during the last ten years. All these figures show us that the existing growth strategy is not creating jobs, is not increasing the performance of the Turkish economy in terms of growth and creates serious vulnerabilities. There is now a need for a new growth strategy. We have declared our growth strategy before coming to the US in Turkey.

We have three main pillars. The three main pillars are: restoring social welfare state, within this context we have a project which is called the family insurance scheme. The family insurance scheme is trying to deal with the problems created by the existing social support system. We have a social support system in Turkey which distributes 14 billion Turkish liras every year, which is more or less one percent of the GDP. The OECD countries are spending more than six percent on social support, Mexico five percent of its GDP, and we are only spending one percent. But again the system involves too much discretion. The recipients of the social support don't know when and what sort of social support they are going to get. They don't know how they will be identified, who is entitled to get the social support. There is too much discretion there. 14 different institutions are distributing the social support. Among the administrative cost of distributing this social support, nearly 60 percent of this cost is incurred in Ankara because we have 14 different institutions doing that. Sometimes people who are not entitled to get the social support are getting the social support. There is too much discretion involved in the social support system and too much political interference to create political rant.

We are going to finish this system. We will treat the social support as a universal right and the people who will be entitled to get the social support will be identified on an objective basis. The people in Turkey will know that beyond a certain income threshold they will be able to get the social support, which will also help flatten economic fluctuations because of serious cuts on consumption during the crisis time. If people know that they are entitled to a certain amount of income, then the cut in their consumption will be less drastic. What we are saying is that we are going to increase the competitive power of the country and under this heading we are eliminating some micro reforms, some sectoral policies and also we are saying that the resilience of the Turkish economy against the fluctuations in international capital movements will be increased.

Finally we are saying that we are going to increase the stability in the country because what we witnessed during the last ten years was that there were some anchors which were put into play just after the crisis that we had in 2001 and 2002. But these anchors were weakened tremendously during the past period. For example we had a public procurement law which was put in place in 2002 and it was in line with international standards and EU standards. Now we are seeing the EU is

complaining about the public procurement law and they are not opening the chapter on competition because of these weaknesses of public procurement regulation. I have to say that during the last eight years, this government has amended the public procurement law 18 times. They have also introduced several exceptions in other specific laws which amounts the realized amendments to 40.

The social dialogue mechanisms didn't work during the last ten years. The law which regulates the operation of social and economic council says that every three months, the Prime Minister has to call for a meeting, but this rule was also not obeyed. Although during the last constitutional referendum they have brought this economic and social council as an article for the constitution but they have not obeyed the rules relating to it.

Finally, very recently the government decided to bring in fiscal rule, we have supported it and then when it comes to the General Assembly it was withdrawn by the Prime Minister saying that they cannot enter into this tight shoe. These are the practices that we have witnessed during the last ten years although because of the favorable climate in global economy and the interest of capital inflows to Turkey, this was not raised as an issue but I think in the future when the pull factors become more important compared with push factors, we will be in a position to face those issues as the weaknesses of the Turkish economy so we need to handle this situation.

Gulsun Bilgehan:

I am in charge of women's branches, and I would like to say that gender equality is a priority for the new CHP. Turkey is the only secular and democratic country in the Muslim world. Turkish women gained their political rights before many of their European counterparts—10 years before French women and 40 years before Swiss women. But unfortunately this is not the case anymore. Mr. Oztrak mentioned that women's participation in the labor force is low and unfortunately in the last 7 years domestic violence has gone up 1400 %. It's a shame. In the course of the current government's rule, there has been a dramatic increase in Islamic conservatism. This conservatism is not the only reason of course; there are economic reasons. We, as the CHP, believe that we can reach gender equality by giving women financial freedom. Therefore, we seek to promote better standards for women; our strongest policy, which we call the Family Insurance, is our best project for the moment.

The strange thing is that women's rights in Turkey have not been progressing as time passes. Our grandmothers were more advanced than our granddaughters. I think that Turkey is the only country in this position. For us, gender equality is a very serious issue. We are trying to meet with families

and women in their homes to talk about our project. From a legal standpoint, our country is very advanced; however, adopting laws and implementing them are two different things. We need to change our mentality. We know that it is not easy.

Umut Oran:

I just want to add some comments as my colleagues already explained why we are here in the US. Our aim is to explain the domestic and foreign policies of our party and the changes we are making. In the last nine months, we changed the management three times, held two general assemblies, had a referendum period and now, we are participating in the general elections. Although we are trying to make internal changes, we are also trying to get the right agenda for the country. In the last nine months we have visited 81 cities, two times, with our party leader. When we visited these cities, our main goal was to meet with people who represent the population, the NGOs and the unions. We tried to deliver our message: what we are thinking about the future of Turkey and the policies of the party. At the same time, we tried to get important messages from them; what are their priorities and problems. These nine months were very important for us to get the right agenda by doing this road show around the country. As Mr. Oztrak already explained, our economic strategy and agenda is ready, not only for the next four years but for centennial of the Republic, in 2023. We formed this with a dialogue with the NGOs, business community and civil society. We had meetings with 53 different sectors and we had ten regional meetings to build up our economic strategy. We also prepared civil society reports, which we announced three weeks ago. It is also in our website in English. Today, our society has huge problems and there is limited NGO participation compared to the developed countries in Europe and the US. We have the same problem for gender equality, only one in five women in Turkey is active in NGOs.

What are the problems of civil society in Turkey? We recognize that the state is very powerful and the civil society is weak. There is a weak cooperation between the NGOs, they have very limited financial resources and there are inequalities between the NGOs due to geography and differences in development levels. The NGOs also have a visibility problem in the press and in general. Our solution is to change the mindset of the state towards civil society. Civil society has to be integrated into the decision making channel. The NGOs have to play a role in checks and balances of the system. NGOs have to be heard, all the way down to the local government administration. We have to also change the legislation for NGOs, bureaucratic bottlenecks will be removed. Financial support for the NGOs should be assured by the policymakers and some tax privileges have to be put in place. In our new civil society program, there will be some organizational support for the NGOs from the state. We are trying to explain during our three day visit here what we are

thinking about our country and sharing the real situation in Turkey. We are also examining the agenda of US; the elections next year, their policy in the Far-East.

Bulent Aliriza:

Much of the discussion here in Washington relating to Turkey, including here at CSIS, has recently been on foreign policy. We've had many meetings focused on foreign policy including one a few months ago with Foreign Minister Davutoglu. However, I will resist the temptation to initiate the Question and Answer session by asking about foreign policy. I am sure it will come up in subsequent questions.

Let us focus first on the economy. Increasingly, people are beginning to look at the Turkish economy with some concern in Washington. Recently, the IMF drew attention to the growing current account deficit and dependence on the short term funds. I understand that the World Bank is also similarly concerned. Mr. Oztrak, as you said, the size of the current account deficit is similar to that of 1993. And while long term foreign direct investment (FDI) has been going down after having gone up to \$20 billion very impressively a few years ago, the dependence on short term funds has gone up. I've seen figures around \$50 billion dollars. These funds are chasing profits, they come quickly and go quickly, and the extent to which Turkey is covering its current account deficit by reliance on short term funds is causing some concern. How dangerous is this dependence on short term funds? You also talked about some measures that you hope to implement if you win the elections by weaning Turkey away from this dependence and making growth depend not so much on the availability of easy credit. Instead of on short term funds that go through the banks to the consumers and drive domestic consumption on export led growth which was the policy for a long time.

Faik Oztrak:

Well, I think the widening current account deficit together with the deterioration of the quality of finance will be a major source of vulnerability in the future. Now what I am observing in the Turkish economy is that, the emphasis of the ruling party, is on the political side, and to shift the Turkish political system to a presidential system. It is their only emphasis. They are not concentrating on the economic side. The Central Bank acted lately. There was a rapid recovery in the economy. When you look at the returns on foreign capital, Turkey was, with other emerging market countries, one of the highest return-providing countries. Despite the expectations that there would be a shortage of foreign capital, the influx of foreign capital continued because of the liquidity ejected by the US and other developed countries' central banks which came to Turkey and

other emerging market countries. And, there was a sudden recovery in the economy and the government was very happy with that without seeing the consequences. Now, we are in a very difficult situation and I mentioned also the radical flows in output in the last 20 years.

Turkey needs to learn to manage capital inflows beyond its absorption capacity, and not to create competitiveness problems because of excess capital inflows. This is the problem. In order to do that, the first policy that we need to use is coordination between monetary and fiscal policy. You cannot assume that adopting a restrictive monetary policy without having a restrictive fiscal stance will solve this situation.

More and more, the central bank is losing its credibility with this new heterodox approach, because it gives the impression it is trying to give some comfort to the government before the elections. I think it is very dangerous. Because when the credibility of the central bank is lost, it is difficult to gain it back. It is a very dangerous game. Again, when you look at the international reserve policy, our ratio of international reserve to debt is very low compared with other emerging market countries. Finally, we failed to establish a policy coordination framework, which would deal also with systemic risks within the banking sector. So these are the areas that we will be more aggressive in, if we come to power. We are not thinking of bringing taxes on capital inflows, although many countries in the world are implementing this and even the IMF is mentioning this as an option if the other measures do not work. So, I have to say that it is a big problem, where we are heading is very risky; the policies of the central bank are not working, although they are very interesting. They are not working and the government must do something in the field of fiscal policy. There is a need for a more restrictive fiscal policy, but I do not think they will be in this business until the elections. And after the elections in 2012, we are going to have presidential elections, and in 2013 we are going to have local elections.

Bulent Aliriza: It is interesting to note that the 2002 elections were very much determined by the economic crisis of 2000-2001. With ten weeks to go until elections, we will see how much of a role the economy –there are those who say that it is going really well and those who say that it is causing concern - how much of an impact the economy will make.

Jim Zanotti: My name is Jim Zanotti and I am with the Congressional Research Service. I think I will weigh in on foreign policy here a little bit. Ambassador Logoglu, you have enunciated that one of the points of CHP's platform is to rehabilitate relations with Israel and you said under appropriate conditions. I am interested to know if you have enunciated this point to domestic audiences and what the reception has been thus far. To take the question just a little wider, you have not really commented on what has been taking place in the Middle East over the last couple of

months. I would be interested to hear your thoughts on how the party views Turkey's role given what's developing there.

Faruk Logoglu: Regarding Israel and generally speaking, foreign policy issues are not really campaign issues. What I said about Israel pertains to our position when and if we come to power. We feel, as CHP, that foreign policy issues should not be campaign matters. Yes, we are going to enunciate our position on the EU, the Euro-Atlantic community and with our neighbors. When I talk about the restoration of our relations with Israel, I don't mean at the exclusion or at the expense of our relations with the Arab countries. That's also important for us. But we do not intend to make, especially the question of Israel, a campaign issue. In terms of what's happening in the region; CHP takes a principled position that the aspirations, the demands and the expectations of the Arab people, whether in Libya or in Yemen or in between, should be met in the direction of creating freedom, greater democracy, greater equal opportunities and hopefully also better gender equality conditions. We feel for example in the case of Libya, in as much as the attention has been focused on the military aspect of engagement of the international community and of NATO, the emphasis should very rapidly shift to an institutional political process inside Libya which would end with the elimination of Qaddafi and the establishment of a more responsible regime in the country. So it's more freedom, more opportunities, more respect for the Arab individual in their own countries. That's our position.

Osman Koruturk: I would like to add one small element to what has been said by Ambassador Logoglu. As far as Turkey's relations with Israel are concerned, we think that this is not only important for Turkey and for Israel but for the region, for the peace and beyond. Because Turkey, having good relations and equidistant relations with the parties to the Middle Eastern conflict, would be able to contribute to solving the Middle Eastern conflict, which is the important conflict in the region. Now that there are some new changes in the region, this conflict should also be addressed properly. We think that having good relations with Israel and having good relations with the other parties to the conflict would permit us to replay the role that we were playing in the past.

Ilhan Tanir: Ilhan Tanir, from Hurriyet Daily News and Vatan. Ambassador Koruturk or Logoglu- whoever would like to respond- What is taking place in the broader Middle East, what will be the longer strategic gains for Turkey? On Libya, top administration officials from the AKP have been drawing parallels with the Iraq war and the Afghanistan war. Do you agree with this comparison?

Osman Koruturk: The changes in the Middle East, in the long run, will of course be beneficial for the region and Turkey. We are supporting the legitimate aspirations of the people of these countries that are uprising and we want regime changes in these countries. Because these countries are very

rich countries, very rich regions and the reason why until now we didn't have an area of cooperation is mostly that the regimes of these countries were not compatible to have wider areas of cooperation. But in the short term, we should accept that we are going to have difficulties because these happenings in these countries have all different outcomes. There are only three or four countries in this movement but there will be more, of course, and it will spread. In each country a different regime is building up, so this will maybe in the short term create some confusion or conflict of interest within these countries. There will probably be some influx of refugees, leaving these countries, creating illegal migration towards Europe, giving rise to some hostile feelings against immigrants. We should be prepared for that. But in the long run, I am sure that when things settle down, there will be more democracy in the region and this will give place to wider cooperation economically, socially and politically. With regard to similarities between Iraq and Libya, one should not think about similarities. I used to be Turkey's special representative for Iraq between 2003 and 2005. Iraq is a different issue. In Libya, people have asked for change and then the Libyan government instead of finding ways of engaging in dialogue with these people in order to satisfy their legitimate demands, started to oppress the people. In Libya the social structure of the country is also different. It is based on a multitude of tribes and there is an interaction between the tribes, so this is a different issue. In Iraq, it was something else. In Iraq, we see another situation developing- there is some unrest, it is not a very stable situation- but there are three components mainly: the Shiite, the Sunnite and the Kurds. There is also a Turkish component which is not visible because of the past. Personally- this is not research done by CHP but my personal feeling - I don't think that any of these three communities has an advantage in being separated from the unity of Iraq. They all would like to be in this unity. There is a sort of democracy being built in Iraq. The shortcoming of this democracy, according to my personal assessment, is that political parties in this country are concentrated on their own spheres of interest. Shiite parties have Shiite policies, Sunnite parties have Sunnite policies, and Kurdish parties have Kurdish policies. They do not yet have national policies, but this will come probably.

Elcin Poyrazlar: Elcin Poyrazlar from Cumhuriyet. I was wondering if you could talk a little bit about Turkish public opinion about the NATO operation in Libya. Do they consider it as a Western coalition attacking a Muslim country again?

Osman Koruturk: Maybe, but this has to be taken in another way. Turkey is a full member of NATO, unlike the European Union. In the European Union, we don't have a say yet but in NATO, we have the right and we are always participating in building cooperation and also the shaping of rules of engagement. If Turkey was in the picture from the very beginning of this operation and if this operation were conducted as a NATO operation, I am sure Turkey could have intervened in shaping the way that this operation would be prepared and done. Now, this is the second phase of

the operation, controlling of the no-fly zone plus providing the humanitarian relief. We are participating with our military experts and diplomats. If Turkey participated from the beginning, maybe the operation would not have exceeded its aims; it could have been explained better to the Turkish public that Turkey is a part of this operation and the operation is being conducted in the way necessary.

Bulent Aliriza: There is a perception in Washington, which I share, that Turkish policy on Libya has been effectively protecting the Qaddafi regime which has behaved abominably towards its own people.

Rafi Danziger: I am Rafi Danziger with AIPAC. Ambassador Logoglu, you mentioned Iran very briefly. As you know one of the biggest foreign policy challenges for the United States is to prevent Iran from getting nuclear weapons. The current government has taken a position. For instance, it did not support the UN sanctions against Iran. I was wondering what would be the position with your government vis-à-vis Iran's quest to get nuclear weapons and its other ambitions in the broader Middle East.

Osman Koruturk: Iran is an important country for Turkey. For centuries, it has been an important country and for centuries we didn't have any border disputes with Iran. It is an old country, it has a deep culture, and it is one of the important powers of the region. They are our opening to Central Asia and beyond and we are their opening towards Europe. So we have to have good relations with Iran. Turkey's relations with Iran have always been good, but when I say good, it is with ups and downs. The problem of Iran is actually the Iranian nuclear program. Iran is claiming that it has a peaceful program, to get the energy capabilities of the nuclear power. The international community has doubts about this. We, as CHP, think that Iran has to be transparent. They must be transparent within the non-proliferation of nuclear weapons agreement, including its additional protocol, which also foresees some voluntary contribution by the countries to open all their facilities to inspection. We want that to be done because we think that if Iran is sincere in saying that it is not pursuing a nuclear weapons program, it has to show this as well. This is a very important thing for Turkey. We will be one of the most effected countries in the region, if one of the powers gets nuclear weapons. This is our position on that. If you think about the position of the government, it is more or less the same position, but the government gave the impression that it was backing Iran. We think that this was not the right position to be taken. The government wanted to solve this issue through dialogue with Iran, but in trying to solve this issue through dialogue, they got involved in these negotiations of P5+1, with good intentions most probably but this didn't work. Then when Turkey casted a negative vote at the UN Security Council, I remember Minister Davutoglu giving a speech at the Brookings Institute saying that we and Brazil cast a negative vote because Iran has threatened their

withdrawal from the negotiations if we would cast even an abstention vote. This is not good policy. You try to solve an issue, you don't succeed to solve the issue, and then you become hostage to one of the parties in your further behaviors. We wouldn't do that; what we want is Iran to be transparent in this issue.

Rafi Danziger: But would you support tougher sanctions vis- a vis Iran? The EU has taken much tougher sanctions than the Security Council, would you support that?

Osman Koruturk: Sanctions are something to be discussed. We had a very bad experience with sanctions in Turkey. We have lived the era of Iraq in the first Gulf War and the second Gulf War. We have lost about 40 billion dollars due to these sanctions. I am not sure whether the sanctions would work. There would of course be some restriction of financing, that can be good, but sanctions as such, result in getting the people gathered around the regime instead of getting the people against the regime. The sanctions do not give the results that they are destined to and sanctions are also harming the surrounding countries. If we were in the government, we would have discussed these issues within the EU and the United Nations. I don't have the necessary data to evaluate whether these sanctions are feasible or not. I should say that we as CHP think that foreign policies of all countries should be national policies, which should be based on broader national consensus. We are not informed by the government enough on these policies to have a sound idea whether the sanctions would work or not. If we come to power, we are going to share all information with the political parties and relevant organizations.

Steve Flanagan: Steve Flanagan, CSIS, I am Senior Vice President here. We know that by public opinion polling conducted by the German Marshall Fund and others that public support for NATO has diminished as well as for the EU dialogue within Turkey. How is your party going to approach that problem as you seek, to perhaps, strengthen your position within NATO and to convince the Turkish public that NATO still serves Turkey's long term interest? Secondly, on the greater Middle East and the political change there, do you see that as an opportunity for a partnership with the US and with the European Union countries in promoting growth of democracy, rule of law, civil society; can you imagine that being a cooperative, common effort that would also perhaps strengthen Turkey's own civil society.

Osman Koruturk: We think that NATO is a very important organization, mostly for Turkey. Turkey is a full member of NATO, and this is one of the organizations that has the capacity of contributing to world peace and to the well being of the world efficiently. We would of course support NATO and inform the public about what NATO is and what Turkish- NATO interaction is.

There is a misconception among the Turkish public about NATO. ‘NATO asks that from Turkey, NATO says that to Turkey,’ NATO cannot ask anything from Turkey without the consent of Turkey. Turkey is participating in every decision of NATO, if NATO asks something from Turkey, it is with the consent of the Turkish government, and otherwise it couldn’t ask anything. So this has to be well understood by the Turkish public, if they understand that, then the government should act according to the public feeling. And also the public would accept it better probably. Of course this could be an area of cooperation. But one should be very careful. In all these uprisings, what’s interesting is that there is no anti-Western feelings voiced. We should continue to keep it that way. We consider Turkey to be a part of the Euro-Atlantic community so Turkey is a Western country. As the Western countries, we should be very careful to preserve this positive feeling among the people towards the Western world. Western cooperation would help to restore the situation in these countries.

Ali Aslan: Ali Aslan, Zaman Newspaper. What do you think of the way AK Party handles the US-Turkish relationship. What to do intend to do differently?

Osman Koruturk: We have had difficulties in our relations with the US. This started at the beginning of the Iraqi crisis. The government, which was a new government then, started to discuss the possibilities of Turkish participation in this operation. I am very glad that Turkey did not participate in this operation. It has been very beneficial for Turkey not to participate in this operation because immediately after the operation, I was the special representative of Turkey in Iraq and everybody that I was contacting in Iraq and abroad, the other regional countries, were saying that we really respect you, you are not part of this operation. It was a good thing. CHP has contributed to that, but this has harmed our relations with the US. I don’t think that the very fact of not participating in this operation has harmed our relations. What has harmed our relations was that the government gave another impression. The government gave the impression that they would participate and it did not happen. Our foreign policy will be a sincere foreign policy, direct foreign policy, correct foreign policy and result oriented foreign policy. So this will be our difference. We will not try to work through back-door diplomacy. Diplomacy should be done by diplomats, by the State, by the Ministry of Foreign Affairs and we are going to do that.

Umut Oran: The economic side of Turkish- US relations is not good. In 2002, our export- import ratio was one to one, now it is one to three. The government is not successful on the trade side.