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Mehmet Ali Birand, Journalist and writer, CNN Türk

Kemal, could you please give us a little bit of information about Turkey? This is because Turkey is behaving strangely. By that, I mean that Turkey is not following the United States' path. It is dealing with the Iranian nuclear programme in a different way and having problems with Israel. Is Turkey changing? Is Turkey shifting to an Islamist state? What is it doing?

Kemal Dervis

I was not sure that that was the question you were going to ask me, but I am wearing my Turkish hat tonight and not my economist's hat, I guess. On Turkey, one thing struck me, when I was reading Huntington's famous book, *The Clash of Civilisations*. I am sure many of you have read it; probably many of you have forgotten it by now, which may not be such a bad thing. He picks on Turkey in that book, if you remember, as the country which will be in the most trouble in the 21st century.

He also cites Mexico and Australia; Australia is in Asia, but not Asia, Mexico is Latin American, but very close to and integrated with the US. He said that Turkey is in the worst possible state. His famous dividing line, the civilisational fault line between the Muslim world and the West, runs right inside Turkey, according to Huntington. He foresaw big trouble in that sense, in his book.

I contrast it with the speech US President Clinton made when he came to Turkey. He said that Turkey was actually going to be doing very well in the 21st century, because it has all these different dimensions. It has the European dimension and that is deeply anchored in history as well, through the Balkans and contacts with Europe. It also has the Muslim dimension, obviously. It has a very strong Asian dimension, from its origins. Even the structure of the language, as some of you may know, is related to Japanese and Korean and some affinities with Mongolian. Turkey does have a lot of dimensions. It also has a very strong Mediterranean personality as well. According to the speech President Clinton made in Turkey, these are actually sources of strength.

In a way, these contrasting views summarise where we are at. I think Turkey could manage to integrate these dimensions and to be at peace with its various personalities. In that way, it is a little bit like Morocco. In an interesting way, Morocco, at the other side of the Mediterranean, has a little bit of these various dimensions: African, European, Arab and Muslim. It has strong connections to France. In that sense, I find that there are quite a lot of similarities between Turkey and Morocco.

However, the future of Turkey depends on its ability to thrive with this diversity. It must not try to merge it or overcome it, but to actually make a strength of it. If you believe that globalisation is going to continue and that global economic and cultural forces are going to be very strong worldwide, taking advantage of these different dimensions is going to be a very good thing.

Of course, it is not always easy. There are some real anxieties and tensions and I think Turkey is going through these tensions. However, so far, it has done this peacefully, within the rule of law and within a basically-democratic process. I myself am a member of the opposition party and have been for decades, but both sides of Turkish society have



played by the rules of law and I think that is very important. I am quite optimistic. On the economic side, it is extremely dynamic.

Mehmet Ali Birand, Journalist and writer, CNN Türk

Before we go into economics, is Turkey becoming Iran? Is Turkey becoming another Iran?

Kemal Derviř

No, it is not at all. There is not the slightest chance of that.

Mehmet Ali Birand, Journalist and writer, CNN Türk

Why?

Kemal Derviř

The whole history, even the Ottoman history, is very different. It is a country that has been democratic, with some weaknesses in the democracy, but it has been democratic for 60 years. Democracy is now established in Turkey; the citizens like it. They will not tolerate authoritarianism. I think Iran is also a great country, with a great culture and a great history.

Mehmet Ali Birand, Journalist and writer, CNN Türk

There are fears that Turkey is becoming more Islamic than before.

Kemal Derviř

It is very important that Turkey integrates all these dimensions, that it remains strongly European and that it also remains a strong friend of the United States. It must remain a member of the NATO Alliance, which has been part of Turkey's foreign policy and the Turkish identity since the Second World War. However, it is a deeply Muslim country, with very strong links to the Arab world, links that go back centuries. The music, the food, the architecture and the mosques clearly show very strong links. As I said, there are language links deep within Central Asia. All of these must be elements of strength.

However, to be able to make these things elements of strength, you do need a strong economy. I agree with you. You need not only to feed people; you need to provide increased prosperity to people; you need to provide employment. If the economy is strong, these tensions may exist, but I think it will be manageable. If the economy weakens, if there is lots of unemployment and there is lots of economic distress, then managing these different trends is much more difficult.

Finally, I should also say that I am speaking for myself; I am not representing the Government or any other institution. I do believe that the link to Europe should also remain very strong. I like to take Spain as an example. Spain is a country that is a member of the European Union and fully-engaged in Europe, but because it is Spanish-speaking, has a wide regional dimension. It is very active in Latin America and the Iberian world. It has strong links with Cuba, Mexico and Argentina and with many Latin American countries and the two things are not contradictory.

I believe Turkey can have very strong relations with the Arab world and can have very strong relationships with the wider Muslim world, with countries like Indonesia, with Asia, with Africa. At the same time, I still do believe that Turkey belongs in the European Union. I am not giving up. It may sound very difficult. I still believe that there is still something there, that union, that framework, not for economic reasons, but for the overall political projection.



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Do you believe that Europeans will one day give up their whole Islamic phobia? It is very strong. The only thing which stands against Turkey now is not the economy; it is that you are Islamic and Islam is bad.

Kemal Derviş

There is that current view in Europe; that anti-immigration extreme right-wing view is current. However, I would not say it is the whole of Europe. I think many people in Europe are realising that the European space has to include the Mediterranean and that the Mediterranean has a strongly-Muslim section that has to be integrated. If Europe wants to thrive economically, it has to reach both East and South, towards Africa and towards the East. The Muslim populations form large and dynamic parts of that picture. Many Europeans do realise that.

Again, here I think the economy is crucial. If there is sufficient employment and sufficient growth, it will be easier to integrate. Let me just end with one economic point. I really do believe that the story of the emerging markets represents a deep structural shift in the world economy. The world will not go back to the division between the rich world and the poor one. In the 22nd century, when historians will write the history of the 21st century, they will define it as the century when the world came together again economically. This was the case 4-500 years ago, in terms of levels.

The difference between the richest countries and the poorest countries regarding per capita income was three-to-one. 10 years ago, at the beginning of the century, the same data was 50-to-one between the richest and poorest. However, I think this century will see it coming together. In that sense, we are going through a massive transformation and the rich countries have to realise that they are losing the monopoly of wealth. They will still be very powerful militarily; the US military will still remain much more powerful than anyone else for decades. However, in terms of economics, finance, trade etc., they are losing that monopoly and that is a structural shift that can hopefully be managed peacefully, with good global governance, which will make Thierry particularly happy.

Mehmet Ali Birand, Journalist and writer, CNN Türk

Great; you are full of optimism, and I love that.