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the editor's notebook

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Haluk Tükel

Despite two successive crises the Turkish economy still has the wherewithal for a strong comeback and sustainable growth.

chairman's view

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Tuncay Özilhan

The chairman of TÜSAD analyzes the causes of Turkey's current economic troubles, reflects on what needs to be done and wishes this crisis to be Turkey's last.

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Üzeyir Garih (1929-2001)

Photo by Hürriyet

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turkey watch / economics

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Turkey may have problems in meeting the macroeconomic targets of the new program.

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turkey watch / politics

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An unexpected quarrel at the 'summit' of the state throws Turkey into a furious economic turbulence with no end in sight yet. The Derviş factor is joined by the Tayyip factor as political scene is seemingly getting ready for a major overhaul.

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TÜSAD's representative in Brussels reviews the Accession Partnership and Turkey's National Program and assesses the benefits of accession for both parties.

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Portrait of Murat Belge: A Renaissance man

Essay by Jale Parla.

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book review

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A distinguished observer of Turkey and Turkish-American relations, Morton Abramowitz put together a valuable and informative selection of essays on the past, present and future of this alliance in *Turkey's Transformation and American Policy*.

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goings on

Taking a stance for democracy

Four years after its "Perspectives on Democratization" Report, TÜSAD publishes an update and identifies ten priorities in order to meet the Copenhagen criteria.

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Tuğrul Şavkay

The near absence of wine drinking in Turkey is attributed to Islam although many Turks consume the stronger *Rak*. Belatedly, wine making and drinking are finally picking up.

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essay

Paul McMillen

Ninety percent of the world's languages are expected to become extinct in the next hundred years. Can photography become the last and universal language?



Photo by Tallo Toprakidis



Photo by La Cave

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Cover Story Managing the Crisis

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Illustration by Tan Oral

Servet Yıldırım

In dissecting the twin crises that shook Turkey and impoverished Turkish citizens in his detailed account "Anatomy of a Crisis", Servet Yıldırım identifies the risks that plagued Turkish banks and apportions responsibility between different economic actors. Ultimately though, his message is that only strong fundamentals, impeccable supervision and regulation in the financial system could render a country more immune to crises.

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Illustration by Tan Oral

Güven Sak

The new economic program is yet to deliver on its promises. Almost all Turks, then, share the question Güven Sak raises as the title of his thoughtful essay, "Whither Turkey?" Sak argues that the failure to score massive credibility gains at the onset of the new program explains the failure to reduce the interest rates. Yet, he believes that Turkey can manage a floating exchange rate and thinks that a controlled transformation of the Turkish economy is both desirable and doable.

40-47



Illustration by Tan Oral

Cevdet Akçay

Most commentators agree that the banking sector was seriously ill despite appearances to the contrary when the original IMF-backed economic program was adopted. It also turned out to be the main cause for the program's demise. In his comprehensive review of the banking industry, "Fallacies of a Fantasyland: The Turkish Banking Sector", Cevdet Akçay sees the banks caught in a dilemma between 'market solutions' and 'implicit swaps'. Their choice may determine the success of the current program.

48-54



Photo by Hürriyet

Cengiz Aktar

The Turkish candidacy for EU membership is a serious matter that does not receive the care and energy needed to nurture it from either the EU or Turkey, argues Cengiz Aktar in his reflective article "The crisis as catharsis for a new momentum in European Union-Turkey relations". He makes a persuasive argument for the mutually beneficial nature of Turkey's membership in the EU.

56-59



Murat Üçer

"When you cry for Argentina, should you cry for Turkey too?" asks Murat Üçer in his comparative evaluation of the two countries whose destinies overlapped in the past few months. Both countries had to fight against international market sentiment that probably exacerbated their predicaments. Üçer argues that despite surface similarities the two cases have different histories and require different treatments.

60-66



Illustration by Emre Ulall

İsmet Berkan

In a review of the political developments that led to the present crisis that he calls "The mother of all crises", İsmet Berkan argues that the crisis may actually be the harbinger of new opportunities. He identifies the European Union and the process of membership as the deus ex machina that would take Turkey to a new dimension in its quest for modernity.

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