

Living with crises

This issue reaches its readers with a delay of eight months. It was originally intended to treat the crisis that shook Turkey in November. On the date of our deadline for submitting articles, the second, more profound and more calamitous crisis was triggered by the infamous quarrel that took place in February during a National Security Council meeting between the Prime Minister and the President of the Republic. As the longed for stability or even its semblance did not materialize till mid-July, we kept on postponing our publication date. We finally present a multidimensional look at the twin crises and the new economic program endorsed by the IMF even though the outcome of this latest attempt to right the wrongs of the Turkish economy and put it on the path of sustained growth is anything but certain.

What started as a financial crisis has now infected the productive sectors of the economy. As the expected drop in interest rates fails to occur and the dollar floats upwards only, the rate of unemployment reaches unprecedented and worrisome levels. The public's confidence in the politicians in general and this government in particular is at an all time low. Undoubtedly, the crisis of confidence helps keep the mood of the country somber and deprives the new economic program from the boost of public support that it desperately needs. Yet, the figures in hand tell a different, more positive story. The challenge for Turkey, then, is to deal with this so-called "multiple equilibria" problem.

Underneath the pessimism that plagues the country, a new determination to go to the roots of Turkey's problems and finish the country's transformation is springing up. We wanted to contribute to that colossal task with a comprehensive treatment of our predicament and options. We hope that we have attained our goal.