

*ORSAM MINUTES OF THE MEETING,
No: 14, June 2012*

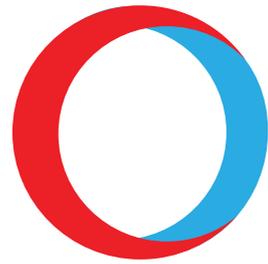
EGYPT IN TRANSITION AND TURKEY-EGYPT RELATIONS IN NEW ERA

DEĞİŞEN MİSİR VE YENİ DÖNEMDE
TÜRKİYE-MİSİR İLİŞKİLERİ

مصر في طور التغيير والعلاقات التركية - المصرية
في المرحلة الجديدة

ORTADOĞU STRATEJİK ARAŞTIRMALAR MERKEZİ
CENTER FOR MIDDLE EASTERN STRATEGIC STUDIES
مركز الشرق الأوسط للدراسات الاستراتيجية





ORSAM

MINUTES OF
THE MEETING



STRATEGIC INFORMATION MANAGEMENT AND INDEPENDENT THOUGHT PRODUCTION

CENTER FOR MIDDLE EASTERN STRATEGIC STUDIES

History

In Turkey, the shortage of research on the Middle East grew more conspicuous than ever during the early 90's. Center for Middle Eastern Strategic Studies (ORSAM) was established in January 1, 2009 in order to provide relevant information to the general public and to the foreign policy community. The institute underwent an intensive structuring process, beginning to concentrate exclusively on Middle Eastern affairs.

Outlook on the Middle Eastern World

It is certain that the Middle East harbors a variety of interconnected problems. However, neither the Middle East nor its people ought to be stigmatized by images with negative connotations. Given the strength of their populations, Middle Eastern states possess the potential to activate their inner dynamics in order to begin peaceful mobilizations for development. Respect for people's willingness to live together, respect for the sovereign right of states and respect for basic human rights and individual freedoms are the prerequisites for assuring peace and tranquility, both domestically and internationally. In this context, Turkey must continue to make constructive contributions to the establishment of regional stability and prosperity in its vicinity.

ORSAM's Think-Tank Research

ORSAM provides the general public and decision-making organizations with enlightening information about international politics in order to promote a healthier understanding of international policy issues and to help them to adopt appropriate positions. In order to present effective solutions, ORSAM supports high quality research by intellectuals and researchers that are competent in a variety of disciplines. ORSAM's strong publishing capacity transmits meticulous analyses of regional developments and trends to the relevant parties. With its website, books, reports, and periodicals, ORSAM supports the development of Middle Eastern literature on a national and international scale. ORSAM facilitates the sharing of knowledge and ideas with the Turkish and international communities by inviting statesmen, bureaucrats, academicians, strategists, businessmen, journalists, and NGO representatives to Turkey.

* ORSAM is a member of the The Middle East Studies Association (MESA).



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**مصر في طور التغيير والعلاقات التركية – المصرية
في المرحلة الجديدة**

04 June 2012 / Monday
9:30 – 16:30

Organization
Mısır Arap Cumhuriyeti Ankara Büyükelçiliği
Ortadoğu Stratejik Araştırmalar Merkezi (ORSAM)

EGYPT IN TRANSITION AND TURKEY-EGYPT RELATIONS IN NEW ERA

H.E. Mr. Yaşar Yakış,
Former Minister of Foreign Affairs, President of STRATIM

H.E. Ambassador Fathy El Shazly,
National Project Director at Egyptian Ministry of International Cooperation,
Former Ambassador of Egypt to Turkey

H.E. Ambassador Mohamed Anis Salem,
Director of Development Works (DW)

H.E. Mr. Abderahman Salaheldin,
Ambassador of the Arab Republic of Egypt to the Republic of Turkey

Mrs. Dina Khayat,
Economic Expert, Founder and Chairman of Madar Capital.

Assoc. Prof. Dr. Harun Öztürkler,
ORSAM Advisor, Middle East Economies -
Afyon Kocatepe University, Department of Economics

Assoc. Prof. Dr. Özlem Tür,
ORSAM Advisor, Middle East -
METU, Department of International Relations

Assoc. Prof. Dr. Veysel Ayhan,
ORSAM Advisor, Middle East -
Abant İzzet Baysal University, Department of International Relations

Asst. Prof. Dr. Serhat Erkmen,
ORSAM Advisor, Middle East -
Ahi Evran University, Department of International Relations

Assist. Prof. Dr. Şaban Kardaş,
TOBB University

Dr. Seyfi Kılıç,
ORSAM Water Research Program, Hydropolitics Researcher, ORSAM

Hakan Karabalık,
Head of Department, Ministry of Economy

Abdullah Bozkurt,
Today's Zaman

PREFACE

The ongoing uprisings in the Arab world that began on December 2010 have still impacted the North African and Middle Eastern countries till today. Despite the fact that we left two years behind, the impact of uprisings has not decreased; in addition the countries like Egypt, Tunisia and Libya has entered to deep transition periods. During the process of transition from authoritarian regimes to democratic ones, the need of cooperation and collaboration has increased in order to able to reach efficient level of transition. For this reason, acknowledging the fact that Turkey has played a leading role in these transitions, it is crucial to analyze the risks and opportunities of the transitions.

The election marathon that began on November 2011 became the dominant once again in the agenda especially after the developments following the Presidential election. The prospects that the political life will normalize after the parliamentary and presidential elections has postponed to a unknown date with the dissolving law issued against parliament by High Constitutional Court in Egypt. The high Constitutional Court has declared parliament “illegal” referring the violation of the laws regarding the independent candidates. In addition the power of the president was limited by SCAF.

While all these developments have been experienced, the relations between Turkey and Egypt have deepened. There are very positive developments from RoRo agreement between two countries to the high level official visits.

As ORSAM, we always try to follow and share the developments in the region. We would like to introduce all distinguished ORSAM readers The Minutes of the Workshop titled “Egypt in Transition and Turkey-Egypt Relations in New Era” that organized by Embassy of the Arab Republic of Egypt and ORSAM.

Hoping to meet with the further works

Hasan KANBOLAT
ORSAM Director

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“Egypt in Transition and Turkey-Egypt Relations in New Era”
04 June 2012 / Monday
9:30 – 16:30

09:30-10:00 - Opening Speech

H.E. Mr. Yaşar Yakış, Former Minister of Foreign Affairs, President of STRATIM

H.E. Mr. Abderahman Salaheldin, Ambassador of the Arab Republic of Egypt to the Republic of Turkey

Asst. Prof. Dr. Serhat Erkmen, ORSAM Advisor, Middle East -Ahi Evran University, Department of International Relations

10:00- 11:30- Section 1: “Egypt in Transition: Analysis and Recommendations”

Moderator: Assoc. Prof. Dr. Özlem Tür, ORSAM Advisor, Middle East - METU, Department of International Relations

Discussant:

H.E. Ambassador Fathy El Shazly, National Project Director at Egyptian Ministry of International Cooperation, Former Ambassador of Egypt to Turkey

Assoc. Prof. Dr. Veysel Ayhan, ORSAM Advisor, Middle East - Abant İzzet Baysal University, Department of International Relations

H.E. Ambassador Mohamed Anis Salem, Director of Development Works (DW)

Dr. Seyfi Kılıç, ORSAM Water Research Program, Hydropolitics Researcher, ORSAM

11:30- 11:45: Tea Break

11:45- 13:15- Section 2: “The Economic Impact of 2011 Revolution and Transition in Egypt: Analysis and Recommendations”

Moderator: H.E. Mr. Yaşar Yakış, Former Minister of Foreign Affairs, President of STRATIM

Discussant:

Mrs. Dina Khayat, Economic Expert, Founder and Chairman of Madar Capital.

Assoc. Prof. Dr. Harun Öztürkler, ORSAM Advisor, Middle East Economies - Afyon Kocatepe University, Department of Economics

Hakan Karabalık, Head of Department, Ministry of Economy

13:15-15:00- Break for Lunch

15:00-16:30- Section 3: “Developing Relations between Turkey and Egypt: Possibilities and Challenges”

Moderator: H.E. Ambassador Mohamed Anis Salem, Director of Development Works (DW)

Discussant:

H.E. Ambassador Fathy El Shazly, National Project Director at Egyptian Ministry of International Cooperation, Former Ambassador of Egypt to Turkey

Assist. Prof. Dr. Şaban Kardaş, TOBB University

Abdullah Bozkurt, Today's Zaman

The meeting will be conducted in English only.

“EGYPT IN TRANSITION AND TURKEY-EGYPT RELATIONS IN NEW ERA”
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The Opening Speeches

H.E. Mr. Yaşar Yakış, Former Minister of Foreign Affairs, President of STRATIM

H.E. Mr. Abderahman Salaheldin, Ambassador of the Arab Republic of Egypt to the Republic of Turkey

Asst. Prof. Dr. Serhat Erkmen, ORSAM Advisor, Middle East -Ahi Evran University,
Department of International Relations

H.E. Mr. Yaşar Yakış:

Welcome. It is on a subject which is very dear to my heart, very close to my heart. Because, I believe that these two big countries of the region, the biggest and the most important two countries of the region do not know each other sufficiently, and the lack of knowledge is more on the Turkish side than on the Egyptian side. Having served long time in the Middle-Eastern countries, I happened to be the longest serving diplomat in the Middle-Eastern countries. I served four years in Egypt, four years in Syria and four years in Saudi Arabia; but of course, Egypt is a separate category, it is completely different.

The recent developments in the Arab countries but more particularly in Egypt are very important. Egypt is crossing a very important transition. Fortunately, this transition was not as risky as it is taking place in Syria. It has become more smoothly thanks to the army taking over the transition. The results of the election are of course full of unknowns; but from the old times, Egypt has crossed so many times such difficult periods. Such a defined people as Egyptians with this deep culture will overcome one or another these difficulties. During this transition, of course Turkey has been following very closely the developments in the region, but we



should learn from each other. There a lot of things to learn from the Egyptians, from the Egyptian administration with all the negative sides of the Mubarak era, there are very important things that we could learn from Egypt, and also, for Egyptians there are several sources of inspiration in Turkey.

If you ask me as a person who knows both countries a little, "Which is the area where Turkey could constitute as a source of inspiration for Egypt?" I would name one particular framework where Turkey could constitute a source of inspiration. It is the transition of the present ruling party in Turkey, AK Party: from a party of Islamic roots to a secular party. You may know one of the founders of the ruling party, AK Party in Turkey. I lived through this transition; I am one of the six people who drafted the program of the party in the light of a big public opinion poll that we carried at that time and covered a record high number of interviewees; it covered 42,000 people. The results of this public opinion poll were the guiding principles or guiding lights of how we were going to frame AK Party.

Especially, Egyptian friends of ours may know that AK Party came out of a split which took place in the party led by Erbakan, Refah Party. The party was dissolved by the Constitutional Court for its anti-secular activities. Then, the party reformed itself, reconstructed itself under another name. This new party was also dissolved; saying that it was composed of the same people so it was the same party, then it was dissolved. There was a split in the party. Abdullah Gül, the president of Turkish Republic

said, "We cannot continue like this, by fighting the secular system, which is the main system of Turkey. Furthermore, when we become a member of the parliament, we take oath saying "I will remain faithful to the secular principles of the Republic." So, in order to remain faithful to this oath, we should not disown the secular system." Whereas, another group in the party led by Mr. Recai Kutan whose assistant is among us said, "No, we should remain faithful, because these are the principles which we should remain faithful to." Then the party was split into two. At that time, both Mr. Recai Kutan whom I respect very much and Abdullah Gül ran for the presidency of the party, Abdullah Gül lost with a small margin, which means that the party was split somewhere in the middle. Not one party taking 90% and the other 10%; it was almost half and half.

When the party came in power, it was enjoying a popular basis of something 21% or 23%, But at the moment when the split took place after this dissolution, the support of the party according to the public opinion came down to around 13%. So, when Abdullah Gül took the lead of the reformist group of the party and he decided to transform this movement into a political party, the movement found itself in front of a crossroad. In this crossroad, one way was to try to embrace the second half of this Islamist party, half of the 13%, 6.5%; the other one was to try to embrace the big number of discontent people. According to the public opinion that I referred to, we found out that 46% of the Turkish public opinion was discontent of the existing in political parties and they were in search of a new political

movement. Then, from the additional questions that we asked, that is to say “Which party did you vote for in the last elections?” and “If there were an election today, which party would you vote for?”, we found out that around 5 or 6% were the members of right extremist parties and another 5 or 6% were the members of the left extremist parties and then, when we set in order to write the program of the party, we also took into consideration what was the priority of the of the public opinion. We found out that the priority was food, work, security, safety, justice etc., and this is where the new party comes from.

The question of headscarf for instance, which was very lively discussed, came around ninth or tenth in order of priority. It was not high priority in the minds of people. The priority was food, justice and that type of things. So, we decided to base our party on this expectation rather than remaining stuck to the old principles which were inspired from the religion. We said, “Rather than trying to embrace this 6.5%, we should try to embrace 46% of the discontent with the exception of these right extremists and left extremists. This is how we drafted our program. I don’t know whether you remember that we obtained 34% of the votes in the first election as a party which was 15 months old when it entered the elections. This 34% corresponds to 46% minus 6% right extremists, 6% left extremists, which makes 12%; 46-12% = 34%. This is the vote obtained and with this vote, we controlled 2/3 of the seats in the parliament. Because of Turkish election system with a high threshold, the 34% were able to control, to get that much of vote. Because, lost votes went to the bigger parties.

This is how the transition took place, and we knew in the very first elections that the electorates wanted to give a chance to AK Party, the ruling party to see whether they would be able to achieve what they promised. Because there were many rumors at that time that these people when they come to power, they will lock the ladies in their houses; they will impose sharia, and then ban the alcohol and force the ladies to cover their heads etc. But in the first term that started in 2002 and continued until 2007, all these worries turned out to be unnecessary. AK Party didn’t anything that they tried to promote as a threat. Then, the votes increased, first of all from 36 to 42% two years later in the local elections and in the second national elections from 42 to 47%, and in the third election it went to 50%. How did it happen? Because, those who were secular minded people in Turkey found out that there was no reason for being afraid of this party.

So, this transition is something that may constitute a source of inspiration. Of course, every country has its peculiarities; nothing can be transplanted as it is. But, to the extent that it is applicable, it may constitute a source of inspiration. Of course, there are other sources of inspiration, on both sides; we should be inspired from Egypt as we were talking in the coffee talk a few months ago, Egypt has achieved the voting of the Egyptians in the foreign countries before Turkey was able to do it. We have 2,5 million Turks in Europe and they cannot vote. So, there are other things that we could be inspired from.

As Mr. Fethi was deputy minister in charge of the Western countries in-

cluding Turkey and I was discussing in his office, I always said that Turkish – Egyptian relations is a treasury; when you scratch a little bit, the gold shines underneath. Because, some of us may not have paid attention to a very important thing that Turkish presence in Egypt is older than the Turkish presence in Turkey itself. How come? Turks arrived in Anatolia in 1071, whereas the arrival of Turks by tens of thousands took place two centuries before this.

When Ahmed Ibn Tulun, Tolonoğlu Ahmet, was proposed to become the governor, Abbasi Governor of Egypt, he accepted it one condition: he should be allowed to form his own army. This permission was given to him, and then he brought tens of thousands of Qipchaq Turks from his own ancestor land to Egypt; among other tribes, it was Qipchaqs. When these tens of thousands of Qipchaqs served

for 4 or 5 years in the Egyptian army, then he released them from the army, he gave them agricultural land, and he authorized them to marry Egyptian girls and then, he again brought tens of thousands of Turks from Central Asia. So, the arrival of Turks in groups of tens of thousands in Egypt is 200 years before Turks' arrival in Turkey.

So, if you ask the question whether Turks are older in Egypt or in Turkey, it is in Egypt. Other things, the reformation movement in the Ottoman Empire started in Egypt before in Turkey thanks to Mohammed Ali Pasha El Kebir. The first newspaper in Turkish language was not published in Istanbul; it was published in Egypt. In Istanbul, Tasvir-i Efkâr was published in 1831, whereas the newspaper in Turkish language in Egypt, Vakayi Mısıriye started to be published in 1828: three years before it was published in Istanbul, Turkey.



The Western classics from Goethe, Schiller, Shakespeare, Racine, and Corneille were first published in Egypt, not in Turkey. Very clean copies of them exist at present in the library of Maslahat al Athar, I have the copies, published in 1828, printed in Bulak Printing House. So, when you look at this, reformation took place in Egypt before it took place in Istanbul. I will not mention all other things; we can talk about it during our meeting. But, Egypt is also culturally important for Turkey. Now economically, we have seen the potentials. When I was serving in Egypt, we were proud of having a volume of trade around 600 million dollars; now it is around 3 billion dollars.

The number of the Turkish businessmen investing in Egypt is about 200. Moreover, during the crisis, it was only the Turkish businessmen who didn't leave Egypt and stayed there. Curiously enough, during the crisis, Egyptian export to Turkey increased. This is something unheard of a country in crisis, increasing its exports towards Turkey. So, all these things indicate the potentials that exist between two countries.

I know that I made a little too long, but I thought that these thoughts were important to guide our conversation today. So now, I am going to stop here and wish you welcome once more. I would like to tell my good friend Fathy El Shazly you may remain assured that the big effort that you started to improve Turkish –Egyptian relations is in good hands. Abdurrahman is doing his best to continue the efforts that you started at that time. So you should be proud; we are proud of having such brilliant and distinguished ambassadors of Egypt in Turkey.

I would like also congratulate ORSAM for having taken this initiative, because Turkey is not properly equipped to follow the developments taking place in the Arab world; neither in Egypt or in other countries. Because, we are lacking sufficient number of Arabists speaking proper Arabic, who have experience with the Arab countries and who understand what is taking place there. ORSAM is now making efforts to fill this gap and I hope that other think tanks in Turkey will also do so, so that we can fill the gap that has existed for a long time in this country. Once again, thank you for your attention. Now, I leave the floor to Mr. Ambassador Abderahman Salaheldin, who is going to address you.

H.E. Ambassador Abderahman Salaheldin:

Thank you. I think, as I told the Yaşar Bey when he invited me to participate to this meeting, I couldn't find a better speaker about the subject than Yaşar Yakış. Not only as a former ambassador to Cairo, but also as a former foreign minister of Turkey, but he is an intellectual who has played a major role in relaying the foundation of present Turkish – Egyptian relationships. As he will likely mention, together with great ambassadors that received me like Ambassador Fathy El Shazly, whom I am very proud to have today among three Egyptian panelists that are uniquely qualified to address to this subject along with Ambassador Mohamed Anis Salem, who is also amongst the genius, intelligent and practical diplomats in bilateral and multilateral platforms. He has big contribution to many of our needs. Also Mrs. Dina Khayat, a

known economist with many skills in submitting and running successfully equipments, and also running international African-Egyptian economic organizations. I think, together with them, they can provide us with the insights that we need to analyze and understand the situation in Egypt right now: Egypt in transition.

I think they are very well equipped to make it a clear case for our Turkish friends. Through them and Turkish politic, where is Egypt; politically, economically and within the context of its regional and international situation. As an ambassador to Turkey, of course I feel fortunate that I don't need to really battle serious political problems. Thanks God and touch with the same way you do it here. This is a matter of constant Turkish and Egyptian policy. I would directly say and give probably the last past century.

The pillars of both of our foreign policies are almost identical. We, both countries, in the last decade and so, have followed similar foreign policy rules when it comes to peace in the region: finding a peaceful solution to the conflicts, promoting peaceful relations with our immediate neighbors. In our case, it was a peace initiative; they saw an initiative that Egypt took about 40 years ago. Similarly, you have your zero problem policy with your immediate neighbors. But most importantly, the way both our countries look to themselves; both Egyptians and Turks think themselves as a bridge between continent, different people, and different civilizations. In your case, it is Europe and Asia; in our case, it is Africa, Asia and Europe. Turkey and Egypt, when combined

together, can even better serve as a link between these civilizations. So it is not coincidence when Foreign Minister Ahmet Davutoğlu writes his book "Stratejik Derinlik/Strategic Depth". Egypt and Turkey are our strategy partners inside and outside the region. It is no coincidence that Turkey would go to Egypt as it as gateway to Africa and Arab world. Likewise, Egypt considers Turkey as a gateway to Balkans, Caucuses and to the Black Sea.

The economic relations have developed between the two countries. As Mr. Yaşar Yakış mentioned, they were very happy, probably Mr. Yakış and Mr. Fathy El Shazly; when the trade volume was about 600 million dollars from 2002 to 2003. Because of the trade agreements, this number jumped to about 4.2 billion dollars in 2011. Also, as Mr. Yakış mentioned, only in 2011 and amongst all the political turmoil that Egypt went through, this number increased about 35%, and Egyptian exports to Turkey almost rise about 45%.

Turkish investment in Egypt is not important in the market, but also it has an eye on third markets both in the United States, Europe and in the Arab world. Making good use of the Egyptian facilities, through investments and direct access to markets like markets in Africa; or using the qualified industrialized zones in the United States.

Most recently, we have reinforced this relationship by supporting services between the Ports of Mersin and Alexandria of the Egyptian side. Actually, I see this link as a strategic change of the transportation policy in the region, which will serve later on

to strengthen the relationships between Turkey and Egypt, and also to strengthen this bridge role between different continents, through which European trade can be challenged to the Gulf, Africa, East Africa and to Egypt. Of course, this is also vice versa. Those trucks are not going through on the road of back to Turkey empty. This is why we are looking at logistic service centers to be established in order to make good use of them with hopefully Turkish investments and other investments. We are also looking industries to be established in our industrialized world to help make use of this new link.

I would like just to share with you why I can be hopeful for your distinguished help can produce for us. We would like new insights to tell us probably about bilateral relations and to advise us on where they think this relationship could be beneficial, how it could be developed. We have talked with them with a political will on both

sides. The two governments are determined to strengthen this relationship and to make it closer.

It is really up to intellectuals, scholars and practitioners to tell us where we can exchange the feelings, and make good use of each other's feelings. Mr. Yaşar mentioned few, and I am very happy to report you that many Egyptians, political parties have already come to the US and to Turkey for getting these feelings; Turkish government's feelings, running elections campaigns or governments mentioned. As Mr. Yaşar mentioned, only recently your election commission came to visit our Embassy to equalize our citizens to vote in the overseas. Because, this is something you are going through very soon. And, how will you overcome the logistics of it?

By the way, we are now in the middle of the second round of our presidential elections. I'm the chairman of the



commission in my Embassy. That's probably why I will need to excuse myself in order to attend the Embassy business. I am hopeful that by the last session, we will be able to get from you some recommendations; to both governments, to parties in both countries, to even scholars and academicians on how this relationship could be brought to an efficient stage and be made closer.

I thank my colleague on how he is taking extensive notes to refer to Cairo and I would like to thank ORSAM for providing us with this opportunity. They did a great effort here. We will be working on this project. I would like also it to be documented; be available in Turkish and in Arabic, especially the documentation part so we will save it, and duplicate it our academia, think tanks and in business circles. I know that great things will come out. Thank you very much for this opportunity and we are looking forward to listening to you. Thank you.

Asst. Prof. Dr. Serhat Erkmen:

His Excellency Mr. Minister, His Excellency Mr. Ambassador, Distinguished Guests and Dear Colleagues, I would like to thank you all on behalf of Hasan Kanbolat, the director of ORSAM for your participation to this joint meeting organized by the Embassy of the Arab Republic of Egypt and ORSAM on "Egypt in Transition and Turkey-Egypt Relations in New Era".

For years, many people have been calling for a reform in the Middle East, which have been largely ignored. However, we witnessed historic mo-

ments in late 2010 and early 2011 in Tunisia and Egypt; a moment which could change the history of the Middle East. 100 thousands poured to streets to support the political reform and change in Egypt. From the very early history, Egyptian people lead the other people and seized the region. Therefore, the transition to democracy in Egypt will be example for all the other Arab nations. However, this process is painful by its nature. Changing the political system not only affects the political life, but also economic system, social class and stratums.

An Egyptian effort to smooth transition was a very hard task. In one year, Egyptian people voted for a new constitution, parliament and president, and still the transition hasn't been completed. I think Egyptian people managed the process very well. Although there are still some critical problems, common sense of Egyptian people and politicians will overcome all.

Today, here in Ankara, our distinguished guests and scholars will discuss the current events in Egypt. In the first session, the transition period will be discussed. The second part of our discussion will focus on the economic impact of the revolution. In the afternoon, discussions will address the relations between Turkey and Egypt. I hope we will have a constructive meeting. Speeches and comments in this meeting will be reported in ORSAM's website. The participants will be informed when the reporting activities finish. I should stop here to accelerate the discussion period. Thank you very much.

SECTION 1

“Egypt in Transition: Analysis and Recommendations”

Moderator:

Assoc. Prof. Dr. Özlem Tür, ORSAM Advisor, Middle East - METU, Department of International Relations

Discussant:

H.E. Ambassador Fathy El Shazly, National Project Director at Egyptian Ministry of International Cooperation, Former Ambassador of Egypt to Turkey
Assoc. Prof. Dr. Veysel Ayhan, ORSAM Advisor, Middle East - Abant İzzet Baysal University, Department of International Relations

H.E. Ambassador Mohamed Anis Salem, Director of Development Works (DW)
Dr. Seyfi Kılıç, ORSAM Water Research Program, Hydropolitics Researcher, ORSAM

Assoc. Prof. Dr. Özlem Tür:

So now, we start the first session. The title is “Egypt in Transition: Analysis and Recommendations”. I will have four distinguished guests with us who are going to share their ideas and analysis. First, let me introduce our discussants of the first session. We will start with His Excellency Mr. Ambassador Fathy El Shazly, who was the former ambassador of Egypt to Turkey and who is now the national project director of Egyptian Ministry of International Cooperation. We will then continue with Assoc. Prof. Dr. Veysel Ayhan from ORSAM and Abant İzzet Baysal University Department of International Relations. Our third discussant His Excellency Ambassador Mohamed Anis Salem, who is the Director of Development Works and we will conclude with Dr. Seyfi Kılıç, who is with ORSAM, Water Research Program, Hydro politics

Researcher at ORSAM. Our discussants will have about 15 minutes of discussion.

H.E. Ambassador Fathy El Shazly:

Thank you Madame. After these brilliant introductions made by the two great ambassadors, everybody knows the reason of this workshop, and all of us realize the immense potential of the relations between Egypt and Turkey. I would like to say that “together” is probably the name we have to keep for the relationships between Egypt and Turkey, for the sake of comprehensive security of both countries.

Egypt and Turkey are living in a very troubled region as indicated by the developments. Almost on every aspect of the regional agenda, we are concentrated on the transition in Egypt. Egypt has been regarded as a very influential regional power. But after the vacuum caused by the de-

velopment followed in January 2011 revolution, the regional role of Egypt is simply suspended. Hopefully, this transition will be coming to an end shortly and Egypt will resume its constructive contribution to the regional development.

In my paper, I will concentrate on the rise of the Salafis. I consider the rise of Salafis is a kind of threat to the value system of Egypt, which is in certain aspects, similar to the value system in Turkey; meaning that this threat could be regarded as a common threat. I will not read the original paper that I prepared, but I will highlight some of the key statements mentioned in it based on my own observation; it is a kind of observation which did during my years as ambassador to Saudi Arabia than ambassador to Turkey.

Egyptian wives accompanying their husbands to the Gulf countries played

an important role in the phenomenal gulfanization process; I call it “gulfanization process”, which has been taking hold of Egyptian society for the last three decades and expresses itself -I would say shockingly to many- in recent political manifestations. Egyptian women required to put on Niqab when getting out of their homes. At the beginning, they were doing that with a feeling of repulsion and revolt. However, they had to accept the sacrifice for the sake of achievement of financial security and the welfare of the country. With fund, Egyptian ladies found the “the gulf attire” less demanding and even more economic regardless of whatever you have on while at home. You put on your niqab and slippers and you are ready; you needn’t to care about fashionable, expensive clothing and make-up. When back home or in their final return, families used to bring from Gulf expensive things for their friends and neighbors, such as health supplies, carpets as well as the gulf attire.



When asked about it, they used to repeat what they were told by the activists. Without realizing it, our ladies were spreading the cultural pollution. Upon arriving to their destinations, newly recruited Egyptian workers were required to hand out their passports to their sponsors; with it, as it looks to me, their identity. This is a strange relationship between Egyptian employees and their employers, which I find similar to what was noticed on the international scene between the Asians of colonial powers and the peoples of their colonies. Gradually, the gulf sponsor colonizes the source of their employees. A great majority of Egyptian workers in Saudi Arabia immediately stopped imitating not only their sponsors but also their dialect and diets, and the way they behave. When Egyptian workers go home, many of them tend to keep their contaminated identity.

Looking at Turkey for lessons later, January revolution is not the first time in the contemporary history of Egypt; Kemalist experiment in Turkey was a source of inspiration of the army free office of July 52. Abolishing Islamic traditions in the 50s that was mainly concerned with family and heritage disputes, reforming the AL-Azhar University in the 60s by introducing positive sciences into the syllabus together with theology, fikh, hadis and other religious studies, annulling the traditional vakifs and referring its management to the State, regulating the building of mosques, and gradually attaching all existing mosques including the appointment and training of imams to the Ministry of Vakifs are several exemplars of the Kemalist revolutionary innovations of Nasser and his colleagues.

During the first days of January revolution, Salafis distanced themselves



from the revolution and pronounced heretic any revolt against an Islamic rule. They were referring to Ibn-i Taymiyyah when claiming that. Soon, after the fall of Mubarak, the Salafi movement was politicized. Forming political parties and lavishly spending during the electoral campaign for choosing the first revolution parliament. In the parliament, Salafi parties won around the 30% of the seats, coming second only after the Muslim Brotherhood that was able to get about 40%. After that election, so many manifestations especially conducted by the Salafi Parties took place.

When Turkish Prime Minister Erdoğan arrived in Cairo at midnight September 13, 2011 in an unofficial visit to Egypt, he was greeted cheerfully at the airport by thousands of Egyptians. The Islamist Abd al-Wahhab that has been overtaking Eyp-

tian politics after the austral regime of the former President Mubarak has led many of Egyptians to look at Turkey and AK Party for lessons to learn in anticipation of the future constitution and parliament of the country. The recent rise of Salafism or Wahhabism together with the Muslim Brotherhood, already deeply rooted in Egypt with long militant political history, goals for an Islamic state for all over the country. When the Prime Minister Erdoğan responded to the media by voicing his opinion about the necessity of the states to adopt secularism as an ideology, Ambassador Anis Salem explained the event when he was watching the action of some audience to the insistence by Erdoğan on secularism of the state. His responses caused visible disappointment to the quarters of those who poured into Cairo Airport to welcome his visit two days before.



Secularism, which is now being portrayed by Egyptian Salafis as synonymous to heresy, was also Turkey's choice and a prescription for advancement; now, taking as such by more than its 99% of its people who are officially Muslim. For Egypt, with it's less than 10% of non-Muslim citizens, secularism is perceived by many as a requirement for social peace and harmony. For Turkey, it was a choice, for Egypt it is perceived by many as a requirement. I personally believe that AK Party's the coming to power in Turkey has helped to solve a crisis of identity that has been visible to non-Turkish observers. Through constitutional amendment, the policies of its governments and the behaviors and positions of its leaders, AK Party has effectively contributed to a historical reconciliation of Turkish politics secular in essence with Turkish identity of which Islam has been an important component.

In Egypt, I'm afraid a cultural pollution with the colors of Wahabism benefiting from the political opinions as well the vacuum as a result of the revolution is taking all over the Egyptian politics. I am afraid that the inspiration, my friend Yaşar Yakış also talked about, is very difficult to take place with the kind of mentalities of the so called Salafis we have in Egypt. But I am confident that the moderation which has always characterized Egyptian approach to religion will at the end prevail. Thank you very much.

Assoc. Prof. Dr. Özlem Tür:

Thank you very much Ambassador. Mr. Veysel, please.

Assoc. Prof. Veysel Ayhan:

Thank you. Today is very important for us. I started with the process of Egypt, but mainly focus on the Mus-



lim Brotherhood and the rise of Muslim Brotherhood during the revolution. First of all I would like to handle some points.

I would like to start with the rise and the position of Muslim Brothers before the revolution. When you look at the position of Muslim Brothers, they firstly escaped from joining the demonstrations in Egypt, because as you know they have a strong foundation in Egypt. They also joined the elections in 2005; they got 20% of the seats in the parliament. When the revolution started on January 25, they abstained from joining the demonstrations, because of their position in the state; they also joined the elections until the revolution period. But after the continuous protests of Egyptians, they declared to join the demonstrations and at this point, we can understand that Muslim Brothers could be arranging with global events and started to take part in demonstrations.

But we have to realize the role of Muslim Brotherhood; did it affect the revolution positively or negatively? When the role of Muslim Brotherhood is realized, first of all, you will see that hundreds of people were in the streets; when thousands of people saw Muslim Brothers on the streets they starved for the revolution. So it is important for the revolution, they went to streets; these people started to demand change; they started the process of revolution. This is the first point.

The second point, they tried to protect the ones demonstrating on the streets

and put a check point in Tahrir Square and in other places; this is important. Then they protected the Christian people in the streets or in the church. When we investigate from the point of view of Turkey, we saw that Muslim Brothers rayed around the church on Sundays. Another point is that they used a dialogue language. They didn't take any flag except for the Egyptian flag. So, I think it is important for the people who didn't escape from the position of Muslim Brothers during the revolution in Cairo. Until today, Muslim Brothers didn't ask them to protest on the streets and they continuously support the protests on the streets. It is important, because as you know, they joined the elections, assembly election, People's Assembly and also the Shura Council, and they received 45% of the votes and with the Salafi Group, they got 50% of the assembly.

When Muslim Brothers decided to join the general assembly elections, they also established alliances with the other parties. 11 parties came together under Democratic Alliance for Egypt, so they didn't go elections as the Muslim Brotherhood, because it is still a movement in Egypt so they formed a party under the name of Justice and Freedom Party similar to AKP in Turkey. They went to elections with the other eleven parties including socialist party and other Muslim parties.

Muslim Brothers always supported the difficult change in Egypt and Algeria experience in the region. When we look at Egypt, Muslim Brothers always support the peaceful change in

their speeches and their actions, and they strongly supported the transition of power to the civilian government. When we look at the period after Mubarak resigned, High Military Council took the power and they share the power with the elected assembly. Because, when people vote for parties in Turkey and other democratic countries, and if the majority those parties become a part of the assembly or the Council –the name of which is not important- , they give a chance to govern the country. But Egypt is different.

When we look at the position of Muslim Brothers to the Egyptian presidential election, they explained their position two times and clearly in any party, in any condition during the election. The first portrait of the revolution, they announced to support anybody, but then they changed their minds. So they didn't provide support to any party for the presidential election. But after the assembly election, they understood that the assembly didn't have any power and they stopped changing their minds, maybe by going to the presidential election. But after the assembly election, they understood that the assembly didn't have any power and they stopped changing their minds, maybe by going to the presidential election. Also the Military Council transferred its power to the elected assembly.

Shura Council and People's Assembly tried to take the dissolves the General Assembly. After the official establishment of the Assembly, Military Council always attempted to influence the board of the Constitutional Assembly.

Then, they understood that they had to take a step; that is a historical time for Egypt's political process. So, they took a responsibility, they were lost in Egypt's political process.

The results of the first round of the elections indicated that Morsi received around 25% of the votes, followed by Shafiq, who is the last Prime Minister of Mubarak, 24%. That clearly indicated that Muslim Brothers popularity has decreased over the last three months, after the General Assembly, elections, maybe the Constitutional Assembly. Because before the Presidential Elections, they took 25% with the Salafis 70%; but after the official presidential election, they just got 25%.

Then, many of the leaders of Muslim Brothers clearly stated that they would win the elections within the first round. But the gap between Morsi and Shafiq was more than just 1%. There were a difference of 200,000 people between Morsi and Shafiq. Also, the former member of the Board of Muslim Brotherhood got around 70% of the votes. As we know, Ebul Futuh said that he will have good relations with Israel in some speeches. Some say the Salafi group support Ebul Futuh but he was the member of Muslim Brothers.

So, we have to analyze why Muslim Brothers has lost. When compared to the General Assembly, there is a big gap between the results of the election. First of all, I think some Salafists are maybe in favor of bringing sharia law to Egypt, and some people are afraid of Muslim Brothers, which ex-



plains why people supported Shafiq. When we look at the election now in Egypt, the Egyptians voted for Islamic Party or the Secularist Party. Some people ignored the fact that Admed Shariq is the former member of the Mubarak regime.

Muslim Brotherhood's policy regarding the rights of women, Christian and Coptic people is not very clear until today. One day they said the deputy of president would be a Coptic or women but it is not clear for the Muslim Brotherhood. Also, because of the policy of Muslim Brothers, Coptic minority group and other groups left the Constitutional Assembly to protest Muslim Brotherhood's position. Also, the clash between Salafis, other Coptic groups and Liberals, is a reason for the votes that goes to Ahmad Shefiq . I think the election will be an election between the former regime of Mubarak, but they are representa-

tives of the secular groups. They say, "I'm secularist and I try to respect secular people". Also, Muslim Brothers and Mohammed Morsi say that they will respect Christian people, minority rights, and they will change Egypt and establish a new democratic country in the region. When asked which one is better Egypt, I think the former members of the regime didn't bring any good to the country in terms of regional and international power. So, Muslim Brothers, maybe with Christians, Liberals and minorities, they will change Egypt in terms of perception of the region and international area. Thank you very much.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much. I hope this is an energetic and powerful group. My subject is the issue of foreign policy, because this issue has a little bit of

coverage, but surprisingly it seems that the Revolution doesn't get as much as analysis as it was. We will just try to get the structure of what is happening in the region. So, we have been talking about five key points. Basically about the criticism that has been made to Egyptian foreign policy, not only with the revolution but also before the revolution. Then, some of the areas of consensus on which all political group agree, but of course, there are some areas on which there is no consensus; some problems taking place for the last 5 months, lastly problems regarding Egypt's foreign relations, I will touch upon the issues in last 15 minutes.

First, a little bit about the criticism that was directed from opposition groups, from specialist in academia, some centers, the think tanks in Egypt basically saying that Egypt has been losing its regional weight over the last years. When you look at what has been happening, and the composition of G20, I was disappointed to see that it doesn't belong to that group. Also, the emergence of breach of rules, the group of countries such as Brazil, China, India, Russia and now South Africa, the effects of Egypt on that group. Also, there has been an aspiration in Egyptian policy to work so that Egypt claims a permanent seat at the Security Council.

It was clear that these things were not pointing the continuation of Egypt's regional role. The issue of lack of an agreement on the Nile waters was another manifestation of this aggression. A third criticism was that Egyptian diplomacy was allowing US he-

gemony in the region to be unchecked and that in the context of Egyptian - United States relations weren't able to influence American policy on issues such as Palestine, the regime of Iraq, that the relationship with USA has a lot of structural and managerial deficiencies; as well as the peace agreement with Israel had major defects, the occupation was continuing, that somehow Israel interpreted the political meaning of this peace agreement as it was a license to mount major military operations to Lebanon in 2006, to Gaza in 2008; that in some manifestations, there was a dynamic group working, attacking the agreement to export Egyptian gas to Israel. All of these critics were made public before the revolution. These critics didn't appear after the revolution. It was there that Egypt's role within the Arab region, that its relationships with the changes in Sudan as Sudan much towards the separation of the South, and many of the issues in Sudan that were drawing on Sudanese strength and possibilities of development in Sudan, that the relationships with Syria again before the revolution, before the events that started in March 2011; even before that there was a feeling that there was a certain coolness with regime in Syria. I wrote about this and I talked about it, and I tried at a certain point to understand why there was this coolness and nobody could give me a very good explanation as to why there was this coolness between Mubarak regime and the regime in Syria.

Another very big issue of criticism was the inability of the Egyptian government to protect and support the

Egyptians working overseas. One of the greatest structural changes that had happened over the last 10 – 15 years is that the number of Egyptians working in other countries increased remarkably. But, there was a feeling and it is important when we deal with political criticism that is not the reality. The feeling of Egyptians overseas was that the services given to them, the consulate services, the protection services, the labor relations; Ambassador Fathy just mentioned the issue, that this relationship is quite unhealthy relationship which the Gulf countries apply across the world; it is not only for Egyptians but for all nationalities, I would say much nationalities actually.

But this was a mounting area of criticism. Now to understand this criticism, I think it is useful to understand some of the thinking of the Egyptian foreign policy establishment, media and even some of the population at large. Also, there is a very strong heritage with this idea that Egypt is a very big regional power that has a historical role in the region. When we look at the history of the leaders that Egypt has had over the last 200 years, certain characters will stand out with this kind of expansive policies of existence in the region, into actual leading events. Perhaps, to some extent, these are myths that guide some of the goals of the past that guide this kind of inspirational role for Egyptian policy.

Now, if we move away from the criticism to the areas of consensus, areas which most political forces in Egypt agree upon, as goals and strategies for

Egyptian foreign policy; firstly, there is a feeling that Egypt has to restore its regional roles in the various geographical areas in the world. It works at the core of this soft power of Egypt, its ability to influence culture, its global role, the solidarity with many progressive ideas that have existed. Egypt has a historical role, as the center supporting liberation movements in Africa. When these movements came to power, that link was naturally lost. But Egypt has not moved aggressively in the new areas such as human rights, protecting human rights originally in the Arab world and in Africa. This has been one of the deficiencies.

However, the aspiration focused on the fact that Egypt has a problem with Nile waters, which is a very critical issue for Egypt and that there must be an agreement with the other countries in the Nile Basin for practical and realistic political reasons; again, restructuring the relations with Israel. There is an agreement across the board, a peace agreement with Israel that has to be respected. But there is also an agreement certain parts of which need to be amended; particularly what is called “Annex C” which relates to the distribution of military forces, but also to reenergize the search for the Palestinian State rather than managing the relationship as it goes now with no progress on the Palestinian issue.

There is also consensus on the way the policy is designed, that the policy apparatus for foreign affairs needs to change. There is an agreement that the President should play a leading role in formulating the policy, be-



cause there has been a debate about whether Egypt should move towards a kind of cabinet based on a system where the Prime Minister is the leader of the executive branch or a presidency; there is much consensus on a shared power more or less the French model. But in this model, the President should remain to be the leading voice on foreign affairs and should be the person who appoints the critical team of ministers handling issues like foreign affairs, defense and possibly one or two other ministers.

Moreover, there should a National Security Council; there is a very strong consensus on this. But there is less consensus on the fact that in a democracy, your foreign policy becomes a part of the discussion. The foreign policy establishment in Egypt is not used to this. Our Foreign Ministry is not used to engaging in lengthy debates with media and the parliament

or lack of understanding on a lot of technical details. This is very frustrating for Egyptian diplomats who have been used to dealing with a kind of technical aspects of policy making and answering the President, working with people who give them more or less a free license in this area.

Now, one of the interesting aspects where this dialogue is going on, this criticism and this building of consensus is the fact that, as you know, we actually have a phenomenon that the foreign policy is not capturing a lot of attention in the political debate. This is a survey, popular opinion surveys, which I think an excellent point. One of the things that democracy is bringing is the fact that there many surveys and it is a very controversial area. This was a survey before the last day of presidential election and one of the things it showed, I'm sorry that I couldn't translate it, what a large a

sample of people thought as the most important issues facing the new president. Foreign affairs some somewhere there, and if you look here, you see that the security is number 1, which by the way, explains why Shafiq did so well in the first run and the only message of Shafiq. I'm glad that Dr. Dina has something to say about Ahmed Shafiq; it is some sort of her area, because she has a role of giving advices to Shafiq, so I think she can talk about this subject. But this is just an opinion survey a few days before the last presidential election, and it shows the areas of priority that people thought regarding facing the next president. As you see, the first priority is security. That explains to a large extent the single strongest message that Ahmed Shafiq had was security, and you can see how strong it was. When you look at foreign affairs, it is here, the last one; less than 0,5%. So this is a big shift. Now, I would like to show you something; just some the structural changes that are taking place in the region.

This is across the board in the Arab World looking at what are the biggest challenges. This survey was done among young people, an again, you will see that this is a big shift in the region in the areas of interest that people are interested in. You can see that a national conflict is coming down here.

If you look at here, you see rising cost of living is coming very high, unemployment, human rights, which I think is very healthy to see here but it doesn't stay there and the economy –you had asked about economy, it is

here. Of course, these are linked to each other. Because as you see here, economy - is linked to unemployment; then, there are issues of corruption, traditional values – this is very interesting one-; here it comes quite low, but it is in the question area. I have warned not to speak long, so in the question-answer part, if you ask I can come back to that.

These are again the priorities among young people. The first table is for Egypt and if you look here, you see the percentage of the people who identify their priorities. When you analyze it, health care is coming very high, and opportunities are very high. One of the most interesting things is migration; a very high percentage of young people in the Arab world have a very strong desire to immigrate. This is very strange.

If you would like, you can see the cross board of other countries and then we can go on with the third part. Looking at an analysis of the performance of last 15 months, one of the outstanding issues is that there have been repeated crisis is several regions of Egypt's former regimes. Basically, there have been there major crisis in Egypt foreign relations in the last 15 months. First one is on Israel over the border incidence, where several Egyptian policemen were killed by an Israeli. This caused a huge series of developments leading the demonstrators attacking to their embassy, and then the need to excavate the diplomatic staff of the Embassy. Of course, this made it difficult for Israel to keep its Embassy functioning in Cairo.

The second one was the US NGO crisis; it was the crisis over a number of NGOs some of which are American and others being Egyptian, working in areas related to human rights, elections and some other areas as well, but working for a very long time without registration. All of a sudden, the Egyptian Government decided to say these NGOs that they were conducting illegal operations, because they were not registered; even some of them working for many years.

The third one was the Saudi Arabia Embassy crisis, which was related to the arrestment of an Egyptian citizen in Saudi Arabia. Again, this is one of the interesting aspects; a social media war. It was launched between some of the Egyptian bloggers who were accusing the Saudi Arabia Government of this incident, which led to demonstrations in front of the Saudi Arabia Embassy, which led to the withdrawal of Saudi Arabia Ambassador.

So we have 3 crisis and we can judge by the way these were handled. We can judge a little bit that the ability of the central authority in Egypt to manage these crisis was not very strong. Generally speaking, the management of the crisis was bad. We can see that the media played a huge role in these three events, and civil society played a big role. Somehow the final outcome has led some problems. There was no real solution to the issues. In each of these there are major weaknesses in the way it has been handled, and somehow it has ended in a way that allows them to come back as crisis again. I am seeking the permission from Madame Chair to allow me

just go on a few more minutes, not so long. Some of the possible directions for future change of Egypt in foreign policy; one is the assessment and I think this is very relevant to the relationship with Turkey. A careful assessment of national interests if one looks broadly over 60 years, Egypt got away without defining very clearly and very precisely what its national interests were. If you ask an Egyptian diplomat about Egypt's foreign policy, you will usually get an answer saying that Egypt is very interested and committed to working in three circles: the Arab circle, the African circle and the Islamic circle. but that doesn't show really what national interests and priorities are, who are the people you are align with, what are the values you depend on or you will defend, what values do you stand for, how do you evaluate this policy and the performance of different organs working on that policy. So there is a need for a careful assessment of national interests and this need to be open process because in a democracy you will need to formulate policy different way from the old ways. It cannot be just imposed rules.

One of the problems is what we did to politicize this process in other words if you have, for example a president who is coming from the Muslim Brothers. To what extent does this person have the freedom to appoint foreign minister? Even going deeper and saying that I want to reformulate the leadership of foreign affairs or in the some of the other institutions working in the foreign policy sector like intelligence, defense, etc. So, that is the political pulse and there is

a legitimate logic saying that the party that comes to power should have the manipulation or they should have the right to choose their leaders because they are accountable.

Another issue is that the institutions that represent different policy in this case we talk about foreign policy should have the right to choose their own leaders. That is the defense sector should choose their minister, the foreign policy establishment should choose its own minister and you leave this job to technicians, this is more difficult. The question is of course how and to what degree you can insulate these institutions from the political pulse. This is a debate that we have not started but I think it is a very critical debate. I worked in the UK very long time and I became very involved in the foreign policy making in the UK. Of course we know that you have a cabinet system, for

example the foreign office. When you change the minister, the new minister comes with a number of ministers and in some rare cases some of the key points such as ambassadors are apolitical appointees. It is not as strong as the American system where the party comes and takes lots of position in government. I think it is very important for relationship with Turkey; the questions to what extent the economic needs of Egypt drive its foreign policy. I think this is again a very strong issue when you start talking about frames of reforms for Egyptian policy, you must say the first problem Egypt face today is economic situation. And if that is the case, then you must draw your foreign policy map to reflect defending your interests. This can be a very different map from the one you may draw for ideological reasons or for internal political reasons.

The one challenge is the issue inside the Arab world, because of the Arab



Spring, there is a division between revolutions and the monarchies. The revolutions are coming with a set of values that remind us the very much they are different but they remind us very much of the dichotomy that existed at the time of Camal Abdunassir between the socialist progressive revolutionary groups, republicans and the monarchies with their status quo mentality. This is one of the challenges. How can you bridge these two? Egypt in a revolution; one thing to work more closely with countries like Tunisia and Libya but also not want to disturb the sensitivity of monarchies who are very worried about the Arab Spring.

Number two is the issue of finding practical solution Nile waters which is a very sensitive issue. It will be involved in some very difficult making choices. And it needs a government that has the ability to put the facts in front of the people and make that difficult choice because I think one of the problems we have with democracy there is going to be a lot of posturing, not seriously policy making.

Finally in the Middle East the issue of balancing relations between the key regional powers: Turkey, Iran, Saudi Arabia, how to balance these relations is going to be a major demand in foreign policy. Balancing also the security context with Israel when energizing the peace search and then how to work with the United States where it is very possible that the areas of diversion will be increasing and the sensitivity to relationship disturbances that Egypt goes through.

Some final conclusions, thank you Madame Chair for being so tolerant. I think there is a need for a new strategic vision that we have not managed to speak a lot on this but if there are any questions, I will be glad to stand on it, the largest strategic context of policy in the eastern Mediterranean and in the Red sea and as I said Russian interests, defining them in a much better way. What is the effectiveness of policy, how cost effective can it be and how do you judge it whether it succeeded or not. There is a seen in Egypt that the foreign policy establishment needs to be strengthened because if we are going to have problems in some of the areas that we are in relationship, good crisis management is going to be needed. So it can be used as an advantage but it is important to realize that there are problems ahead it is like being captain of the ship and you know that the sea waves are going to be rough, so you have to be ready for that.

Again, the internal democratic dialogue to strengthen consensus and deepening the dialogue with friends; I think this is a key point, also for Turkey. Sometime I feel that because of our traditions, we don't talk about problems when we have good relations. Then I don't think this is right. I think we need to talk about everything: the potentials, the weaknesses and the problems. I think this is very important and I see that the role of Turkey is important. There are so many aspects of Turkish experience that are of our interest and at the moment the image of Turkey in Egypt is very positive. I consider this as a tremendous advantage, and it needs a

lot sensitivity as well as wisdom while handling them. I will stop with that. Thank you.

Dr. Seyfi Kılıç:

I would like to thank to ORSAM for organizing this gathering, and H. E. Mr. Yaşar Yakış, Former Minister of Foreign Affairs and my professor of my mater course, and Nebahat Tanrıverdi, ORSAM Specialist who organized this meeting. I will try to analyze the transition period in Egypt and its reflections on the Nile waters.

It is clear that Egypt is in a transition period and this period will also effect the utilizations of the Nile Waters.

As we all know, Nile river waters are vital for Egypt. The river's water which is around 84 billion cubic meters per year is the only surface water source of the country. All the water utilization activities in the country depend on to this source. Egyptian authorities, aware of this situation have always tried to block upstream utilizations which can affect Nile river flow. Sudan, another downstream country, supports Egypt on this issue and both governments are acting together on this subject. Former colonial power of the area, before Egypt and Sudan gained their independence; Great Britain has also made lots of arrangements in order to guarantee Egypt's water utilizations. However after basin countries gained their independence, they no longer recognized the arrangements and hence those arrangements lost their binding forces.

The most fundamental concern of Egyptian governments about the Nile

river has always been the obstruction or delay of the waters of Nile, out of Egypt's will, before crossing into Egyptian territory. Therefore, Egyptian governments have been sensitive about the political developments in Sudan and Ethiopia.

Through the developments starting in 2011 in Egypt, Mubarek regime has fallen, a new parliament has formed and a new president will be elected in the country. The possibility of changes in Egypt's internal and external policies following Mubarek era, may all cause retriggering of developmental activities of water sources in the basin of the Nile river which have always been on the agenda.

The process of Egypt's integration to the world system, which has started at the end of Nasser era and continued during the reign of Enver Sedat, has been accomplished during the Mubarek era in the 1980's. Egypt is not a military threat to Israel after signing the Camp David Peace Treaty and stands in the western bloc by opening the Suez Canal to international trade and American military operations in the Persian Gulf.

However, a regime change in Egypt which might arise from a new president and government, may culminate in Egypt's split off from the Western Bloc, in Cold War terms, and this may, in turn, include a potential of serious change in the hydropolitics in the Nile basin. A possible regime change in Egypt, means that the upstream countries in the Nile Basin can easily find support in order to utilize from Nile River waters.



This assertion is supported by the experiences lived through over the last century in the Nile basin. Both the timing of important hydrolic projects, which have come onto the agenda in the Nile basin, and the reactions given to them are very impressive.

The efforts to control the waters of river Nile date back to the years of British dominance in the basin. The British engineers proposed a plan, “The century reservoir project”, in 1904 to store the flood waters of Nile outside Egypt. By the implementation of the project, that would store water when the flow is high and it was aimed to guarantee the agricultural yield during the time of drought. In the project it was foreseen the construction of dams in the Lake of Tana, which is the source of Blue Nile in Ethiopia, and in the lake of Victoria, which is the source of White Nile which is shared by the countries of

Tanzania, Kenya and Uganda. It was also planned to construct a canal in order to decrease the amount of water due to evaporation in White Nile in the Sudd swamps in Sudan. Besides, it was also foreseen the construction of a series of dams in Sudan. But, this plan had been criticized by Egyptian nationalists on the base that the main components of the plan would be constructed outside Egyptian territory and thus, out of Egyptian control. Egyptian nationalists thought that the British would use this plan in order to control Egypt in case Egypt gained its independence. However, this plan could not come into being.

As Egypt and Ethiopia have always been under the influence of different powers and Ethiopia is the source of 85 percent of the Nile river, the issue of water has been frequently used as a political instrument in relations between Egypt and Ethiopia.

In the 1950's, when Egypt was ruled by Cemal Abdul Nasser, who had pursued pan-Arabic and anti-American policies, as well as received economic and military aid from the Soviet Union, whereas Ethiopia was ruled by Halie Selassie, who had received American aid. The studies conducted by the US Bureau of Reclamation could be considered as a response to anti-American and anti-Israeli policies pursued by Cemal Abd-ül Nasser. The US Bureau of Reclamation undertook a project of feasibility, titled "Blue Nile Plan", on the Blue Nile River in Ethiopia between the years of 1958 and 1963. In this project it was estimated that Ethiopia would consume approximately 5 to 6 billions cubic meters of water with the construction of 33 dams. It was also considered in this study on the Blue Nile that 430,000 acres of land would be arable. However, this plan could not be realized fully but only one dam because the United States had lost its interest in the activities of hydraulic developments in Ethiopia after Enver Sedad, who came to power after Cemal Abd-ül Nasser in 1970, who expelled Soviet advisors from Egypt and shifted to the United States for foreign aid.

At the time of Enver Sadat coming closer to US policies, the Ethiopian army came to power in 1974 after a coup and the Emperor Halie Selassie was placed under house arrest. After this stage, Ethiopia had gradually come under the Soviet influence. At this time, the Soviet Union launched a feasibility project in the Lake Tana, which is the source of the Blue Nile

in Ethiopia, in order to disturb Egypt. In the United Nations Water Conference, held in Mar Del Plata in 1977, Ethiopia announced that it would make water-based agriculture by using 4 cubic kilometers of water in the Blue Nile, in response to the support of Egypt to Somali during the Ogaden War. The Egyptian President Enver Sedad, responded rigidly to this announcement and declared that Egypt would destroy the constructions which was planned to change the direction of water in Ethiopia. Similarly, Egypt was alarmed by the treaty signed between Sudan and Ethiopia in 1991 concerning the joint use of Nile's waters and threatened them with the use of military force.

At the same time, Ethiopia has plans to improve irrigation system composed of small dams. Ethiopia have had plans to construct 500 small dams in the dry region of Tigre, where famine is very common. However, there are some serious problems about those dams. First, as there is erosion in this region and these types of dams whose volume of storing water are not enough, could not be used properly for a long time as a result of silt. In addition, the construction of these dams which would irrigate approximately 200 acres of lands means that in total 1 million acres of lands would be irrigated. This figures also mean that, in total, 5 cubic kilometers of water would be consumed in a year, if 5000 cubic meters of water were used for per acre.

However, the strategy of micro-dam has at least two particular advantages for Ethiopia. First, these types

of dams can be constructed by local man-power and resources as well as do not require international financial institutions aids which are very sensitive about the effects on down-stream countries. The second advantage is militarily. The Egyptian threat that Egypt would bomb these constructions in case Ethiopia engaged in activities that might lead to a reduction in the waters of Nile River will be invalid. Because it would not be difficult to predict what Egypt would lose if she attack these constructions in over-populated plateaus in Ethiopia. Besides, it can not be certainly known to what extent Sudan would be willing to let Egypt to use Sudan territories for this kind of military activities.

Egypt was also uncomfortable because of Ethiopia's relations with Israel. The relations between both countries date back to the year of 1960. At those times Ethiopia was both fighting with Somalia over the Ogaden region and uprising in Eritre. That is why Halie Selassie was looking for both military equipments and external support for internal development activities. Israel could provide Ethiopia with both kinds of supports. By helping Ethiopia, Israel not only controlled the Arabian and Soviet ships passing through the Bab-ül Mendeb straight and but also surround Egypt from the south. The Israeli-Ethiopian cooperation had lasted until 1974 when Halie Selassie was ousted from power by a military coup. But, this cooperative relationship was re-activated in 1978 due to the separatist movements in Eritre. As seen in this historical background, Israel would certainly support the activities to

develop water sources in Ethiopia in case an anti-Israeli government come to power in Egypt. Israel is capable of doing this, both technologically and financially.

On 8 November 1959 The Full Utilization of Nile Waters Agreement is signed between Egypt and Sudan and the water of the river has been allocated between the two countries. With this agreement, it has been also decided by two countries, to act together against the upstream claims.

The upstream countries, since they do not have any financial or technical sources, could not perform any water consumption activities on Nile until 1990's. However, in order to feed the growing population and to generate electricity, the upstream countries started to undertake projects after 1990.

In order to solve the problems, which has been going on in the basin for years between downstream and upstream countries about the utilization of Nile waters, Nile Basin Initiative (NBI) has been founded in 1999. However, this organization could not fulfil its purpose to reach a solution on the issue. In 2010 the Framework Agreement; also known as the Entebbe Agreement is signed among the upstream countries; Ethiopia, Tanzania, Ruanda, Uganda and Kenya. Firstly, It has been also emphasized that the Democratic Republic of Congo is also about the join the agreement. However, Democratic Republic of Congo announced in 2011 that it will not sign the agreement. It can also expected that South Sudan, which gained

its independence from Sudan in July 2011 and has a proper topography to produce hydroelectricity, will join the agreement. With this agreement, which Egypt and Sudan are opposing to, it is emphasized that each country has right to utilize from the river's water. Egypt and Sudan are opposing this agreement considering that their security, especially water security is jeopardized. In the next period Entebbe Agreement will clearly be the basic debate in the basin.

Another politic mean that Ethiopia uses is the Entebbe agreement which is signed among Ethiopia, Tanzania, Ruanda, Uganda and Kenya in 2010. The agreement which Egypt and Sudan oppose strongly is not yet approved by Ethiopia and it is expected to be used as leverage in the negotiations.

When the upstream countries implements projects to develop water resources on White Nile, Egypt and Sudan taking into account their rapidly growing population, expressing that they cannot stand losing more water. The upstream countries on the other hand, are accusing Egypt and Sudan both moving with the colonial logic, and trying to block development efforts.

As much as Egypt feels discomfort on the activities on the White Nile, it is most sensitive on the Blue Nile, which provides 85% of the water at Aswan. In the historical process, since Egypt and Ethiopia are under the influences of different powers, this water source has always been used as a political tool. However, the fact that Ethiopia has started irrigation in order to feed

the rising population and the effort of producing hydroelectricity in order to import, is now seems impossible to be blocked by Egypt.

Ethiopia started to build a dam in, which used to call Millennium and now called the Renaissance dam on the Blue Nile on April 2011 in order to generate hydroelectricity. The total capacity of the dam, which will be built by an Italian firm, is calculated as 63 billion cubic meters. The firm is also building the Gibe III dam and hydroelectric power station, which is another controversial issue. The main problem of Ethiopia regarding the Renaissance dam is that Egypt blocking the international funds for a long time which is needed to build the dam. For this purpose Ethiopia has issued bonds in the country and chosen to finance the dam by itself.

However in the Arab world, after the latest issues also called as the Arab Spring, the new temporary government that replaced Mubarak administration is showing signs of flexibility on this issue. Egypt and Ethiopia are agreed to establish a technical committee on the effects of the Renaissance dam. In the mean time Egypt's ex-Prime Minister Essam Sherif, expressed on the joint press conference with Ethiopian Prime minister Zenawi, that "this dam can be useful for both sides". This announcement may be taken as a change in Nile policy that an Egyptian authority makes such a remark.

Another issue which never made the agenda before is gradually taking its

place in Nile water politics. Ethiopian Prime Minister guarantees Sudan and Egypt that, water for irrigation will not be supplied to international companies that rents vast amounts of land in Ethiopia, from the Renaissance dam. As it is well known, irrigation activities, consumes water and causes a decline in the water levels. Ethiopia is trying to alleviate the concerns of downstream countries by expressing that they will not embark on such activity and only generate electricity. However water is a must for agriculture especially for irrigated agriculture. It is expected that, water will eventually be supplied to those areas, from millennium dam or from other sources.

It should also be taken into consideration that the Ethiopian dam will help to regulate Nile's water, decreasing siltation and help the whole area with the electricity that it will produce.

To sum up, the policies of the new administration in Egypt, towards United States and Israel might make it difficult for Egypt to continue to receive American aid as well as to sustain its control on the waters of the River Nile. It is obvious that, Egypt has already been exposed to serious pressure emanating from the particular agreement signed between up-stream countries of the Nile River, namely "Rwanda, Ethiopia, Uganda, Tanzania", concerning the share of Nile's water as well as the decision regarding Sudan's partition. It is now getting more clearer that the up-stream countries of the Nile River, particularly Ethiopia which is the source of Blue Nile consisting of 85 percent of waters of Nile, will have more convincing political motivations to increase its utilizations of water resources in order to feed their growing populations and to export their agricultural products. In short, this upstream countries of Nile River, will not face difficulties to find



allies and financial resources in their efforts to benefit more from the Nile River, in the case of the new Egyptian government pursues anti-American and anti-Israeli policies.

And as a conclusion, the hot topics about the Nile waters can be listed as follows:

- 2010 agreement among the upstream riparians,
- Land grabs in Sudan, Ethiopia and other upstream countries,

- South Sudan's independence and Israel's involvement in South Sudan.
- And at the end who will have effect the Egypt's foreign policy, the president or the government or the National Security Council?

These topics must all be evaluated by the Egyptian politicians carefully in terms of Nile waters.

SECTION 2

“The Economic Impact of 2011 Revolution and Transition in Egypt: Analysis and Recommendations”

Moderator:

H.E. Mr. Yaşar Yakış, Former Minister of Foreign Affairs, President of STRATIM

Discussant:

Mrs. Dina Khayat, Economic Expert, Founder and Chairman of Madar Capital
 Assoc. Prof. Dr. Harun Öztürkler, ORSAM Advisor, Middle East Economies - Afyon
 Kocatepe University, Department of Economics
 Hakan Karabalık, Head of Department, Ministry of Economy

Dina Khayat:

We are the country in transition and I don't want to repeat what said before but the fact that we are in transition affects the political situation of today. Let's look at the economy and let's look at the economy in the context of whatever it is the problem of today in the context of assessing a company to give and balance sheet which gives a snapshot of where we are today. All revolutions have a cost but the cost has been higher than many revolutions because of 16 months of complete lack of production. I am going to back track and I'm going to track what happened but again in so far has affected the economic front not the political front, I think I've said enough on the political front. As soon as the revolution started, it caught for bread, social freedom and social justice. What came after that people took advantage of what happened and you had labor strikes and people call in for higher standards of living and in order to peace the government

has started spending the government still have to live off from the previous days. Pre-revolution the economy was not in the bad state, it had enormous problems but we had foreign reserves of I am not defending, I am not defending, I am stating economic facts. It has the rising fiscal deficit. There was growth in the economy but it was unfairly and badly distributed and there was the problem. We had some foreign direct investment that it was boiling; we had foreign exchange reserves of 36 billion. This is how we started. 16 months later we had almost no foreign reserves left, what we have was in the form of gold and not really enough reserves to cover even 2 months in imports. We had blooming fiscal deficit and that is a huge problem, why? In 2008 the deficit which was rising at that time and was estimated at that time even 8% of GDB was being financed by banks, by the sale of treasury bills. Banks then sought for selling of those treasury bills to foreign investors who are interested in making a profit on the

interest differentiation between very low rates on the dollar and almost 8% was paid on bills at that time. After the financial crisis foreigners buying large exceeded and banks were left on their own to finance the deficit. The deficit hence this reason is by above 3% minimum of GDB, has a result of lower than expected revenues because of lower production, lower cooperate revenues, and therefore lower tax revenues and rising social costs and expenditures. Today we have a situation in which banks loan to deposit rate should as above 49%, the rest of the money the rest of the deposit can be used to finance deficit to the extent leaving banks to deal with it, to the extent that central banks have to lower reserves from 14% in one month from 14% to 12% meaning an injection of cash, and again from 12% to 10% meaning another injection of cash. What this means is that banks months of situation is today to finance any kind of future investment. The fact that the bounds on the government being paid on current expenditures leaves also the government in a difficult position to finance investment or take part in any investment. This was not Economics101; it is to give a picture today where we are. Like any other company, I think the problem with Egypt; we have to do more with management than with a banana republic that cannot be turned around. And I believe that once we have the security and civility given to fundamentals of this country in terms of resources, in terms of its geographic position and now through resources it can be turned around very quickly and this for the functioning economy. So potential is there and

I think this is what we should focus on today. Where is the potential? I don't think we should focus on industry, for Egypt to turn to be an industrial state tomorrow is going to take at least a decade in order for us to become as productive as, yes we have cheap labor but it is also if you compare productivity levels it is not that cheap. We need to bring up each of productivity levels to other countries; industrialized countries like Turkey which did not achieved that in a day. In Asian countries that is going to take time whereas through potential it seemed two places. Number one; like a man that is fallen on his back, you need to bring Egypt back on its feet before it can run and certainly easiest and fastest way to do that is thorough tourism. You need to come back; you need one and a half million, unemployed in the past, newly unemployed in the tourist center in the past 13 months to come back into the work force and find an employment. That is going to be translated as tax revenues, and that is going to be translated into foreign exchange reserves coming back into the country. That is the fastest shot in the arm. You need production levels to come back to pre-revolution levels. The first country that should focus on is security, a coherent economical policy that is credible, that does not promise billions and hundreds of billions in mega projects that may or may not be materialized. If we could not attract hundred million dollars in foreign direct investment, I don't know how we can quickly attract over 9 billion dollars. These things have been top over time. Tourism, security, stability; a working on Egypt's natural competitive advantages and that is

very important short to medium term solution. It bothers my mind that the port of Jamal Ali should generate facilities and revenues 5 billion dollars a year whereas the port of Alexandria struggles to generate a billion pounds a year in revenues. Egypt has the unique geographic position in east, west, north and south, the first thing I would do if I were president tomorrow, if I were in the government tomorrow, it would be working on port facilities. Before I would leave industrial projects and mega projects, this brings up infrastructure and port facilities. So this other way out until we can transplant we can truly become productive in terms of industry. And that two come back later on. If Turkey and I think this is where Turkey can play a huge role, energy prices will go up and I would not bank on that now, I would not bank on energy subsidies to the industrial sector. It is going to become more expensive to run a factory in the future than it is today, much more expensive. If I

were president again, I would charge the politic industries. So that would not be the way out that Turkey can come in is helping us in our service sector where there is an interest of all countries and where there would be synergies in terms of management, in terms of raising financing, nobody is asking you to finance that a lot of people would be interested. There is a way where the US has financed after the First World War which is revenue bonds where you considered for example a port as a standard of industry, as a standard of entity where its own financials it would issue bonds called revenue bonds. And only the port not the government and not the fiscal budget would be responsible out of the revenues of this port for paying dollar. There are many ways to finance a project just through the high project. And I think Turkey can be very helpful with that by giving ideas and management expertise. I would like to stop here and perhaps you can continue that later on, I don't want to take other people's time.



H.E. Mr. Yaşar Yakış:

Thank you very much for your penetrating analysis. I know that you are comprehensive of various political processes in Egypt but I am so confident about future of Egypt that I can be slightly more optimistic than you are, with the huge potentials of Egypt and the wisdom of Egyptians in general as individuals but also as community, many problems would be solved, it may not be solved overnight, democracy has a lot of vices but when this biased people come to power, they also discover that praying may not create jobs, you need something else in order to create job and to meet the expectation of people but they learn that on the job training. As they say Qur'an makes the king wiser, so let's put Qur'an on their head and they will grow wiser. Furthermore you refer to preparations for democracy, even if you translate into Arabic best constitution in the world and best legislation and pass it as a law, it would not be sufficient to make country democratic. Democracy is a culture and it needs all the entire population, law enforcement officers, judges and the voters, and internalizes these values, at that time we will be able to say that democracy has started to take route in Egypt. So I am very confident of the future of Egypt. It may not come tomorrow but it will come sooner or later. Now I give floor to Professor Harun Öztürkler from Middle East Economics, Afyon Kocatepe University to share his opinions on this question with us.

Assoc. Prof. Dr. Harun Öztürkler:

Thank you. My name is Harun Öztürkler. You may think that two economists in a workshop on international issue are over but the economists can talk but on basis of numbers that tells totally different story. So I don't think that there will be so many reputations. Well I had prepared long parts about macroeconomics but after Mrs. Khayat's presentation I am taking short cut on that part. I will talk about effects of revolution, problems and suggestions, risks, challenges and in one sentence I will answer this question what Egypt needs now. I am totally agreed with Mr. Chairman about prospects of Egypt. With similar population and some other structures Turkey produces 800 billion dollars gross domestic product while Egypt only produces 231,9 billion dollars, so there is a huge potential there. I am totally disappointed by Mrs. Khayat's degrader of industry, importance of industry; I didn't understand what she meant. After our experience with for example Greek without an industrial base, no economy can produce enough jobs or bread and other economic provisions for its people. Another thing that I don't think we should call what happened in Egypt as a revolution. Revolution is called if the changes take place in such a total outer, production structure, factors of production and distribution specifically among social groups. So revolution is too much to call it. Economic growth which was recovering after the global financial crisis 1937-1938 pass from 5,1% through fiscal year, you know Egypt fiscal year from June to July. 2009-2010 an estimated



1,8% from 5,1%, so the first one on economic growth. The second one was on tourism and foreign direct investment; Turkey is source of foreign reserves. And as she said central banks are running out of foreign reserves. Right now there are only financed three months of its imports with the current reserves. I am not going to details. Country has suffered from sharp capital flows. By the way investment rate to GDB is about 15% in Egypt with such a huge number unemployed people, 15 % investment is too little. Unemployment rate has increased to 12,4%. Lowering revenue collecting resulted with huge public deficit, public fact has risen to 85% of GDB, it is much over threshold level for a stable economy. The banking sector has remained stable. Inequality and poverty are two most important problems. Now I am moving to the problems and suggestions. The first and the most important problem are inequality and poverty in Egypt. It af-

fects different social groups differently. The worst affected social group is women. Income policy subsidies tax policies and projects must have targets to reduce inequality and poverty. The second problem is poor quality education because poor quality education does not produce right workers for the right job. Therefore government budget must be increased. Urgent measures must be taken to increase occupation and education. Another problem by the end of second quarter's 2011 unemployment especially among young had raised from 3 to 11,8 %, therefore Egypt needs urgent projects which will have target at creative employment for specifically young and educated. Energy subsidies are truly inefficient. There are so many government enterprises which are not performing well. Therefore new projects are needed to increase efficiency in energy sector. Government enterprises must be downsized and Turkey can be a good example,

I can provide technical assistant I think to Egypt. Transition also must be used as a tool to reduce inequality by providing employers and very poor government enterprises at low prices or free in some cases. As Egypt tries to meet the short term demands of political upheaval, it will need a medium and long term strategy for inclusive economic growth for all Egyptians. For this purpose it will require increase coordinated effort across government agencies and stronger partnership between government, civil society, private sector and government agencies. What are the risks? The first one is the while global environment has negative effects on Egypt's prospects the main risk to our domestic nature prolong political uncertainty or worsen the security situation, this would trigger dollarization, deposit outflows increasing pressure on pound and international reserves more, fiscal could also rise as revenues remain pressed, social spending needs increase while banks find difficult to finance continued large budget deficit. The immediate challenge for Egypt is to maintain macroeconomic stability while setting the stage for a gradual recovery. Priority will be to implement measures to begin reducing fiscal deficit and ensure credible sustainable midterm fiscal trajectory. In addition, foreign financing would be critical to help bridge financing gaps. I agree on that issue Mrs. Khayat's guidance and finance support is not needed. Allowing the pound to move more in line with market forces avoid short term monopoly would help limit international reserves drain

and maintain external sustainability going forward. Sustaining rapid and more social inclusive growth will require policies with large economic potential. It can be achieved by creating more competitive and transparent business sector and business environment especially for small enterprises. Again Turkey and Egypt can cooperate on how to develop small enterprises and real advantages specifically in developing countries creating capital for new investments. For this, fiscal consolidation to this government that creates space for countercyclical policy will be essential. This requires raising tax revenues including public spending by replacing inefficient and inequitable system of generalized subsidies. There are technical details I skip them. And the last sentence what Egypt needs now are, the answer is an equalitarian and efficient economic system. I hope Egypt will soon be able to establish such an economic system. Thank you.

H.E. Mr. Yaşar Yakış:

Thank you very much. I am sure that they will establish soon. I also thank Professor Öztürkler for briefness as I should say the same to Mrs. Khayat. And I encourage Mr. Karabalık who will be going to take floor now to be brief so that we will leave more time for the question and answer part. Mr. Hakan Karabalık is head of the department in Ministry of Economy. He will give us examples from real life and how the relations will be between Turkey and Egypt in economic concern.

Hakan Karabalık:

Thank you very much. I am the head of African department in my ministry. I am dealing with North Africa almost 10 years but Egypt is very new for me. It is almost one year but it is very educative. Thank you very much for inviting me to this important gathering. I would like to stop my words with words of great Arab poet Mahmut Derviş, he says “The hours are never same in Egypt, every minute is a memory revived by the birds of Nile.” I find these words very effective to understand what happens in Egypt now. It is clear that it is in a transition period economically, socially and there happened a very big revolution. So we are talking about numbers, societies, effects, Muslim Brothers, political leadership but I think it is all normal for those kind of transition periods in any country not only Egypt, also for Tunisia or Libya.

I think everybody should be calm and believe in democracy and democratic values in those kinds of periods. So I think I should make a few words on what Madame Dina have talked about regarding the Egyptian economy right now. Yes I agree with her totally. There is a great fiscal and balance of payment deficit now which affects badly Egyptians and Egyptian economy but regarding those deficits and helping Egyptian economy, we are working with also with our western partners in the context of partnership, so the ambassadors are coming to our ministry also after minister of foreign affairs, treasury department and we are talking now. The talks are always stuck to does Egypt accept the IMF conditions or IMF rules in order to get almost 400 billion dollars which is very needed in Egyptian economy. Our minister of economy finds this kind of quest, this kind of offers not decent because of our experience with the IMF. We support, we said to them,



we support donor activities instead of IMF rules for now. I don't know what minister of foreign affairs or treasury department talked to them but that is our view as a ministry of economy because country is in need of cash now for sure but to give those aids, in order to give those grants put on the table some conditions is not decent for us, I must say. So we are supporting donor activity like Saudi Arabia that now granted like 1 billion dollars for the balance of payment deficit in Egypt. Anyway we have now very pessimistic picture in front of us. In 2012 even though we have all the problems in Egypt we have 3% growth rate and for 2013 and for 2016 the expectation is 5% growth rate which is very good. But what Madame Dina said is true; the distribution of this growth is not equal. I think for the future of Egypt the problem will be the leadership, I mean as a team or as an individual and the execution map. I mean after putting on the table some projects, some plans Egypt will need some execution plan because like Madame Dina said we have some profitable sectors such as energy, tourism, service, agriculture but Egypt is also an industrial country in which Turkey invested more. So we are waiting after the elections, the new Egyptian government. We are expecting that development plan and execution map. So I would like to make also some comments on our trade and economic relation with Egypt. Last year we have almost more than 4 billion dollars trade volume which is the peak level even though we have serious economic crisis in Egyptian economy, our trade relation is developing. We have almost 200

companies operating in Egypt; almost quarter of them is industrial plants with the employment of 50.000 Egyptians. And we had some contracting business there in the past and we are expecting also to have some projects in Egypt in contracting sector. It is almost 600 billion dollars worth of contracting business until now in Egypt. I think lately our company Limak won the tender regarding the extension of Cairo Airport but because of the fact that we are not member of African Development Bank; the project couldn't be put on the table. So we are working on membership for African Development Bank and new projects in Egypt, we are working on those subjects. Also we started to operate RORO Line between Mersin Harbor and Port Said and Alexandria in Egypt. We have free trade agreement with Egypt in North Africa, we have free trade agreement with Egypt Morocco and Tunisia, but the most successful one is Egypt. It created investment opportunities for Turkish investors in Egypt. I would like to make also comments on things that I think it could create some problems, I mean economically for Egypt. One of them is the stopping the gas supply to Israel and the Q.I.Z matter that is qualifying industrial zone. I think transition government of Egypt decided to decrease the Israeli content in the minimum content requirement of Q.I.Z the 10 to 8%. When it was started in 2005, I think it was 12% Israeli content in the Q.I.Z and it decreased to 10 and now the Egyptian transition government would like decrease it to 8%. Those industrial zones are also very important for Turkish investors because

from those zones you can export your products to the United States duty free without customs duty. However it will probably create a tension between Israel and Egypt. Also we have two high level committees with Egypt; one is Joint Economic Council, the other is high level Commercial Counseling Mechanism. Both are headed by my minister of economy and its counterpart in Egyptian government. So we are expecting to hold those commissions and mechanisms after the elections and stabilization in Egypt. Thank you very much.

H.E. Mr. Yaşar Yakış:

Thank you very much Mr. Karabalık. Now I would like to continue with the question-answer period. We will gather questions and try to answer. If you introduce yourself and indicate to which of discussant your question is directed to, I would appreciate very much.

Abdullah Bozkurt:

I think I understood the way what other people interpreted, for example, I suppose you did not mean that Egypt should completely ignore industrial base because with the one you said you need to invest some sectors to recovery much more faster, otherwise you couldn't operate close port facilities if you don't have industrial base or if you have not fertilized factories in Egypt, you could not develop crucial developers which is also important for economy. I just wanted to clarify that. The second is the other discussant; the economist has pictured a pessimistic Egypt. The economy of Egypt, personally I don't see many options that work for Egypt. You don't a lot reserves in banks so you need a substantial cash or treasury. And as we have seen many examples in Pakistan, many people coming to the meeting and saying that you claims amount of plans but it will take



a long time to realize those plans. So I think it would be better for the IMF option for the moment as we did in 2001. Only a decade ago we were in the same difficulty like Egypt. The third comment regarding the SMEs that are hardly mentioned, I think we need to emphasize more and more Small and medium sized enterprises that are playing an important role in economy or bilateral trade, export or import companies. Most of the time we talk about major problem issues, yes they make a big investment and it takes a long time, sometimes it doesn't even realize because they have to study lots of logistical and other feasibility studies. Small and medium sized enterprises, they are very quick and innovative. They are risk takers and we have seen many different examples in Turkey as TUSCON, the largest confederation which creates a lot of success stories. In regard of Tunisia and many African countries they are also attending to workshops as well as in Egypt. We have to emphasize on that. My last question is again for Dina Khayat; I just want to know how the statistics in Egypt are and how reliable they are. As all we know, in Greece they played with statistics and here they are today. Thank you.

H.E. Mr. Yaşar Yakış:

Thank you very much. Are there other questions? I would appreciate if questions are more interested in what we have discussed, please.

Atıf Özbey (AA):

Egypt has to be very careful and it is a nice suggestion that they can benefit

from Turkey or AK Party's experiences with IMF. 2001, just one year before the AK Party, there was a program on TV Channel Fox in United States. Mr. Dick Morris, advisor of Bill Clinton he mentioned some things very bad about Turkey that reacted by our parliamentary house. What is that? When people asked him about Iraq's situation, how they planned to control it, he said that IMF bought Turkey for us; we could move anything from there. So, this was the time of IMF, when they are giving some credits or supporting some projects, they want to control everything. So AK Party finished the power of IMF and now Turkish government is getting nothing from IMF. Even our Prime Minister announced that any time Turkey can re-pay all debt to IMF and can continue by itself. I don't know if our guests from Egypt agree with us on this topic or not. Thank you.

H.E. Mr. Yaşar Yakış:

Thank you very much. I would like to add a question. Creating a middle class is also something very important in democracies in order to eliminate this gap between very rich and very poor; you need a creation of a middle class. Does it figure in any of the programs of the parties in Egypt or the presidential candidates do they refer in their campaigns or in their statements because this will help a lot democracy to take route in society. Thank you. Now I turn to the analysts.

Dina Khayat:

Firstly I will answer the question about industry. I am not saying any-



thing against industry. What I am saying is that it is not the first shot in the arm, tourism is the first shot. You need to take advantage from tourism. Egypt's unique advantage is tourism not industry. Industry is great and it is supportive for all other industries. When you speak of Alexandria, I guarantee you that no city has the position of Alexandria, when you think of tourism no one have our resources. There comes industry. It is more expensive. Industry is a medium term solution. Why? SMEs, you are so right about SMEs. This is industry important sector, and this is another sector where Egypt entered by helping and financing SMEs but they had to stop because of the Egyptian presidential elections. SMEs are a way of building a road map and also another way of creating sectors and bases for economy. That is also useful for Turkey to invest there. Turkey really can help Egypt on know-how and also on institutionalization firms in Egypt. There are a lot of things to d together.

The question regarding the statistics, we do not even have a proper figure for affiliation which means we do not know how far even the interest's rates.

H.E. Mr. Yaşar Yakış:

Thank you very much. I would like to support Dina's insistence on tourism for several reasons. One is quick return; you invest this year and next year you get return of it. Secondly it affects cultural mutual exchange with the international community because tourists will come to Egypt from everywhere in the world, they will bring their culture, they will enter into cultural exchange, they will learn from Egyptians but they will also leave something from their culture which will widen the relations. Another thing regarding tourism as far as Turkish relations are concerned is the complementarities in the field of tourism. Complementarities in two recent areas, if two countries can cooperate closely they will bring tour-

ists from long destinations. If they come only for Turkey they may think that it is not worth, if they come only for Egypt they may think that it is not worth) but if they are coming all the way from Japan or from United States to visit both interesting places in Egypt and in Turkey, they might be making more profit of doing this. Second area is the seasonal complementarities, in winter the Upper Egypt is best destination because high season of tourism is winter in Upper Egypt. Whereas in Turkey many of the tourists in summer so service personal for tourism can be shifted to Upper Egypt in winters and they may be brought back to Turkey in summer when it is high season. This is another area of the complementarity. So I wanted to add this in order to support your insistence on tourism. Now I want to turn to my Turkish colleague for his comments.

Assoc. Prof. Dr. Harun Öztürkler:

Thank you. Regarding small and medium sized enterprises, flexibility of those enterprises how could they adapt to new economic situations. Innovative approaches and most importantly easy employment approaches, it is very important. A year ago with calculated the probability of average Turkish Small and medium sized enterprises' profitability for the coming year as 30% or less. Still those firms have invested massively so even if a company with a probability of making profit less than 50% would never make any investment but with less than 30% probability of making profit they invest. So that's important. Well, regarding the IMF, we should not pay attention to magazine talks

about IMF; we should understand what IMF is. IMF is an international organization and Turkey is a member of IMF. The task of IMF is to provide short term, by short term we mean one year, balance of payment problems so I think the country is having difficulty in financing its current deficit. After one year IMF gets in and on some conditions provides funds. Seeing IMF as an enemy or friend is nonsense, it is an international institution run by its members. Regarding my new friends in Egypt how to build an Egypt from bottom, let me give a picture of the economic structure of Egypt. We measured economic structure by contributions of sub-sectors to GDP and to employment. Please pay attention to those numbers. Agricultural contribution to GDP in Egypt these are the latest numbers, 2011 numbers, it's 40,4%. In European Union the number is one point ahead, agriculture provides 1,8% GDP in EU and 40,4% in Egypt. Industry in Egypt is 39,9% and services 45,8%. In European Union service sector is 73,2%, and the remaining 23,2% is industry. It may look that industry share is lower in European Union but we should keep in mind that service sector is a primitive sector. It works when we have industrial base. It is okay to pay attention to tourism one year or two years but remember when it was close to its potential, unemployment rate in Egypt was more than 20% so even if it reached to the potential level in tourism, we are going to estimate 20% unemployment rate in Egypt. And the members who are competitors in tourism of Egypt are Spain, Greece, and Turkey. So there is a little room for Egypt to go far beyond in tourism. Again I will emphasize, future lays in

industrial investment in education, in health, in both fiscal capital to provide employment and to create GDP, remember Egypt's GDP is 231 billion dollars, and Turkey's GDP is 800 billion dollars so we have comparable economy. There is a room for Egypt to raise its GDP four times. Thank you.

H.E. Mr. Yaşar Yakış:

Thank you very much.

Hakan Karabalık:

Regarding the employment of lower level of Egyptians as I told in my speech Turkish entrepreneurs invested in Egypt almost more than 2 billion dollars. They are providing employment for Egyptians; I think 50.000 Egyptians are employed in Turkish factories now in Egypt. In order to create employment you should

vitalize your economy. It could be any sector like tourism. You should prioritize your competitive sector, it could be tourism, it could be some sub-industrial sector, and it could be energy, agriculture. When you vitalize your economy you will see the results and you will have employment opportunities. For sure foreign direct investment will be very important on that project because it will give Egypt the management capability, technology transfer and lots of opportunities which you don't have now, you have lots of problems now so foreign direct investment can be a solution. That's why I am telling you, you need a leadership and executive plan. Executive map is very important for the future of Egypt. Regarding IMF, IMF comes with some conditions and those conditions won't be good for lower level Egyptians that as my professor and ambassador told in their speeches 70% of Egyptians would like to in-



crease their quality of life. But I think IMF means something different for those 70% of your population. That's our experience, I mean.

Assoc. Prof. Dr. Harun Öztürkler:

Mr. Chairman, can I add just one sentence? There was a Greek development economist, he called ability to invest what my friend was referring to. Foreign direct investment is important in the short term to increase ability to invest of the country so it brings technology, experience. He is definitely right. Thank you.

H.E. Mr. Yaşar Yakış:

Thank you very much. Do you have any comments on my idea of middle class?

Mrs. Dina Khayat:

Yes, I have. Egypt has not focused on the economy for the past 16 months. That is the start point where we are talking more about identity and political sort of make-up for Egypt.

H.E. Mr. Yaşar Yakış:

Thank you very much. This concludes the second session of the panel. Now I am going to invite all of you for lunch. It is going to be one floor down in this building. And we are going to meet at 3 o'clock in the afternoon. Thank you for your attention.

SECTION 3

“Developing Relations between Turkey and Egypt: Possibilities and Challenges”

Moderator:

H.E. Ambassador Mohamed Anis Salem, Director of Development Works (DW)

Discussant:

H.E. Ambassador Fathy El Shazly, National Project Director at Egyptian Ministry of International Cooperation, Former Ambassador of Egypt to Turkey

Assist. Prof. Dr. Şaban Kardaş, TOBB University

Abdullah Bozkurt, Today's Zaman

H.E. Ambassador Mohamed Anis Salem:

Welcome back. I am not sure which one is the easier job, to be the last speaker before lunch or the first speaker after lunch. When you are the last speaker before lunch, everybody

wants you to finish. When you are the first speaker after lunch, nobody wants you to start. But I think now we come perhaps the most important, most exciting part of our meeting because we would like to come to some very practical and actionable recommendations to come out of



this. I was going to say as first recommendation this is such a nice place, I think we should have another meeting here. But I think this potential of the relationship between Turkey and Egypt is huge. Particularly both sides feel that the potential has not been utilized. Both sides are in agreement that the relationship is ahead of us rather than behind us. It is one of the few relations where people are looking to the future rather than to the past, for example; if you look at the last crisis in relations between Egypt and Saudi Arabia, it is very interesting that most of the commentary was about the past. People are going back 200 years to the time of Muhammad Ali to explain what was happening. When you talk about Turkey, you see that everybody looks towards the future, talks about the possibilities and I think this is very empowering aspect of this. You have not come to listen to me; I would like to leave the room to the panel. If you agree, can we take 15 minutes more because we started 15 minutes later so we will finish at 16:45. My only job is here to make you leave at 16.45. That's my only job to keep the time limits. We have three or four speakers. We have three here, I see four speakers on the agenda. I will start by giving the floor to Ambassador Fathy El Shazly.

H.E. Ambassador Fathy El Shazly:

Thank you Mr. Chairman. I will follow the advice and I will try to use a kind of telegraphic language as possible. I believe that we should give priority to projects based on maximizing the impact and the value of Egypt's unique geographical posi-

tion such as Suez Canal Bridge and the North West coast. I may add to this the red sea coast. We have certain economic advantages as well as strategic aspects. There is a potential for attracting people for the benefits of comprehensive development of those regions. One specific project is the establishment of Mega maritime which is on the African shore, closest to European shore. Next to it you may have huge free storage area to receive particularly fabricated in southeast and southwest Asia, Korea, Taiwan, and China for further and later export to Europe and to all North African countries. I think that in order to establish correct and bilateral relationship, business orientated, there is a need to align legal environment in Egypt with implications of democracy such as the civil society and the foreign direct investment. I believe that now we have to build on a bridge between Egypt and Turkey to create partnerships in third countries in Africa, central Asia and the Caucasus as well as in southern Europe and also to benefit from that heritage to invade new areas, potential bilateral cooperation such as in military cooperation with certainly enjoyment of military production . There is very good industrial base in both countries and I believe that there is a room for complementarity. We have in Egypt main battle tank assembly line, in Turkey there is fighter plane assembly line. I believe there is room for complementarity in the production of M1A1 main battle tanks as well as in F16. I have not read on Egyptian aircraft making use of the special training facility of fighter pilots. Once upon a time there were criticisms of Turkey

allowing the pilots of the Israeli air force to make use of training pass; I think it was 100 long course of flight. There is certainly a rule for such cooperation between Egypt and Turkey on functioning strategic dialog, we have dialog but I don't transform that dialog into functioning and real one. All subjects related to relations of Egypt, we are native; we are the organization of security and cooperation in Europe. So these kinds of subjects were carefully avoided by both sides in the past. I believe that it is high time for us to attack such sensitive subjects. We have also formulated common positions and joint plans of action on promoting dialog between countries, first foreign relating a joint position on our perception of dialog between countries and religions and then exchange ideas how we should promote that joint position to the rest of interested parties. Coordinative positions, initiatives and policies regarding

technical cooperation with third parties, I know in Egypt we have technical fans for cooperation with Africa and with the commonwealth of independent states. I know also in Turkey they have their own technical cooperation and I believe there is room for coordination in order to avoid duplication and to enhance cost effectiveness. These are some ideas that may deserve to be later developed. Thank you very much.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much Ambassador Shazly. Thank you for the content of what you said, you mentioned it in a very structured way. You gave it a geographical focus, you gave focus on particularly functioning areas; the military side, the strategic dialog, the country side. I think it was definitely a good addition because we didn't talk



about these things in the first part of the debate. I will now surrender to Professor Şaban Kardaş from TOBB University. He has been very nice to give me his publication so I am allowing him to speak first.

Assist. Prof. Dr. Şaban Kardaş:

Thanks a lot. I also would like to thank to ORSAM and the Egyptian Embassy here in Ankara for organizing this wonderful event at this wonderful location. I would like to deliver a speech and my presentation will be mainly from the perspective of international relations, trying to understand Turkey's regional role, its regional vision in foreign policy and how it may affect the future evolution of Turkish-Egyptian partnership in the region. In this sense, those of who follow Turkish foreign policy closely in recent months, we increasingly talked about transformations in Turkey's regional policy or transformation in Turkey's Middle East policies. There are significant changes that have altered the terms of the debate on Turkey's vision about the Middle East as well as Turkey's policy towards the Middle East. Overall there is a perception that after several years Turkey's ambitious Middle East policy might come to a deadlock because if you look at the equation in Syria, despite the fact that Turkey declared its position, it is not in a position to change the situation on the ground. Again in other cases especially in Iraq Turkey's regional policy faces significant challenges. When we move to Iran we see again similar problems. Overall these developments especially in Iran, Iraq and Syria, great impression that Turkish for-

ign policy might be facing a major challenge to the ambitious vision which was there but if we move further to Egypt not Africa we might see a different picture especially with the so called Arab Spring, with the regional transformations which force all transitions away from authoritarian regime into transition democracies. Turkey's relationship demonstrates a different character. Although in the beginning especially in the case of Libya, Turkey was hesitant in supporting pro-democracy movements or popular uprisings, overall Turkey adjusted its policy and we see that right now Turkey is on good terms with Egypt, Libya and Tunisia. There are values computing dynamics that are shaping Turkish foreign policy in the recent years. In that sense there are, as far as I can tell, a couple of major transformations in the discourse and practice of the Turkish foreign policy whether Turkey is in trouble or whether Turkey is on good terms. At the end of the day we see that Middle East has become an important item on Turkish foreign policy agenda. So we could say that Turkey is increasingly drawn into Middle East geopolitics and Turkey is increasingly becoming part of the calculations of balance of power in the region which is a major transformation for Turkish foreign policy. The second important process is that Turkey's growing emphasis on democracy. Prior to the so called Arab Spring Turkey did not specifically develop a policy of democracy promotion but with the Arab Spring we see that Turkey made democracy an item on its foreign policy agenda. This is also a major transformation. In this process we also see



that Turkey is redefining its ties to the western world especially to the United States. Prior to the Arab Spring we used to talk about Turkey's drift away from transatlantic agenda. Especially there was a debate about access shift whether Turkey is changing its foreign policy orientation away from the west but with the Arab Spring we see that especially in Syria, in Libya, in Iran and to a certain extent in North Africa Turkey's policy is very much entwining the policies and the positions of the United States. So in that sense Turkey is also redefining its ties to the west. One major transformation is the increasing emphasis in Turkish foreign policy on coercive language. I don't call it hard power but we see that before the Arab spring Turkey was priding itself as a country that flourishes on soft power. Now we see that Turkey is increasingly relies a coercive discourse to a charity that foreign policy objects this, for in-

stance Turkey's policy towards Iraq especially with the exchange between Turkish prime minister and Iraqi prime minister. There is discourse dimension that Turkey's relationship with Iran had the similar emphasis, the decision to let NATO early warning rather install in Turkish territory. We see that the military dimension, hard power dimension, coercive dimension are becoming more important in Turkish foreign policy. In the last couple of years there is a significant transformation in Turkish foreign policy practices. Some people call it as the collapse of current government AK party's Middle East policy. I am one of those who think that policy has not been collapsed but policy is transformed to reflect changing conditions on the ground. To make my argument that the policy has not been collapsed but policy is being transformed to respond new challenges, I also firstly would like to talk

about the conceptual map, the conceptual framework or the doctrine that was under Turkish foreign policy before the Arab spring also these days. Sometimes in the discussions on Turkish foreign policy people tend to use different terms for instance; neo-ottomanism, it is very common. Sometimes people use to call Turkish foreign policy as zero problems with neighbors' policy but these terms may reflect different dimensions of Turkish foreign policy, but these terms are also misleading; they don't really summarize recent Turkish foreign policy especially the conceptual framework that underpins Turkish foreign policy. In order to understand Turkish foreign policy in recent years, especially under new government last 10 years, I think we need to look at the concept of regional power, and in that sense we have to draw on current foreign minister Ahmet Davutoğlu's academic writings. As you know he used to be professor in international relations. In his book "Strategic Depth" he refers to Turkey as a central power, later in his function as the advisor of prime minister he used the term "order institutive" in Turkish "düzen kurucu", that Turkey should act as a responsible regional power to initiate cooperation mechanisms in its neighborhoods. In that sense neighborhoods cover not only the Middle East but also the Balkans the Caucasus and the Black sea. I think what Turkey tries to do in the last couple of years, in the last 10 years or so, is very similar to what is going on in different parts of the world which is the process of regionalization. Most of the times we tend to discuss globalization but this process of globalization in many cases

goes hand in hand with another process which is regionalization. In different parts of the world, for example in Europe it is protested a lot but in Asia we see that this process is also important. Even in Africa we can talk about regionalization of security. Regional organizations are becoming more and more important in taking security decisions. So in the last couple of years, what Turkey was trying to do is to initiate or launch the process of regionalization in its all neighborhood. This is I guess the right framework to understand recent Turkish foreign policy as well as the transformations. Parallel to regionalization there is another process in international relations which is the rise of new powers. Sometimes they are called as rising powers, emerging powers, emerging economies or sometimes this concept is used to define them collectively. But at the end of the day what we see is that the power, control and the influence of old powers, the western powers and the United States, they are in decline and there is regionalization process in different parts of the world and new powers are rising, especially the bulk of global economy is shifting towards Asia. In all these processes Turkey in last 10 years has been trying to promote regionalization in its all neighborhood. As being a rising power itself, Turkey has been trying to act as engine in this process. In this process Turkey used several instruments; some of them have been mentioned here. I think major instrument that Turkey used is economic instrument. Some scholars tend to call Turkey as trading state in the sense that Turkey uses trade investment and other eco-

conomic tools to expand its own power, wealth and influence in its neighbor regions. When we look at the foreign trade figures, we see that for instance in the last several years the percentage and the share of neighbor regions is increasing in overall foreign trade balance, also new regions like Africa, Asia, and Latin America are becoming important in Turkey's foreign trade. Again other economic instruments such as abroad Turkish investments in Egypt and other countries it has been on the rise as well the construction in other dimension. The second instrument that Turkey used in recent years is a political one. Turkey has established a bilateral mechanism with different neighbors which is the high level strategic cooperation council. Turkey did that with Iraq, Syria, Greece, and Russia and recently with Egypt as well, after the revolution. So we see that Turkey uses political mechanisms in addition to economic instruments to create synergy with regional partners. Another instrument that Turkey used is what we call mediation or peace building initiatives. Turkey was trying to solve regional disputes by offering mediation services between Israel and Syria before the concept of the Arab Spring, before Gaza operation. In other several cases, for example in the Balkans Turkey used the same instrument as well as in Caucasus and between Russia and Georgia. Another instrument that Turkey used is the policy of engagement; engagement is here is the idea that instead of solving problems with military instruments, trying to establish channels for cooperation with different parties to the conflict so that Turkey could engage those part-

ners or sides to a dispute to act in a way that can solve the problems. For instance Turkey's policy on Iran on nuclear issue was a good example of policy of engagement, by engaging Iran, Turkey was hoping to transform this behavior. Overall, there have been talks about soft power; soft power has been another dimension of Turkey's regional initiatives. With these different instruments what Turkey was trying to do is to create regional order in the sense that regional countries could get together, develop better social, cultural and political ties among themselves. They can develop mechanisms to solve their own problems, so the idea is here regional ownership. Regional actors are the main responsible parties to solve their own problems. In that sense the Arab spring and the developments since then have been the greatest test for this new ambitious regional vision of Turkish foreign policy. In many sense there has been significant challenges to this ambitious vision and in some cases the test has failed that Turkey's ambitious vision didn't help it to respond to the challenges of the Arab spring. In that sense I see at least two different processes after the outset of the Arab spring. First process is the following. The limitations of Turkey's ambitious regional vision were revealed. The second process is that the nature of the regional order, especially the treats to regional order have changed as a result that Turkey has also had to change its regional policies in some cases. When we look at the first process, the limitations of Turkey's regional ambitious vision, the most important challenge in this process was that Turkey realized



alone or in cooperation with the regional actors, it is not able to solve some of the regional problems. Especially the case of Syria is important; here Turkey's initial policy was to use bilateral channels to Syrian regime to solve the problem but it failed. The last time Turkish foreign minister visited Damascus, Syria in August 2011, after Turkey realized that bilateral level is not delivered so it moved to regional level. Turkey tried to coordinate its policy with the Arab league. Again Arab league and support from Turkey, they were not enough to change the situation on ground. Arab league observer mission failed, and then issue had to be referred to international actors. We know that now for a solution Syria has to come to United States, to western actors. The same situation for Libya, also; the solution had to be brought with the involvement of international actors. In

that sense I think Arab spring reminded Turkey that it is capabilities, its tools are not enough to develop regional solutions to regional problems and regional order, regional actors or regional states and regional organizations are not apt to task. This has been the most important reminder to Turkey, I guess. The second dimension, the challenging nature of threats is also important. Prior to Arab spring there was a relatively stable order in the incumbent regimes, the regimes in power established some sort of domestic order. In that sense the main challenge to the security did not come from the domestic level. So we could question democratic credentials of Assad or Mubarak, Bin Ali but at the end of the day there were some functioning political or economic mechanisms in these countries. Those functioning mechanisms are also put in a place that is relatively in regional or-

der. But in the process of Arab spring what we saw was that domestic order in major regional countries was being transformed and this transition was creating domestic instability in many cases. This domestic instability is also translated into regional instability. Now for Turkey the main challenge is to establish stable and functioning regimes or governing structures in the regional countries. I think this is one of the reasons why in recent years Turkey has increasingly started to talk about democracy. Before the Arab spring Turkey did not talk about democracy because at that time it would have been presumed as interference to domestic affairs in partner countries but now the domestic order is challenged in many of the countries and this also creates threat to regional order. Turkey is increasingly talking about democracy Turkey is increasingly expressing its support for democracy and that's why we have this shift. In this new regional order which is in complete transformation I think there are major areas for Turkey and Egypt to cooperate. I am one of those who come from the tradition that strong orders are built by powerful actors. So I would like to state that there is a strong state like United States which can establish order in the international system. Also at the regional level I think orders are created by powerful regional actors. So in the Middle Eastern security context what we need are actors that can take steps, assume and undertake responsibilities to establish regional orders which will be to the benefit of all people of the region. So in that sense Egypt and Turkey stand as the most

likely candidates. So far we have been discussing about need for economic reform, during the lunch break we talked with Mr. Ambassador about the need to establish better transportation roads between Turkey and Egyptian ports. For all these, what we need is to lay out clear norms, internationally recognized norms to force the regional cooperation. I guess this requires major powers coming together and setting norms that will be respected in the region. Also when those norms are not implemented there should be some enforcement mechanisms. This is why potential partnership between two countries is important but it is not in terms of establishing norms in economic cooperation but what we also need is a functioning security order in the region especially to address regional challenges such as Syria. If we want that as the regional countries, we should be the one who solve crisis in Syria; we should develop better mechanisms to take the lead in that sort of crisis in the future. So it could be in the context of OIC, Arab league or any other new regional security organizations. This crisis demonstrated that we need in the Islamic world or in the Middle East mechanisms to do peace keeping, peace enforcement when necessary. This is something that is lacking. Most of the problems internal wars, internal crisis in the world are taking place in this geography but at the regional level we don't have the institutions to address those contingencies and also other issues such as Iran nuclear issue or the Palestinian issue. To take those sorts of problems we need better regional

mechanisms and two countries can come together, there is potential for cooperation. Overall there is a discussion going on especially in western academic circles, those especially who think alone real politic, realistic logic that now Egypt is up again. Okay now I am going to ask a question so that you can respond it later. Egypt is again back to the Middle Eastern geopolitics, Egypt could pursue a threat or challenge from Turkey's rising influence in the region. One of the challenges in the future is how to dampen those dynamics for competition and find areas of convergence and cooperation. Here I wonder your opinion whether Egyptians or Egyptian emerging elites see Turkey as a potential competitor or potential partner. Turkish leadership sees Egyptians as potential partner but I also would like to hear your opinion on that.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much. I think you have given us an amplification of this agenda which Ambassador Shazly was referring to need for a deeper strategic dialog and then you concluded with some concrete ideas on also some of the areas which need further explanation. You know in Egypt we like to leave nice things to the end. So now I am very happy to introduce Mr. Abdullah Bozkurt. Is my pronunciation okay? I was reading your newspaper on the plane so I want to congratulate you for your excellent first class newspaper. Knowing that journalists always have something interesting to say, so I was keeping you till the end so it is your turn.

Abdullah Bozkurt:

Thank you very much Ambassador Mohammed Salem. Being the last speaker is not easy of course but I will try my best. Thank you very much ORSAM, the president of ORSAM is here and the Egyptian ambassador. Thank you very much for organizing jointly this very important meeting. We have heard a lot of ideas since the morning. Most of them we heard before, we are dwelling on that again. To me I think the most important problem is the lack of understanding and the knowledge about the issue. That is the main problem. All the other ideas that we discussed and that we will be discussing more in different gatherings, we simply do not know about each other. You can infer from the questions you get either here or some other platforms. The Turkish people, they don't have much idea what the Egypt is all about and vice versa. How should we overcome that? I think as a media professional, maybe we are partly blamed for that, maybe we should do much better job in exposing Egyptian culture to the Turkish people. Maybe our partners on the Egyptian side should do the same. But to do that you have to have network among media professionals. You can do that by coming together in the workshops, in seminars or other events. The problem with that, by the time you leave the gathering you forget all about it. How do you establish follow-up mechanisms? You know we discussed before actionable recommendations that is going to come out of this meeting. What can we do actually rather than refresh the words. I think the partnership among the me-

dia organization on the two countries may be one way to overcome that lack of knowledge and understanding. Then we can map out our trajectory in a much more healthy way, touching to the ground rather than flying over heads. The second issue like we are doing right now, we are coming together as think tanks, academics, and other institutions from universities, private academic organizations then we brainstorm what we can do. Then again we establish a follow-up mechanism or monitory mechanism that we actually keep track of progress that we pledged in this gathering. I think when I read the Turkish newspaper, most of the times I see reflect of understanding the Egyptian culture. Sometimes I am even embarrassed to see that condescending attitude even by academicians or media professionals. Learning experience is a both ways. We can learn a lot from Egypt and they can also learn a lot from Turkey, as well. Let me just give you an example, Ambassador mentioned in the morning session and former foreign minister Yaşar Yakış also mentioned, when I thought what I could write about all these discussions all day, the only issue that came to my mind was that the Ambassador mentioned in the morning. The supreme election board in Turkey is considering a visit to Egypt to learn about the experience how they have done, how they allowed the citizens to reside in other countries to be able to participate democratic process. We are saying that we have been in democracy system since 1950s but still we haven't allowed our citizens living outside the border of Turkey to be able to participate in this process. The last one we did in 2008 and

the constitutional court strike down the bill partially. In the last national election we did not do that. Iraq did that in the first democratic election, Egyptians did that and we are still trying to figure out how they could do that. Egyptians have given an election thankfully. And the second, that's going to be target of my story, shortly it is going to appear in Today's Zaman, I will just create a record of this meeting but that is the most important issue for me as news worthy article that I can put in the paper. All the other issues were written many times, discussed many times and I am sure it is going to be discussed more. Another concrete action for example, I know the Ambassador has been working on that for a sometime but I don't know how it will end. We have a huge bureaucracy in Turkey called Diyanet, Religious Directorate; they are employing thousands of imams. Most of them they don't know how to understand Arabic language and these are the people who are supposed to know what the Quran says and tell the people. An Egyptian comes and helps us to train thousands of imams to understand Quran in much better way. Another issue, the RORO, I wrote in my column today actually Egyptians throw us a lifeline in a crunch time. When our trade cut off to the Gulf region, to Jordan, Saudi Arabia because of the turmoil in Syria, thank God RoRo, there have been discussion about it sometime but they facilitated a process so they offered Turkey an alternative road. This is a concrete action touching the ground. Our trucks now can safely go from Mersin port to the Port Said and from there to Saudi Arabia or even Africa market. So that

is very concrete action that we are getting from Egyptian friends. I think Ambassador Mohammed Salem mentioned the deepening the dialog in your presentation, I think it is very important. To be able to do that, we have to create a human joint, human resources like a pool, mostly among the young generation because those are the people promise us a future. Let's bring them together in different platforms, let's put them in a summer camp for a month or two month together. So they can learn about each other. They can understand each other much better rather than reading from the news. When we try to understand what is going on with Egyptian economy we look at the Reuters' stories. Instead of doing that we should directly get the information from our friends. I think that is very important. Increase scholarships; provide more opportunities for the students coming to Turkey or Turkey's students going to Egypt and study there for four years to do their master, their doctorate studies. If we do that then I think we are going to be able to discuss all these concrete issues from the military partnership, fighter planes and all other things in a much healthier way. There will be human resources; they are going to take the charge on these issues. I think that is very important. I think we have mentioned some of the things already like emphasis on SMEs, I think it is very important for the cooperation between Turkey and Egypt. I think we are now dwelling on bad economic numbers in Egypt much more than it deserves. Yes the numbers are bad but we were in the same situation ten years ago. We were looking help from the IMF to provide us a

credit line so we can get our feet back. I am sure that Egyptians are going to recover very nicely. They are like Turkey with a very young generation, it is very important. If you look at the demographic numbers in Europe, they don't have very bright future. Young population countries like Turkey, Egypt or Asian countries, they are coming out very fast. I think it is important to mention that. I think that is it. I am going to leave the Q and A session, maybe we can discuss more. Thank you very much.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much Mr. Bozkurt. I feel indicated by leaving you till the end because as a good journalist, you were focused very much on action to the point. You have always leakless test of thinking what would your readers would like to read which is a great idea. You know diplomats don't do that. They never think what the reader wants to read, they say what they want to say. Now we have another 25 minutes to go, so I would like to invite to not to ask questions but more to make concrete proposals so that we come out with a result of a brainstorming session. And then both our hosts here and the embassy can work together, we can leave the homework to them. So please.

Atif Özbey (AA):

Thank you very much Mr. Chairman. Actually, a few weeks ago I asked a question to an Egyptian, I asked him that question before the first round of presidential elections. I asked "What

do you think, which one will win?" He told me "This process is anti-democratic and dictatorial, I can't tell you. So I can't prefer any one."

So, I would like to present my congratulations to all Egyptian people that today all the world is talking about the election in Egypt. Also, you have to know that here in Turkey, all the newspapers, TV channels and news agencies, every minute, are making news about your presidential election. If it was before this term, nobody was talking about elections and what was going to happen. So it shows that this is a great war and Egypt is coming more powerful in the region. You have to believe this.

The second thing I would like to talk about to you, our guests, is the leftist and secularist people in Turkey. They started with Mr. Erdoğan in a wrong line. We will discuss with him that

you are wrong, you are making wrong things, and this is anti-Islam; they fight with Islam, they don't fight with Recep Tayyip Erdoğan. For that, after every term, all the religious people supported Mr. Erdoğan. So, each one of them would be got insane in Egypt. I understood that from our guests. I am very happy that we are saying that this not Islam, this is a wrong Islamic understanding. So it would be better if I repeat this. "All the leftist groups in the place will fight with AK Party government or are opposed to AK Party government, opposed to Islam. So, it was wrong. It increases the number of the votes for AK Party.

Another thing is that although today Arabic language is spoken very much, we are talking in English. It should cooperate with Egypt. Ten years ago, 3000 students were studying in El-Azhar. Now I think it is not more than 400 or 300, because, the degree from El Azhar is not considered as nice by



Turkish government. So we have to cooperate on it. Do you know that only 6 diplomats in the foreign affairs speak Arabic language among the 5500 diplomats? In Turkey, we have only 2 magazines. One of them is Today's Zaman Group. In Arabic language we have two magazines and only 1 channel, which is not bigger than TRT. Bu, there is a good development that Anatolia News Agency has just opened, 3-4 months ago a branch of Arabic Language and our main bureau is in Cairo.

So, including all these resources, the main language of our region and our nation is Arabic language. Egypt should support it for Turkey. Egypt should again open all the schools and universities for the boys of Turkey to learn the Arabic language there. It is impossible to learn in Turkey. For myself, I also learned it in Pakistan. So, we have to organize more and more seminars, because so many doors from Turkey and Egypt are closed to each other. Thank you.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much. I would like to ask you to dwell on recommendations regarding strengthening the relations. Also, if you would like to talk about things like if we were to meet in a year from now in the same room, how would you judge us as to whether we succeeded or not with the set of recommendations that we get today. So, if we come to a set of recommendations, let's think where they will take us after 1 year. What can we implement after 1 year? Also if

you please address the challenge side, what the problem areas are. Because, as I mentioned in the presentation in the morning, we often focus on the positive and we don't like to discuss the problem areas. So at least, we can identify them in general. I would like to come back to you, but let's have another speaker, and then we can go on. Please.

Harun Öztürkler:

I would like to thank each of the panelists and participants and Mr. Chairman for enjoying workshop. I have both questions and suggestions. I would like to ask my questions quickly. My first question is to my dear friend Şaban. How do you think Turkey's power, which Prime Minister Erdoğan call standards, change policy which fits into Turkey's relationships with Turkey?

To Mr. Ambassador Salaheldin: How do you think the military production relationship between Turkey and Egypt affects the relationships with Israel, Syria, Iraq and Iran?

Maybe, again to Şaban. How such a military relation will affect Turkey's relationship with the US and European Union?

I would like ask another question to Mr. Bozkurt. Eastern media have talked on papers and on the internet in special pages, Middle East section, European section etc. We can start with the debates on it, on its website and specific section on Egypt so that next year if you need, we can see how many goals and things there have been recognized and realized by that time. That is a specific suggestion.

Also, we talked a lot in the morning about the imports of SMEs and there are other subjects. Turkey and Egypt came together and established technical teams which were for partnership, cooperation, SMEs and fiscal policy. This is very important because, Egypt has been setting a huge burden since the beginning of 2000s. Turkey was the same as Egypt, but we are now having a frame budget surplus for the last 6-7 years. So this is an example that can provide lessons.

As to the education as mentioned, we can start a student exchange program and handle the education system by analyzing the positive and negative sides. Egypt started its open door policy in 1974, 16 years before Turkey started to change its development strategy. Egypt started 16 years before Turkey to start a market based economy. But in 1988, Turkey put two important export subsidy systems, both of which helped Turkey increase its export from 3 billion \$ to about 200 billion \$ that equals to Egypt's GDP. I think Egypt has learned a lot from this subsidy system and changed its views.

One of the important economic problems of Egypt, now it is in the short run, but will be also in the long run is the diversity of its economy. Unfortunately, Egypt's economy is based on few good services and sub sectors. Again, Turkey can be a good example for Egypt on that issue. Thank you.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much. I would like to just add on the education side, edu-

cation reform, because both countries are challenged by a very rapidly changing global environment. It requires them to retool the education system. Would any other speaker like to come on the stage? You wanted to say a little bit more, no? Not a lot more.

Atıf Özbey (AA):

Actually I know Turkey – Egypt relationships and there is a revolution in Egypt. Our Prime Minister is known in the world, especially in the Arab world. Mr. Erdoğan made a speech in Cairo and it was translated into Arabic. The speech was about democratic and secular system, the speech received many reactions from El-Azhar, Muslim Brothers and from other parties. The Prime Minister Erdoğan mentioned that the translation of his speech was wrong. So, it means that Arabic language is very important in Turkey and in Egypt. The translation of the speech was wrong, so how would we communicate? We have to be very careful.

H.E. Ambassador Mohamed Anis Salem:

Thank you. I was going to suggest to our friends that this dialogue should continue and maybe what we could do is to make a little bit use of technology by creating a closed website. Either if we use dot box or another means. I'm not sure; maybe you have somebody who is responsible for websites? You can create a closed website and we can invite the participants to continue making suggestions on this action plan, and that would allow us to expand a little bit. I have some proposals

on this. One of them was this education issue, I can't find it now but I will come back to that in a minute. Oh, there is one more person. Very good!

Abdullah Bozkurt:

From the young generation.

H.E. Ambassador Mohamed Anis Salem:

Excellent. Maybe you can also talk about some of the youth issues.

E. Selahhadin:

Actually, I just thought in the course when you were talking about reforms and future, it is possibly through ORSAM we can have the similar workshop in Egypt. And maybe, we can bring a group of students, youth from Turkey to Egypt. You know, because of post revolutionary situation, people may not want to visit Egypt by themselves but if we manage this kind of project, it create a chance for exchange of ideas, experiences and so on.

I have question also. Egypt and Turkey are big responsible regional powers in the area. What can be done to take advantage of this in order to solve regional issues and Palestine issue in the future?

H.E. Ambassador Mohamed Anis Salem:

Never trust young people. They always ask a question that will take five hours to answer. Maybe I should start with the journalist panelists because he is the most practical person here.

Abdullah Bozkurt:

Let's start with the last question, which is a very good question. Not only Palestine issue, but I think on many issues in the region Egypt and Turkey should cooperate very closely. They did it in the past, for example the reconciliation between Hamas and Al Fatah. Egypt took the lead role, because they have much more experience than us. You know, in the last decade we have been trying to pay attention to what's going on in the Middle East. Turkey is helping out to the process and it worked out. I mean the negotiations are going on. In Syria for example, I think we desperately need Egypt to come back to that regional role it deserves. Because of the domestic political consideration and economic situation, they are very busy on that front but hopefully they will be able to overcome the challenges coming up. On the second round then, we might address some of the very important challenges in the region: not only the end of the occupation but also what's going to happen in Syria in the post Assad period or how to stabilize Iraq or prevent it from breaking up in three parts, or how to address the challenge coming from Iran for example, because as you know, there is a threat of sectarian violence which might in Gulf throughout the region. If that happens not only Turkey and Egypt but all the other countries in the Middle East are going to be in trouble. So, we need to pull our resources; political, economic, human resources and all the other assets, and then we can address these challenges together.

Another issue you mentioned is on the website, I think we will just assign a special segment to Middle East and we are going to get calls for different parts asking for Central Asian section and other sections. I think it is much better to blend in with the different segments on the website. I think, we are providing huge support to ORSAM in that regard. We are putting your articles on the website and your President is actually our columnist who writes twice a week.

The last one for actionable recommendation I might offer is an internship program in my media group. Because most of the time, we are confronted with language barriers. But if we have English speaking or proficient personnel in written English skills, we might provide internship for those Egyptian young journalists or reporters. So we might establish a network going on from there it will be much easier. For the Turkish edition it might be difficult because of language issues, but for the English edition it will be easier. Thank you.

H.E. Ambassador Mohamed Anis Salem:

Any of the other analysts like to respond to the points that have been mentioned?

Şaban Kardaş:

Yes, perhaps briefly. But there are also other sides of the fact that Turkish being taught in Egypt. Yunus Emre Foundation, they opened their centers and as far as I hear, many people, especially younger people would like

to go there, they are interested in it. So, perhaps, such internship programs could be established two ways; Egyptian situation to be matched to some Turkish institutions to similar exchange programs.

As to the questions, our basic question on the new emphasis on hard power. Especially, Prime Minister's statement that he would stand straight, I mean "Dik durup diklenmemek" -well, how to translate it directly into English-, that is also the statement he used in domestic and political context. As far as I understand, what he means basically is that we will defend our values, our principle, and our interests when they are at stake, but we will not create troubles just to show off. So that was the way he was justifying it. Especially in the West, Turkey's position on the Palestinian issue, he also said similar things. "Well cause of the Palestinians is a just one which has to be defended from a perspective of universal rights, human rights. So in that sense, we will defend them. Turkey's position on that particular issue is not just based on power posturing, showing off power but it reflects Turkey's desire to stand for universal rights." This is the way he justified it. So, as long as he does it in the same way, I don't think why it should conflict or contradict to Egyptian position. As far as I understand, we will keep similar position on the Palestinian issue. But, sometimes we hear, as indicated earlier, that even on the Palestinian issue, Turkey's growing involvement might create some unwanted reactions from Egypt or other actors, because they don't want to lose leadership on the issue. But, as Abdullah Bey suggested,

in this deal broken by Egypt right after the revolution, Turkish leaders –as far as I could see- they welcomed the development; they didn't say "Well you were outraged, you didn't like the fact that Egypt is the one to run the show. They did support the process. In that sense, I guess the most important thing is the outcome that the right should be done. As long as it is done, whether it comes from Egyptian or Turkish side, I don't think that it would matter a lot.

But regarding hard power and military cooperation, as referred to before, and how will it affect the US? As far as I know, Mr. Ambassador referred to F-16s. These are American licensed war planes produced in Turkey, but under American license and they are also exported to Egypt with the US approval. So, there is this consensus, I don't see any contradiction, as long as Egyptian-American relations remain in the same course as it is right now. I don't see any potential negative ramifications on that front.

H.E. Ambassador Mohamed Anis Salem:

Now you have noticed that in the comments, we went in the other order. We started with the Ambassador Shazly and the speakers, and here we ended with Mr. Abdullah, now we are doing the reverse. We are going to close with Ambassador Shazly.

Fathy El-Shazly:

Thank you very much Mr. Chairman. Actually, I wanted to comment on the

same issue, the last point which is the possible impact of Egyptian-Turkish military cooperation on the other regional powers. Not the US, which is very close, ally to Turkey and a close friend to Egypt. About other regional powers such as Israel and Iran, I will give specific examples. One is about the absence of Egyptian fighter pilots using the training which was first used by the Israeli pilots. When I was ambassador here, it produced a loud in Egyptian media and I personally had to put it on the agenda, of the talks between the foreign ministers. We had Minister Ahmed Maher and he was in private talks with me, he was protesting. I'm trying to clarify this point, so I suggested to Minister Cem, who was the Foreign Minister then, to clarify this point and he said that facility was opened to all friendly countries including Egypt. But the issue was that it was inaugurated and made subject of public interest on the occasion of alarm the Israeli pilots, which are actually handled by the small territorial air base of Israel to have such train. At the same time, it was projected as one of the three main fields in the world; one in Canada, one is in Japan and that was the third one. So, I believe that it was Israel, when Israeli pilots were using this facility, why attention authorities were not asking themselves about the possible impacts on their issue with Arab countries.

So, as I have the floor to Mr. Chairman, I wish to thank everybody and H.E Ambassador Salaheldin as well as ORSAM for this initiative which will hopefully be useful. Thank you.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much Mr. Ambassador. I hope that this record will be used for the report that we will receive, so that will allow us to... I just want to add a few points to the possible areas of cooperation in order to get it in the recording. I think that we need more time; always at the end of such one day meetings we come to the conclusion that we need more time. But I think, there are some areas that would be a little bit outside the box. Because, sometimes we need things like this and bilateral relations are quite classical areas of cooperation.

One of them -since we were talking about it and may be tonight we will have the opportunity to come to this- is the deeper cooperation with centers of research and thinking how we see the world 30 years from now. Technologies and management systems we have now are becoming very rapidly redundant. Also, one of the weaknesses we have -especially in Egypt- is that our perception of the future and preparation for the future is not so good. We move our thinking towards the future a little bit more. If it was up to me, I would disagree on certain issues such as military cooperation, because I don't see the future like this, I see the future in the other direction. I also think that you need to be careful about where your sources go towards in terms of investment. But I think this kind of developing an image at one stage, some people are saying that there is an Israeli project and I saw some of the material from this project trying to think of the way

the Middle East look in the year 2050. If you look at the countries such as Egypt for example, with a population of 85 million people, we know that Egypt is going to have a population of around 100-130 million people. It will be a completely different country with different set of problems. I think this will be a very interesting area for future dialogues.

Another area which I think will be also very innovative is inspired by the Turkish role in Somalia and this is cooperation on international humanitarian relief operations. This is an area which I worked in and I was very frustrated because I found out that Arab world didn't have this capacity. So, the big players in this game are mainly the Western countries, members of NATO who have the capacity, are trained for this and have the infrastructure for humanitarian operations.

The third thing I was missing in this dialogue was the whole area of -we mentioned a little bit but I think we can go a little deeper on this issue - the cultural exchange, cultural dialogue. I'm not sure if we talked a little bit about the dialogue between the writers for example. I was in London recently and I was hosted by an old literary magazine, it is called London, the first issue of which, by the way, was published in the 18th century, a very old magazine. They were interested in developing a dialogue with writers in the Arab world. They were asking me about some of the names of the upcoming generation of writers. Also, I wouldn't be surprised for example if somebody such as Pamuk

is not very well-known in the Arab world. In think there is room for this kind of higher level of dialogue on intellectuals. I'm not sure how many institutes or studies of Turkish affairs exist in the Arab world. Does anybody know the answer to this question?

H.E. Mr. Abderahman Salaheldin:

Turkish affaires are not studied but actually Turkish language departments either independently or as part of Eastern languages. We have 12 of them in Egypt.

H.E. Ambassador Mohamed Anis Salem:

Okay. But does it extent to studying Turkish affaires?

H.E. Mr. Abderahman Salaheldin:

We are now starting Arab-Turkish social sciences gatherings that have been taking place in the university for 1 year in special branches.

H.E. Ambassador Mohamed Anis Salem:

I think that it will be very important and useful that we have specialists in the Arab world. Also, there is an opportunity for the people to study and learn about contemporary Turkey.

Another thing that I would like share with ORSAM is that maybe we can write joint research papers in the future. So we can have one person on the technical papers for conferences like this; we can have one person from Turkey and one person from Egypt working together. Then we can

come up with a good product at the end of the day instead of having this kind of dialogue where we come and talk about Egypt and your sit and talk about Turkey. I think we can work together and this can lead to interesting results. Just some ideas, I wanted to share them with you.

Also, on this happy note, I'm glad that you are back, because I wanted to share the sentiments and thanks that Ambassador Shazly expressed to ORSAM for this wonderful opportunity. I think it is really the opening of new horizons. Somebody said that the purpose of the journey of adventure is not to see new lands but to see with new eyes. We need to look at thing in a different way.

I have a very special request and since H.E. Ambassador has invited me to the dinner, I have to give him the last words. But, I would like also to thank him, Ambassador Abderahman Salaheldin. I would like to tell our friends in Turkey that they are lucky to have Ambassador Salaheldin here. He is one of the stars of Egyptian diplomacy. There are many attempts to snatch him from Turkey, so you have to tie him here if you want to keep him. I would like to also thank him for his interest and his commitment; he is working really hard and I know he has been in touch with many of us, many of the colleagues in Cairo to encourage us to come here. I want to thank him and his excellent team. Mr. Kanbolat has been also very helpful for our stay here. So I would give the final word, but I'm sure we will have more to say after this. Thank you.

H.E. Mr. Abderahman Salaheldin:

Thank you very much Ambassador. You are a great moderator, I'm very thankful to you and ORSAM for this opportunity. I really took detailed notes especially in this session. I just want to give you a few answers to some unanswered questions and to assure you that they are really worth talk.

So, a major issue that always comes up on the newspapers is this perception of competition between two nations. My answer to all the questionnaires is to suggest that Egyptian delegations to the United Nations Annual General Assembly Statement. When compared to the Turkish one, you can easily take out the word Egypt and put Turkey. And parallel, in the statement of Turkey, you can take out Turkey and put Egypt, and the statement would fit perfectly; I mean the two countries' position on all over the world issues: UN, regional and global disarmament, anything. You will see how these two countries are exactly doing more over the same thing. So, when it comes to Palestinian reconciliation, they are doing exactly the same thing, they are trying to get it bring together, unite it as a Palestinian State with Jerusalem as its capital and to end the Israeli occupation. This attitude is the same in the proliferation issue also. Turkey is exactly doing with a 5+1 process what the Egyptians are asking for in order to try to clear this zone that we are living in and make it a safe zone. Even it can be seen in the perceptions, perceptions of the realities. Sometimes we don't live with the realities but with the perceptions. Fortunately,

the perception of each country on the other side is more than 90% positive; coincidentally there are two pools that have conducted recently. One is on the Egyptian side and the other is on Turkish side. Egypt, Egyptians, Egyptian foreign policy and Egyptian attitude towards Turkey scored the highest among other Arab countries, which have witnessed great improvement; but with Egypt, the positive response is more than 90%. Perceiving the Turkish image in Egypt is just interesting.

On the Military Committee production, I'm very happy to report to you that since your time we have joint maneuvers, we have joint exercises, joint training exercises. So for the Ambassador Anis Salem, you shouldn't worry, it will finish the future challenges in the region; it is exactly the same for rescue operations, for humanitarian relief, for supporting peace-keeping operations in the future.

Also, we have neighbor to neighbor efforts and joint military productions in a lot of areas actually. We have almost two or three yearly exercises, so that's an area that I'm very happy for. As far as cultural education, please, if you think that you know anyone interested in learning Arabic language, a Turk in Egypt and he is looking for a scholarship, just ask him to come. We have scholarships for whoever is willing to. Actually, the number in El-Azhar went down because of the problem of recognizing the certificate given. Now, that has been resolved. Recently YOK has required that El-Azhar students to take two or three more subjects and the Azhar certifi-

cate will be valid, so that is not a problem. We have a lot of scholarships that are not used, because, actually most of the Turks who are studying in El-Azhar are also financed or funded by some of the Turkish businessmen in Egypt.

We like very much the idea of this gathering. We have Egypt as the guest of honor for the Istanbul Book Fair this year and we agreed that they will have regular meetings. But definitely, we will call upon you for your recommendations and I was really requesting you in asking ORSAM to try to put a link on their website on this panel, its recommendations and invite your subscribers and readers to provide reflections. I'm very happy and satisfied to forward the future cooperation with ORSAM and its president Hasan Bey and all his staff. They did a wonderful job. Thank you very much.

H.E. Ambassador Mohamed Anis Salem:

Thank you very much Mr. Ambassador. I will just say a small thing. Together with the military maneuvers, we should do it with ORSAM; we should do our own maneuvers, so next year in Egypt insh'Allah. Please.

Assoc. Prof. Dr. Harun Öztürkler:

What about the people who want to learn Arabic but cannot go to Egypt?

H.E. Mr. Abderahman Salaheldin:

We don't have classes in Ankara, we have classes in Istanbul. But, if you are interested in classes in Ankara, we have also referring services, and some of them are free of charge, if they don't want to leave Ankara. But, if you are interested in going to Egypt and study there, not necessarily for a whole year or for a degree, even for a semester, we have many scholarships in Egyptian universities, not only in El-Azhar but also in other universities.

H.E. Ambassador Mohamed Anis Salem:

On that happy note, I think that we can adjourn and we look forward to the next meeting next year. I hope it will be maybe in Cairo. We will try to find a nice place like this. Thank you very much for your participation.

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