



TURKISH INDUSTRY & BUSINESS ASSOCIATION

**SPEECH OF FOREIGN MINISTER OF TURKEY MR. AHMET DAVUTOĞLU**

**TUSIAD HIGH ADVISORY COUNCIL MEETING**

**10<sup>th</sup> December 2010**

TÜSİAD High Advisory Council Chairman Mr. Mustafa Koç,  
TÜSİAD Board of Directors President Ms. Ümit Boyner,  
Distinguished members of the High Advisory Council,  
Guests, Distinguished members of the press,

Before anything, I would like to express my pleasure and appreciation to the High Advisory Council for having invited me as guest of honor in order to put forward my thoughts and ideas on the issues of the future of Turkish foreign policy and Turkey's perspectives on the coming century. Both at home and abroad we are really experiencing a period and process of major transformation that is of the very highest significance. At such a time, I am delighted to participate at TÜSİAD's meeting here in Ankara and hope that it will be useful to share my ideas with the leaders of Turkey's most established businesspersons' organization that since 1971 has made such important contributions not only to the Turkish economy but also to Turkish politics and Turkish culture. Because the existence of mutual, accurate understanding of our policies and visions for our country's future, together with properly established links between political actors and the business world, remain of great importance to the future of our country.

I discern a methodical error with respect to efforts to draw up and develop a perspective for Turkey's future. I would like firstly to share this thought with you. At every consultative, academic or political meeting, we generally get stuck grappling with an analysis that I have called picture analysis. A photograph, I mean. We take a picture of the particular moment in which we find ourselves at that time and attempt to make an assessment looking at the picture of that momentary image. Even if we do correctly perceive the contours of this picture for



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that moment, a serious intellectual barrier to developing long-term perspectives can be formed.

My preferred method is process analysis. Not picture analysis but process analysis. This analysis relies significantly on establishing where foreign policy, economic and political developments have come from and where they are heading, and, based on this observation, establishing where we are now. With your permission I would like first to consider the great transformations in the international system over the past 200 years, how our country has reacted and responded to them, at what point these responses are in today's terms, and how they may shape our future.

The international economic and political system has undergone 4 significant transformations in the past 200 years and we are now in the fourth period of transformation. Turkey has reacted and responded to these four major transformations in different ways, and I evaluate these responses as 4 significant restoration or renewal efforts. It might be easier to set out our perspective on our country's future by examining these renewal efforts.

The first great transformation occurred at the beginning of the 19<sup>th</sup> century with the great international transformation wrought by the successive French, Industrial and Scientific revolutions. This great transformation, that gave rise to the ascendancy of Europe beyond the classic world power centers, took place at the beginning of the 19<sup>th</sup> century; the political transformation represented by the French Revolution brought new values to political culture and these values and institutions gave rise to consequences that influenced not only Europe but the entire world.

Looking at economic transformation, the industrial revolution completely changed classic means of production as well as the social hierarchy, and brought a new dynamism. In parallel with these two transformations, the international system transformed into a Eurocentric system and paved the way to colonialism. We responded very correctly to this. Reacting

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more rapidly than anticipated at the beginning of the 19<sup>th</sup> century, some Ottoman political and intellectual leaders conducted studies on how the new values brought in by the French Revolution might be incorporated into the Ottoman system culminating in the “Tanzimât Fermânî” (Reform Edict) that remains significant in this sense: Turkish democracy and the tradition of elections in Turkey is not a new tradition. Our democratic and especially election culture has a 200-year history. The first local elections were held in 1839. We have a very old tradition of elections. In this context we reached a culture of participatory democracy 170 years ago.

And again within the context of economic transformation, an economic quest began for traditional economic means of production to compete somehow with products of the ascendant Eurocentric industrial revolution. A number of institutions emerged from this process. We can see this clearly when we look at the history of our Chambers of Commerce. Although the 1838 Turkish-British trade agreement encountered various censures, it led to a deepening relationship between the Turkish economy and the rising economy of Europe.

In the context of the international system, as well as taking precautions against the liquidation of the empire, the Ottoman state became part of the post-Congress of Vienna European system and began to play a role in the European balance of power. What was the fundamental objective of this first renewal? The fundamental objective of Turkish politics in this political renewal that paved the way to a participatory political system with the Ottoman Constitution of 1876 and a multi-party system in 1908, opened up the traditional economy to the European industrial economy and integrated Turkey into the European system in the age of the Concert of Europe and the Crimean War, was to protect the Ottoman state from destruction. It was a reactive response. But in the end it was a renewal effort.

We underwent the second great renewal after the First World War. This time international transformation manifested itself in different ways. In the sense of political transformation the classic empires came to an end. A period of emergence of national states occurred in the

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colonial empires. Economic transformation followed upon the first global economic crisis of 1929 as the concept of a global economy began to take root, a global economy in which the colonial economies tried to find their place. In the context of the international system, there was a political pursuit for the structures and final principles of the national states. We also responded correctly to this. The foundation of our Republic was both a great national success after the War of Independence and a political transformation based on a correct reading and response to developments in the world.

We were also the first country to respond correctly to the end of the traditional empires and the establishment of nation states. In this sense our Republic was both a new regime and the result of an effort to offer a correct response to transformation in the international system. The regime did change, but the institutions of the final era of the Ottoman state continued as the main elements of the new regime. That is one of the reasons why many of today's institutions recall the 19<sup>th</sup> century in their citations.

Economically we responded correctly. The concept of a national economy emerged for the first time and following certain bitter experiences at the end of the Ottoman period, the Izmir Economic Congress that represented the emergence of the Turkish entrepreneurial class followed immediately upon the declaration of the Republic. The founders of our Republic, most prominently Gazi Mustafa Kemal Atatürk, were absolutely aware of the fact that without economic independence and the country's own economic dynamism, it would be impossible to maintain and protect political independence. An important element in the building of the nation was a new blend composed of a fresh wave of immigration from the Balkans and the Caucasus, with the new nation state's consequent search for a national economy in parallel to the nation state.

One could undertake a very weighty analysis of these things, but the issue I want to emphasize is this: we also responded correctly at that period. The pursuit of a foreign policy based on the dictum "Peace at Home, Peace in the World" was in fact a renewal effort. I shall dwell on our policy towards neighboring countries a little later. But let us say something

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about our relations with Syria: the idea of a confederation with Syria was raised for the first time at the beginning of the 1920's by Gazi Mustafa Kemal Atatürk. Many such ideas have emerged on the agenda including a confederation with Azerbaijan. The Balkan Pact and Sadabad Pact were the results of a kind of renewal and an effort by the newly emergent nation state to establish new relations with neighboring entities. Peaceful relations. The Balkan War had taken place just 20 years before, yet you are offering a Balkan Pact. This was a declaration of the new state. From now on I want to live in peace with my neighborhood. The founders of our Republic and those who were shaping its foreign policy were declaring I do not want to have problems with anyone and I want to build a new world for myself based on this concept of peace.

The third great transformation took place after the Second World War. The post-war international political transformation manifested itself in the spreading of democratic culture and the birth of a new international political structure with the United Nations system, the dissolution of colonial empires and the emergence of nation states as the basis of the international system and the parallel establishment of a new economic structure and architecture. The Bretton Woods system and the founding of the World Bank and the IMF etc. all occurred at this time. Turkey also responded to this great transformation correctly and this correct response also manifested itself in the passage to a multi-party democracy. A dynamic economic life emerged.

The founding of TÜSİAD in 1971 was in fact a parallel development to urban migration and the emergence of an entrepreneurial class. Turkey finally had a strong class of businessmen capable of increasing the international power of the country. A class of businessmen had been formed that had not existed in the 1930's and 40's and this class had now been institutionalized. In my own life I was able personally to follow the great transformation within the business world that significantly contributed to the Turkish economy through my own late father's 25 years' service as a member of the Istanbul Chamber of Commerce. The foundation of the political renewal of this period was multi-party democracy. The security

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basis upon which this multi-party democracy rested was our relations with NATO and our consequent security perspective. We maintained a security-based democracy throughout the Cold War and played an active role in numerous international organizations such as the World Bank and the Council of Europe from their inception. Our transatlantic relations developed and in order to be on the winning side of that bipolar world we were obliged to allocate a large part of our national budget and resources on defense expenditure for nearly 50 years. But our democracy strengthened. In spite of a number of military interventions it was a period in which our democracy took root.

The international system has been undergoing a major transformation on a similar scale since 1989 and the end of the Cold War. Since we are living within this transformation, it is sometimes difficult for us to comprehend its scope and nature. But the comprehensive transformation we have undergone in the 20 or so years since 1989 has perhaps been much faster, and requires a more rapid response, than all the changes of the past 200 years. The political transformation was signaled with the victory of the democracies in the Cold War. We have witnessed the rise of a free market economy and democratic culture since 1989 not only in western Europe, Turkey and the Atlantic, but also in Eastern Europe as democracy has emerged as a principle value that we must all defend.

But in parallel to this we can hardly say that the international economic political system, in particular the structuring of the United Nations, is on the same democratic track, with the continuation of its old post World War II structure. Thus the reform of the UN is still on its agenda, but the international political transformation is manifested differently in international economic politics. Again after the Cold War, in the first decade of the 21<sup>st</sup> century, we experienced an economic transformation and a shift of power. The ascendancy that Europe gained with the rise of its economy in the 19<sup>th</sup> century began to shift back to Asia in the 2000's. If one needs to explain this with figures, Asia's share of the pre-Industrial Revolution world economy in the 1700's was about 62%, Europe's share about 15%. After the Industrial Revolution and the activities of colonialism, they reached approximate parity in the 1870's

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with both Asia and Europe taking a 34-35% share of the world economy. America then entered the stage and took a 15% share in the 1870's. With the second transformation in the 1920's Europe's share rose to 40%, Asia's share fell back to about 15%, while America began to surpass a 20% share. As a consequence of the Second World War Europe experienced a major decline in the 1950's. Europe's comparative share fell but with the formation of the EU a revival took place. So when we look at the 2000's, Asia's share has rebounded to its 1879 level at about 38%. Europe's share has fallen back to its level of the 1850's and entered a declining trend with about 25% of the world economy.

We need to read these power shifts in the world economy accurately. And through an accurate reading of changes in the international economic system we need to revise our foreign policy and international economic strategies accordingly. When we look at Turkey's renewal efforts after the Cold War, given that the international political system is steering towards democracy, given that power shifts in the international economy and new technologies have given rise to extraordinary new possibilities, and given that the international system seeks reform, what will Turkey's position be?

I am saying that the fundamental policy pursued by the AK Party governments from 2002 to 2010 mean that we have experienced the 4<sup>th</sup> renewal of Turkey's history of modernization. The main basis of the political aspect of this 4<sup>th</sup> renewal is not security but the construction of a freedom-based democracy. Turkey could not avoid having to establish a security-based democracy during the Cold War within the bipolar conditions of that era. But now our challenge is to recalibrate the freedom / security balance and rebuild our political constitutional arrangements so that they are founded on freedoms.

This is also a renewal effort in line with the fundamental transformation of the international system. Because the most important thing here is the achievement of a soundly-based political constitution that will motivate the people and prepare society for the future. This can only be achieved when the state says to the individual "I am going to give you the broadest possible

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area of freedom without risking your security” or “I shall broaden your freedoms without sacrificing anything in terms of your safety and security”. No government that obliges its citizens to make a choice between security and freedom can claim to be establishing a sound constitutional foundation. We shall have both security and freedom. If we sacrifice security for freedom, chaos and anarchy emerge as happened at the end of the 1970’s. When you sacrifice freedom for security you end up with autocratic regimes. And a country like Turkey with a deeply rooted democratic culture in any case has no such option. We have to build freedom and security together.

The last referendum on the Constitution, and Turkey’s struggle for democracy over the past 8 years, were conducted in this framework. We need a very serious political renewal. We need to undergo a fresh political renewal that broadens the area of freedoms at every point, settles a pluralist political culture and strengthens participatory democracy. For that reason, Turkey has an inescapable need for a brand new Constitution after next year’s elections. In any case I guess that this has always been the general view of TUSIAD’s High Advisory Council.

This Constitution must be framed within the scope of considering Turkey’s security concerns but based upon an understanding of citizens’ freedoms. Conditions have changed a great deal since the 1980’s and the current Constitution is one that renders Turkey’s adaptation to the international system impossible and obstructs the political renewal in Turkey. In this context, and also considering Ms. Boyner’s emphasis on the student incidents in recent days, I would like to underline this fact. Our critical culture must be expanded. Both as Foreign Minister and as an academician, I do not believe it is possible to produce ideas in an environment in which a critical culture is lacking. Everything ought to be subject to criticism. No idea or mentality should exist as a filter. I mean there should be no self-censorship. We should be able to talk about everything. We should be able to consider every idea and all of us were involved in youth movements.

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The culture of protest is a part of this. But we must also achieve a harmony between this culture of protest and public order that befits society in a modern, contemporary state. We must teach our students that as well as criticizing they must also listen and learn. We need to develop both our critical culture and reach a more mature sense of a protest culture that goes beyond the critical culture together with a sense of public order. We are not a country that is gaining new experience on this point. That is why I went back to the start of the 1800's. Local and provincial elections were held as early as the 1830's and people mastered the game during that era. Turkey also experienced the great intellectual movements of that period. All sorts of contradictory and reciprocal criticism were formed at that time. But in the 1970's we all experienced how a generation can be lost as anarchy is conceived when this critical culture does not give rise to sound legal foundations. We have to strike this balance.

In short, the underpinning of our political renewal is in the end a freedom-based democratic renewal. As for the foundation of our economic renewal, it is entirely matched to the new global economy. I would like to illustrate how successfully this ongoing renewal is being accomplished with some figures. As we all know, Turkey was the world's 26<sup>th</sup> largest economy in 2002. Today it ranks 16<sup>th</sup>. It is Europe's 6<sup>th</sup> largest economy. Total foreign direct investment reached \$83 billion between 2003 and 2009. This is much more than the total for all preceding periods. The total number of foreign companies in Turkey is now 23,500. So we have a dynamic economic structure that is rapidly relating to the global economy. The number of tourists visiting Turkey was 11 million in 2001 and 27 million last year. Our foreign trade volume was \$87 billion in 2002, \$282 billion last year.

The ground we have covered during these 8 years is significant as an indication of what kind of economic renewal period we have undergone.

In the telecommunications field, we now have 68 million mobile phone subscribers. That's nearly one mobile phone for every citizen in the country. The number of internet users is 37 million.

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In transport, we have 18,500 km. of dual-lane highways of which about 12.000 km. have been constructed in the past 8 years. This figure will reach 22,500 km. by the end of 2011. By the end of 2023 we shall have 4,500 km. of motorways. Turkish Airlines has become Europe's 2<sup>nd</sup> largest airline and the world's fastest developing airline with the youngest fleet. We have an airline that can fly to all parts of the world. On the subject of railways, I was in China just last month. Our Transport Minister was there last week. We are conducting work on a railway from Beijing as far as Istanbul. We are determined to make Istanbul one of the main rail hubs for the whole of Eurasia, linking the Gulf to Istanbul, Islamabad to Istanbul.

In the field of contracting and construction the figures are even more striking. The scope of our construction businesses has reached \$225 billion. According to last year's figures, after China we have the world's 2<sup>nd</sup> largest construction sector. We have overtaken the US in this field. We have a large production volume. We are now the world's 7<sup>th</sup> largest cement manufacturer, and rank 16<sup>th</sup> for automotive production, 10<sup>th</sup> for steel, 4<sup>th</sup> for knitwear exports, 3<sup>rd</sup> for exports of socks and lingerie, and in the top ten on a range of textile headings.

These figures reveal a clear reality. During the past 8 years Turkey has undergone a really comprehensive democratization and political renewal, and from the perspective of economic performance has experienced a major renewal with the contributions of our businesspeople in the context of a harmony between the state's economic strategy and that of the business community.

So what should our vision be?

At this point, with your permission, I would like to move onto Turkish foreign policy. In order to be able to draw a vision for Turkish foreign policy we must set forth our 2023 objectives. At the 100<sup>th</sup> anniversary of the founding of our Republic in 2023 we aim to enter the ranks of the world's ten largest economies. We aim for a GNP of \$2 trillion. We want to

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reach exports of \$500 billion with total trade volume of \$1 trillion. We want to become one of the central countries in the global economy. We want to become an energy pipeline hub with our country being the junction for pipelines linking north, south, east and west. We want to increase the proportion of our energy produced from sustainable sources. Once again benefitting from all the possibilities afforded by our country's geography, in transport we want to become Eurasia's central country.

What kind of foreign policy do we need to pursue in order to achieve these objectives? Expressing this renewal in more symbolic terms – EU-standard democracy, China-standard development. We have the capacity to realize this. The objective of our foreign policy is to enable and facilitate this realization. If we are to undergo such a period of renewal, our foreign policy must serve this renewal.

So what do we have to do?

Firstly, we must bring our relations with the EU, in a sense a leg of our foreign policy, to the most comprehensive and deepest level. Whatever anyone says there is no question of Turkey deviating from our objective of full membership of the EU. Just as we integrated into the European system with the Congress of Vienna in the 1830's and have taken a place in every aspect of European politics ever since, so Turkey will be one of the most important actors determining Europe's future in the next 100 years. Whatever anyone claims, Turkey is a part of Europe and shall continue to be so, but to move forward a step we also state that we are not an object of Europe. In acceding to EU membership, the discussed future of Turkey is not as an object. We shall determine our future but we want everyone to know that this future will be within the EU. We shall continue on this march. Because the most important reference point for freedom-based democracy today is the EU. In parallel to this, we shall also continue to maintain sound relations with NATO in order to achieve a balance between freedom and security. But today our political reference is the EU. I state this frankly, our security reference may be NATO but our political reference is the EU. I mean we don't want a country that

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wakes up the morning after military coups saying our bonds to NATO are continuing. We shall also be one of the most active countries in NATO, as was evident at the last NATO Summit. And we shall be the country that adds dynamism to the EU.

The second important foreign policy objective is the point that if you are conducting and wish to conduct a renewal at home, you have to consolidate the country's neighborhood and environment. I mean we shall become an EU member but we can't do so if are to be struggling with problems in our region. The most important critique directed at us by EU officials in 2003 was that if we accept you as a member we will be importing the problems you have with your neighbors. Now we have deepened our relations with our neighbors and they now talk about a shift in axis. We must decide what will happen. This is wat we want to do: on the day we join the EU, we shall not have problems on our eastern borders that will also be the eastern borders of the EU. Therefore we are developing these policies to consolidate our neighborhood.

The "axis shift" expression has become an entirely psychological operation. We are open to the criticism of those trying to question Turkey's correct choices. All kinds of things may be said on this issue. But I would like to say this to those who regard the "zero problems with neighbors" policy as a utopic objective: we are also aware of the fact that not all problems, even between brothers, will be completely solved. But we want to achieve a change in mentality. When the great Atatürk said "Peace at Home, Peace in the World", he did so as a military commander freshly emerged from various conflicts and in the full knowledge that the literal achievement of peace in the world was impossible. Yet he did so out of a desire to achieve a transformation in the mentality of the country. Likewise, we wish to eradicate the mentality that we are surrounded on three sides by the sea and on four sides by enemies.

That is why we are saying zero problems with neighbors. We are saying maximum integration with neighbors. That is why we have established top-level strategic cooperation councils. The meetings we have co-chaired by our Prime Minster and those of Syria, Greece, Russia and

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Iraq have changed the nature of our relations with these countries. We signed 5 agreements with Greece in 87 years. This year on one day in May we signed 23 agreements. With Russia it is the same. These do not have any ideological basis or reference. We are developing our relations with Syria. And with Greece. And with Iraq and Russia. What we want is a network of very solid and strong relations with our neighbors and the achievement of maximum integration. I would like to take a striking example from the history of Europe. The name of the policy implemented by post-World War II Germany to fulfill the requirements of renewal was “Ostpolitik”. That is, they developed an eastern policy in order to overcome all the tensions then existing with eastern Europe. Yet no one at that time evaluated this as a shift of axis on the part of West Germany. On the contrary, it was evaluated as the spreading of transatlantic values to eastern Europe. And in our case as well, the relations we have established with the Middle East, the Balkans, Caucasia and central Asia are the consequence of an effort to bring order to Turkey’s neighborhood.

Before anything, our economy needs this order. Please visualize the map in your minds. Draw a line in the west from France to Germany to Italy. Include Russia in the north. China and India in the east. The Turkish economy as the largest economy, the largest manufacturing center and the largest commercial center in what remains of the map, Eurasia. We want to lift visa requirements and increase the movement of people and goods in this entire basin, and we want to achieve this for you, not a shift in axis. We want to remove barriers obstructing the extraordinary strength of Turkish enterprise. Because we know that if the first strength of Turkish foreign policy is democracy, its second important asset is the economic strength of our businesspeople and entrepreneurs.

When visa requirements with Syria were lifted, who benefitted? Gaziantep benefitted, Adana benefitted, Urfa benefitted. If the visa regime with Greece is lifted – our discussions with the EU on this matter are continuing – a two-day exemption would benefit our western littoral and the Greek islands. If the visa regime with Russia is lifted you will be the first to benefit. The visa regime was Libya was abolished - look at the tender projects won by our Turkish

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companies in the past year. From the economic perspective this is an absolutely rational choice and we shall continue this policy.

We shall mobilize the power of Turkish enterprise everywhere in Eurasia. But elsewhere, exemption from the Schengen visa regime and with the whole of the EU is our clear right, a right delayed. We shall strive tirelessly to achieve this. This has been our right ever since the period of the Customs Union. If Serbia (which is a case we have supported, we regarded not giving this as correct), Bosnia and Macedonia achieve this, then Turkey must be granted an absolute exemption and become part of the Schengen system, we do not see these as alternative policies distinct from one another. Therefore, we shall maintain our role as an initiator of order in our neighborhood while strengthening our established relations with the EU and NATO and continuing the path to full EU membership.

I forgot to apologize at the beginning of this speech for arriving late on account of an urgent meeting so I was unable to listen to TÜSİAD President Ms. Ümit Boyner's speech, but I did quickly read the parts of her address relating to foreign policy. This question has rightly been raised: do we really have this capacity in the context of foreign policy? That is, do we have the capacity to resolve these problems? I am telling you this clearly and without any hesitation. Yes, we do. If a country has potential, it is the duty of its government and leaders to realize that potential.

We cannot simply say that the Turkish economy is growing, our entrepreneurs are entering new areas, our neighbors want to develop their relations with us but we do not have enough diplomats so let's wait until we have diplomats in place and take these initiatives in 20 years' time when these diplomats have gained experience. In 20 years' time we shall be facing a very different world. In practice, we should test the limits of our bureaucracy, diplomacy and economy by constantly raising the bar. When we test those limits we shall see that the apparently undoable becomes doable.

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No one expected Turkish foreign policy to be as active as it has been in the last period. When I first publicly raised this zero problems with neighbors issue 8 years ago I suffered heavy criticism because I was an academic. A typical academic utopia, they said. But now everyone should conduct a conscientious analysis. Do our relations with our neighbors resemble how they were 8 years ago? Look at where we have come from and where we have got to. If this has been accomplished, greater things can be accomplished. We shall maintain what we call proactive peace diplomacy. We cannot just say there might be a crisis in Lebanon but it won't affect us. No. Without order in the Middle East, it is impossible for the Turkish economy to gain influence in the Middle East. There will be an order in the Middle East, in the Balkans, in Caucasia and in Central Asia, and Turkey will be one of the lead actors in this order. The fundamental objective of our foreign policy is to pave the Turkish economy's way within the context of such an order. I would like to go into more detail on this issue during the question session.

Apart from full EU membership, NATO relations and policy on neighboring and regional countries, our third major objective is to create new openings. Yes, we have started an opening to Africa. In the past eighteen months we have taken the decision to open Embassies in 18 African countries; while there have been 12 Embassies in Africa for 87 years, hopefully there will be 30 next year. We have done all these things consciously and decisively. We knew we would be testing our capacity. Yet if a biscuit-producing entrepreneur from Karaman in the Turkish provinces can sell biscuits to Cameroon and tells the Turkish Ministry of Foreign Affairs "I want an Embassy in Cameroon", then the delivery of the service of that Embassy is our duty as the state. Spread this throughout the whole of Africa. We have decided to have more Embassies in Africa than might be expected in terms of our ranking as a country and we shall maintain this policy.

Latin America. Look at the past 50-60 years. When we compare Turkey-Brazil, Turkey-Argentina and Turkey-Mexico relations we see a clear difference. Since Brazil is a rising actor Turkey-Brazil relations will be expanded in every area. And this is not an alternative

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effort to the EU. It is the will to develop rational relations with rising powers. And in Latin America we have opened 2 Embassies and are considering opening 5 more. As you know, next week Turkey is signing a strategic cooperation agreement with the Latin America cooperation organization.

We are opening up to Asia. In July we signed a strategic cooperation agreement with ASEAN. This is one of the world's most important power centers. We are developing relations with China. We want to increase our trade with China to \$100 million within 5 years. We are strengthening our relations with India and Japan. We have deepened our relations with various international organizations. Not only with MERCOSUR and ASEAN.

We established a mechanism for dialogue and strategic cooperation with the Gulf Cooperation Council and hold annual meetings. We have decided to declare a quadrilateral visa-free, free trade area in the next months between Turkey, Jordan, Syria and Lebanon. In the past 2 or 3 years we have signed free trade agreements with 15 countries and lifted visa requirements with close to 15 countries. We are committed to turning Turkey into a country where Turkish citizens can freely come and go throughout the world. As a result of this increased visibility of Turkey we are also increasing our representation in international organizations.

Those who question Turkey's European identity should see this: these days the President of the Parliamentary Assembly of the Council of Europe is a Turk, Mr. Mevlüt Çavuşoğlu, elected to this position to serve for the next six months. I shall be chairing the Committee of Ministers of the Council of Europe until next May. The legislative and executive of the Council of Europe will be led by Turkey in the coming period.

Turkish politicians and diplomats are currently serving at the highest levels as Secretary General of the Organization of the Islamic Conference, special representative offices of the UN General Secretary, NATO Deputy Secretary-General, Director-General of the Organization for the Prohibition of Chemical Weapons. Previously only Mr. Kemal Derviş

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played such a role. Now there are tens of them, and I would like to share with you some news that I learned yesterday. Our Ambassador to India Mr. Levent Bilman has been appointed as Director of the Policy and Mediation Division at the UN Department of Political Affairs. Why? Because in all these fields no longer pursue a wait-and-see policy but as everyone can observe they have developed active problem-solving policies and want to express our potential.

We also have the need for a few more ambassadors. We want to open avenues for you on these axes. We shall pursue all our rights in the EU. We shall increase our efforts towards integration with neighboring countries and regions. In fact we shall support these efforts to integrate with the global economy with fresh initiatives.

From where do we get our power? Let us return to that question. Can we do these things? Yes we can. Why?

Firstly, we have a geography that is such that anyone who utilizes it properly will make Turkey into one of the world's leading nations. But those who cannot use this geography become its prisoners. We no longer desire a closed politics, a closed economy, a closed culture. We want universities that will be pioneers of global culture, business organizations that will be pioneers of the global economy, politicians and diplomats who will be pioneers of global politics.

And yes we can do it because we have a very deep rooted history. We are not a nation state that has emerged from cyclical conditions. We are a Republic founded on the basis of a deeply rooted tradition of statehood. We shall use the possibilities of this history to the fullest extent. Wherever we go we find some historic connection, and this is not a weakness. Whenever I refer to history I am faced with the "Neo-Ottoman" concept. Now that we have got that out, I want to share this with you. The question the Washington Post posed to me was this: "What do you want to do? You are strengthening relations in your region, do you have

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an ideological agenda?" I responded with conviction: "No. History does not repeat itself in such a way. The Ottoman state is a historic phenomenon. Just like the Roman Empire etc. But history cannot be ignored or discounted. Britain has maintained a Commonwealth from the states it colonized and without any geography connection to them. And France maintains a Francophone structure in various Pacific islands to which it has no geographic connection. If they maintain these things, then nothing could be more natural than our maintaining an interest in neighboring regions with which we have direct geographic connections and ongoing economic relations." That was my answer.

I repeat. These relations will strengthen Turkey. We are not trying to dominate anyone. We regard ourselves as equals to the smallest country in the Balkans. As the Republic of Turkey we are equal to the smallest country in the Middle East that is a former Ottoman subject (I shall not name the country, rack your brains, I don't want to make negative allusions to any country). We do not impose anything on it, nor try to pull it in any direction. But we do this: we have all kinds of discussions with that country in order to determine our future together. The fate of this region has been shaped with us, and we are paying the cost of this destiny. Who paid the price of the war in Iraq? Mostly us. And so we strive hardest to establish an order in Iraq. And it is our right to form every kind of integration with Iraq and to make efforts to see Turkish businessmen in Basra. If international corporations are going into Iraq and taking a place in activities for the reconstruction of Iraq, and if they have the right to do so, then so do we.

These are relations based entirely on mutual respect between equals. Think of the latest period, the developing relations between Turkey, Serbia and Bosnia-Herzegovina, and between Turkey and Serbia, rely on such mutual respect. Just as we do not accept being imposed upon in foreign policy, we do not impose on anyone, imposition is not on our agenda. But we shall protect these historic connections.

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The Foreign Minister of Serbia – a much-valued friend – has a great story. I can mention it as he has given me permission to do so. And so as not to get into Wikileaks. As relations between Serbia and Turkey on the issue of Bosnia are developing, a European Foreign Minister says to the Serbian Foreign Minister “We have been struggling for this for years but we couldn’t make progress. But you meet the Turks, who dominated you for ages and with whom you have problems, and you move forward.” His response is wonderful. “If you had lived with the Turks for 500 years you would also have learned to listen to them”. Because one might think of it like this: from a historic perspective, Serbia is perhaps the country with which Turkey has had the most conflict. No. It is now one of the friendliest countries. We have lifted visa requirements. They invite us for all kinds of economic relations. There is no psychological barrier. We address the biggest universities and I am saying this frankly. If we have an account to settle let’s talk, let’s open our hearts. Let’s re-establish the Balkans. Let’s re-establish the Middle East. And Europe will suffer no harm from these efforts. This will only bring peace to Europe. I am saying in relation to comments on Turkish influence in the Balkans attributed to me once again by Wikileaks. We will bring only peace and tranquility to the Balkans. And this is of benefit to the EU.

The same applies to the Middle East. On the question of being a country conducting Syria / Israel discussions – I am saying this because Ms. Boyner referred to Israel in her speech – we are not responsible for this. We were the country running Syria / Israel discussions until 2008. If there is a crisis in relations between Turkey and Israel today, every Turk is obliged to respond to this within his own national consciousness. If the attack on Gaza takes place the day before direct discussions are due to begin and when all the documents are ready, and if a convoy carrying Turkish citizens and an American citizen is attacked in international waters, then of course one cannot expect relations to be within a normal scope. But in Turkish culture there is neither anti-Semitism nor any concept of lasting enmity with any country. Our doors of friendship are open to all countries.

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I would like to conclude this elucidation of history with a rather striking thing. We have a single goal. To normalize history. Because history and the flow of history strayed from its normal course in the Cold War period. Taking our neighboring countries as example, Bulgaria was a member of the Warsaw Pact, Georgia anyway did not exist, Syria and Iraq were pro-Soviet. Therefore it was normal for us to have strained relations with them. But now the need for the normalization of history that I mentioned means that once again Antep should be intertwined with Aleppo, Edirne with Filipe and Thessalonica, Batumi with Trabzon, and we are offering this to our neighboring countries without any hidden agenda.

We shall normalize history. And the greatest beneficiary of the normalization of history will be the Turkish economy. We expect support for this foreign policy from our business community. Because this whole foreign policy is being implemented in order to pave the way for you. Why are we establishing councils? To increase Turkish investment in neighboring countries and enable a greater flow of resources from those countries.

Therefore, what we wish to gain for our country through our normalization of history and the effective utilization of our geography is the elevation of Turkey to the status of a central country both economically and politically. We are resolved to turn Turkey into a country through which all energy and transport lines pass, the land where all kinds of cultural, commercial and transport capacities exist on the north-south-east-west axis. This is the restoration and renewal that I am talking about.

The third important element in our being able properly to benefit from our geography and history is the human element. We have a very dynamic human element. We have to take advantage of this human element properly. And so I make a special appeal to our business community. Our most dynamic human resource is the entrepreneurial section of our society. At the foundation of the Republic there was a handful of celebrated Turkish businessmen such as Mr. Mustafa Koç's late grandfather. But it is not like that today. We have a great potential.

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Our sole desire is to harmonize the Republic of Turkey's macro strategic objectives with our business community's own strategic economic goals. We might criticize each other. I am happier the more criticism our policies receive. But these criticisms must remain on a rational base. If you are saying that these policies are weakening our economic relations then we shall happily make all kinds of amendment. We shall happily listen to you if you are saying that these policies represent a burden or barrier to our potential. Let's sit down together, in any case we frequently gather. Let's plan how we can more effectively activate the combined potential of the state and the business community in this great renewal effort and transformation.

We have confidence in you. Turkish foreign policy is far more soundly based with the strength we gain from you, and we believe that Turkey will take shape as the world's 10<sup>th</sup> largest economy within the next 13 years. I want to express this not only to our business world but to our universities, the realm of culture and the press: the most important psychological condition in this attainable success is self-confidence. They want to break our self-confidence. In response we must say in one voice "Yes we can do this". We must declare robustly that Turkey will achieve this great renewal and become central to the international system. We must be able to state that Turkish companies can enter the ranks of the world's largest companies. We must be able to state that Turkish diplomats can join the ranks of the world's greatest and most influential diplomats. Whatever our generation, we must maintain the claim that our future politicians will be politicians who will lead the world. With this self-confidence and with this geography and history, truly we shall hand over a great country to future generations. We must all make strides towards this objective.

Thank you very much.

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