

From the Desk of the Editor

The year 2023 will mark the 100th anniversary of the proclamation of the Turkish Republic. The government has set this fast-approaching date as the deadline for many financial, political, and social targets. In this issue of TPQ, we focus on the complex and interrelated challenges Turkey faces in the decade ahead to fulfill its centennial goals.

Most central to Turkey's 2023 vision is the goal of making Turkey one of the world's top-10 economies. Other goals targeted by Ankara include rendering Istanbul a global financial center, becoming a global leader in the delivery of health services, developing at least 10 globally-recognized Turkish brands, and becoming an energy hub in its region. Gender equality, democratization, and educational reform are key issues cross-cutting Turkey's stated aims in all these areas. To capture the impact of such matters in working toward the 2023 goals, this issue of TPQ includes a broad range of private sector perspectives ranging from finance to energy.

The economic dimension of "Vision 2023" foresees Turkey –currently the world's 17th largest economy– achieving a gross domestic product of 2 trillion dollars, annual exports amounting to 500 billion dollars, and a 30 million-strong working population. Honorary President of the Board of Directors of Koç Holding Rahmi M. Koç presents a private sector perspective to the challenges that Turkey may face in achieving this target. He highlights that Turkey will need to grow by an average 8.2 percent annually over the next decade for this goal to be achieved. Koç also underlines that it is very important to have a clear understanding of where the global economy is heading in order to remain on track with the rest of the world. Accordingly zooming in on various actions needed in order for Turkey to increase its competitiveness and productivity, he concludes that a stable and mature democracy is a necessary background for a successful economy and a thriving business community.

As one of Turkey's long-standing goals, the Ankara's leadership has on numerous occasions stated its expectation that Turkey become an EU member by 2023. In early August, President Gül placed the European Union accession process back on the agenda, implying that a concentration on EU membership could provide the solidarity Turkey needs at a time of increasing polarization. Indeed, this polarization –and the EU's potentially mitigating role– inevitably affects the viability of aspired economic, political, and social goals to be reached by the centennial. Accordingly, the theme of EU integration dynamics over the coming decade runs through the scope of this issue.

Given the increasing global importance of climate change and the potential environmental effects of economic development, this issue also focuses on the need to keep environmental protection in mind as Turkey pushes forward with its 2023 ambitions. Particularly in the last couple of years, rhetoric and policies toward environmental and urban planning, as well as the education system, gender relations, and sports have become “battlefields” in the Turkish political context. Related concerns have accentuated the existing polarization in the country. In this issue of TPQ, we aim to address each one with a constructive outlook.

Dutch European Parliament member Emine Bozkurt notes, for example, that female participation in Turkey’s labor market is currently at 30.2 percent, while male participation is 70.8 percent. Bozkurt stresses in her article that “this gap is acceptable neither from a gender equality perspective nor from an economic perspective.” She insightfully argues that a country aiming to be among the top-10 economies of the world by 2023 needs to mobilize the entirety of its human potential. Bozkurt, who is also the European Parliament’s rapporteur on women’s rights in Turkey, argues that the country’s 2023 vision should be pursued in tandem to “Europe 2020” – a strategy embodying targets for smart, sustainable, and inclusive growth in the mid-term. For instance, while Europe 2020 aims at achieving a 75 percent employment rate for women, Turkey’s target is merely 35 percent.

Any specific target in the area of women’s rights and gender equality should be a part of comprehensive strategy encompassing various policy areas, Bozkurt explains. While legislation targeting domestic violence has improved, the state needs to ensure implementation, a process that will require actions such as the establishment of more shelters and the penalization of public servants who fail to protect women petitioning the state for help. Bozkurt cautions that even the most progressive laws, in the hands of authorities who are not committed to gender equality, can fall short of improving the situation of women. She concludes that as long as preserving family unity is viewed by law enforcement authorities as more important than women’s rights, gender equality cannot be achieved.

Tayfun Bayazıt –Vice Chairman of the Turkish Industrialists’ and Businessmen’s Association (TUSIAD)– focuses his article predominately on the financial dimension of Turkey’s 2023 targets. He reminds readers of how successful restructuring of the financial sector and effective macro- and micro-reforms after the twin crises of 2000 and 2001 led the Turkish economy to a rapid and robust recovery path. A sound and safe banking sector contributed pivotally to the resilience of the Turkish economy during and in the aftermath of the 2008 global financial crisis, he notes. Bayazıt expresses confidence in Turkey’s ability to be a global financial center given

the dynamism of its economy, geostrategic location, and the sustained resilience of its financial system during the last decade. However, Bayazit also takes a critical look at the legal and regulatory framework, underlining challenges such as increasing Turkish domestic savings. In assessing Istanbul's credentials for becoming a global financial center, Bayazit examines not only the city's financial assets but also dimensions such as transportation infrastructure.

Ergin Hava, Business Editor of the Istanbul-based English language daily *Today's Zaman*, takes up another target of this government. While originally a target for the 2005-15 decade, the goal of having 10 global brands has since been merged with the 2023 goals. Because the comprehensive work necessary for understanding global customer tendencies has not yet been carried out, Ergin argues that this ambition is farfetched.

Given the significant economic growth Turkey is poised to undergo, an important challenge will be supplying the energy to fuel this development. This issue of TPQ therefore focuses deeply on energy security, without losing sight of either environmental concerns or geostrategic considerations.

In this regard, Bernard Fautrier, Head of Missions to the Prime Minister of Monaco on questions of sustainable development as well as Vice President and CEO of the Prince Albert II of Monaco Foundation, makes a powerful case for Turkey's leadership role in the protection of the Mediterranean environment. Turkey's geographical location, the growing environmental awareness of its people, and strong political relations with many of the Mediterranean countries render it well-positioned for this role. Three areas in which Turkey's leadership in this region could make a particularly significant difference, according to Mr. Fautrier, are biodiversity, water, and energy. While an ecological, industrial, and intellectual transition towards sustainable production is taking place around the globe, political will on the part of all regional stakeholders is needed for the Mediterranean to join this revolution. Fautrier also touches on the local and global environmental problems related to the use of hydrocarbons, underlining the abundance of solar energy "waiting to be exploited" in the region.

The importance of reducing the share of fossil fuels in Turkey's energy mix has been stressed with increasing frequency in the last year – most recently in August by President Gül. This is an area in which Turkey can be even more ambitious, according to Serhan Süzer, CEO of Eko Renewable Energy. Süzer argues that Turkey should stop supporting environmentally hazardous energy sources such as nuclear, coal, or shale gas, and instead aim for 100 percent renewable energy. This will not

only protect the environment but will also have geostrategic and economic advantages by virtue of reducing imports and energy dependence. Providing an overview of solar, wind, hydro, and biofuel potential in the country, Süzer asserts that Turkey can lead the way in transitioning to a carbon-free economy, thus proving that 100 percent renewable energy is not just a dream.

According to the BP Statistical Review of World Energy, however, despite sustained growth in renewable energy, most of the world's energy will continue to be sourced from fossil fuels in the years to come. Turkey has geostrategic advantages in this sense because of its location at the crossroads between Asia and Europe, offering the opportunity for Turkey to become the main route for energy transportation between Europe, the Middle East, and the Caspian. In his contribution to this issue of TPQ, President of BP Turkey Bud Fackrell underlines the importance of the Southern Gas Corridor, which will deliver gas from the Caspian Sea to Europe. He provides an overview of the Shah Deniz Stage 2 gas project that BP and its partners in Azerbaijan are developing, announcing that a final investment decision regarding this project will be made by the end of this year.

Social and welfare policies are critical for both reaching economic targets and high standards in citizen's quality of life. Accordingly we cover a number of related themes in this issue of TPQ.

The importance of improving the overall quality of education and expanding its availability is touched upon by a number of authors in this issue of TPQ. Deputy Prime Minister Ali Babacan made a strong statement on this topic in late August, saying "no other country in the world with an average education of only 6.5 years has a per capita income of 10,500 dollars. And no country with such an education level ever had an average income of 25,000 dollars. Without solving our education problem, our 2023 targets will remain a dream." The overhaul of the education system is widely seen as a critical structural reform for Turkey to maneuver out of its economic vulnerability, and one that ranks high on Turkey's political agenda today.

Emeritus Professor at Sabancı University and the Chairman of the Board of the Third Sector Foundation of Turkey (TUSEV), Professor Üstün Ergüder, particularly focuses on this educational dimension. After providing a succinct account of how structural reform from 2001 onwards enabled Turkey's economy to weather the economic crisis devastating the European and American economies, Ergüder underlines the indispensable role of education. He points out that the most important challenge the Turkish economy faces today is the development of high value-added production dependent on new technologies as well as research and development.

To meet the goals set for 2023, Professor Ergüder asserts that the Turkish economy has to move into a new paradigm in which human capital is the main driver of technological advancement and economic development. Investment in human capital is also important for the consolidation of democratic citizenship and participatory democracy, Ergüder notes, underlining the importance of “inclusive institutions” through which citizens have access to public decision-making.

While the health sector is an area in which Turkey has made significant progress in the past decade, the country stands at a crucial juncture in terms of the policy transitions it requires to move up to a higher league. Senior Vice President of the Pharmaceutical Research and Manufacturers of America (PhRMA) Rod Hunter outlines the recent progress Turkey has made towards universal health care; as Turkey’s economic indicators have improved, so have the country’s health indicators. Hunter argues that challenges such as ensuring adequate resources for health care and fostering innovation and investment in the biopharmaceutical sectors remain. He underlines the problems faced by biopharmaceutical companies stemming from the country’s intellectual property framework, and the discrimination international firms face. Hunter concludes that with reforms and consistent policies aimed at fostering an innovative health sector, Turkey can achieve its aspiration of becoming a global leader in health services by 2023.

On the 7th of September 2013, the International Olympic Committee (IOC) will elect the host city for the 2020 Summer Olympics. We are delighted to contribute to the advocacy of Istanbul’s bid with the article of Hasan Arat, who leads the campaign on behalf of the Istanbul 2020 Bid Committee. While it will be known if Turkey has won its bid or not by the time this issue of TPQ is released, we believe that whether it wins or not, the case made for Turkey is relevant for the country’s international standing, and potential candidacies to host the Olympics in the future.

Arat emphasizes that the needs of Istanbul and the capacity of the Turkish nation have never been more closely aligned with the demands of hosting the Games and the vision of the Olympic Movement. He lays out Turkey’s plans for investment in new sports facilities, and potential to promote Olympic Values in Turkey’s neighborhood. Arat concludes that bringing the Games to Turkey would inspire millions.

Controversies always abound regarding holding international prestige events in countries with pressing democratic deficiencies or illiberal tendencies. This was the case with regards to many international events in the past few years, such as the 2012 Formula 1 Grand Prix in Bahrain, the 2008 Summer Olympics in China, the 2012 Eurovision contest in Azerbaijan, and the upcoming Winter Olympics in

Sochi. Some argue that governments with authoritarian streaks should not be rewarded with high-profile international events, while others believe such events can be beneficial in drawing attention to the causes of opponents of the governments. Still others hold that when it comes to such national objectives, patriotism should trump politics. The Istanbul bid to host the 2020 Summer Olympics has witnessed all angles of this common paradigm, particularly since the spread of *Gezi Park* protests across the country. Critical activists have voiced concerns that the government will disregard environmental concerns in building up infrastructure for the Olympics, and that the opportunity will be used to deliver rewards in the form of commercial advantages to government-affiliated business groups.

The high incidence of doping among Turkish athletes, and the scandals involving match-fixing and bribery in Turkish football are just some of the controversies that have recently plagued the Turkish sporting world. The sports scene has also received its share of the pattern of intimidation of government opponents, with measures taken by the government after the *Gezi Park* protests to prevent political slogans from being chanted in football stadiums. The imposition of unwavering loyalty with a hard hand pervades a number of other areas central to Turkish youth too. Ironically, the perception of being silenced has been seen to invigorate creativity among a segment of the Turkish youth critically disposed *vis-à-vis* the government.

The inspiration Turkey provides its neighbors is multifaceted and complex. While the government clearly has its own aims for the Turkey it wishes to see in 2023, segments of Turkish society including a large section of previously apolitical youth are increasingly articulating their own visions for a future Turkey in which their voices are heard as well. This diversity within the country is an inherent component of the inspiration Turkey provides its neighbors, and an essential element of the nation's ability to bridge continents, civilizations, and cultures.

Any economic boom is inevitably accompanied with challenges such as massive urban migration and environmental degradation. Filiz Bikmen, a social investment and philanthropy adviser based in Istanbul, focuses on how such challenges are dealt with in Turkey by the private sector, government, and civil society. Related to the above point regarding inclusion of multiple voices, Bikmen reminds readers that it is important to assess the role and choices of citizens in realizing Turkey's centennial goals. The recent tensions threatening freedom of expression and assembly raise concerns with regard to the potential continuation of some of the positive trends that have played into Turkey's current achievements. Bikmen's article is timely in outlining the complicated responsibilities and rights citizenship brings in a democratic country.

Comparing the European Union's 2020 strategy and Turkey's "Vision 2023" plans reveals varying degrees of reference to the role of civil society and broader social issues. Bikmen observes that Turkey is more heavily focused on economic development, while the EU plans include social, cultural, and environmental/ecological issues.

George C. Marshall European Center for Security Studies Professor Valbona Zeneli also refers to Europe's 2020 growth strategy in arguing that countries of Southeast Europe should take inspiration from this in drawing up their vision for 2023. Dr. Zeneli holds that the only solution to economic recession in Southeast Europe (SEE) is for the small countries of this region to integrate with each other.

There have been many analyses in the Turkish press arguing that it would take a miracle for Turkey's economic targets to be achieved. Even among skeptics though, it is widely acknowledged that setting ambitious goals and drawing up action plans for their achievement is a beneficial process for the country. In the meantime, government authorities have already set the ground to blame their opponents in case Turkey falls short of these targets. "International powers bent on preventing the rise of Turkey as a regional leader" have also been preemptively accused. Ankara's direct confrontation with a range of regional powers on geostrategic bases has generated dynamics that such conspiracy theories feed off of.

Though this issue of TPQ deals primarily with Turkey's targets pertaining to domestic policies, goals with regard to foreign policy have also been expressed, as in Turkey's EU bid noted above. Foreign Minister Davutoğlu has articulated goals such as playing an influential role in regional conflict resolution, "vigorously participating" in all global arenas, and playing "a determining role in international organizations." To achieve such targets, Davutoğlu declared that "Turkey must make progress in all directions and in every field, take an interest in every issue related to global stability, and contribute accordingly." It is also clear that Turkey's economic and foreign policies are strongly interlinked. Throughout the past decade, the intensification of Ankara's relations with its neighbors was largely driven by the consideration of economic returns. In the past few years, however, the Ankara leadership has incrementally opened fronts against a wide range of actors in its neighborhood. At this time, Ankara has problems with almost all of its neighbors – from Moscow to Baghdad, Damascus to Tehran – and beyond. Several of this issue's articles examine the dynamics of this new geopolitical setting.

This issue of TPQ goes to press at a time when Washington is considering air strikes in Syria. If a military intervention escalates into a wider regional conflict, this is

sure to affect the viability of Turkey's domestic targets as well. In this issue of TPQ, Akshan de Alwis, a young up-and-coming analyst, examines a possible intervention into Syria according to the Responsibility to Protect (R2P) doctrine. He argues that although Syria is a prime case for intervention under R2P, the country's situation is unlikely to be fixed by such an operation.

A vibrant roundtable discussion on Turkey-Israel relations this Summer highlighted important dimensions of the current state of the Middle East. In this issue of TPQ we include an in-house analysis of the perspectives offered by the speakers at this event, which we co-organized with the Friedrich Naumann Foundation for Liberty (FNF) this past July. Deconstructing the downward spiral in Israel-Turkey relations, the debate highlighted dimensions such as the changing strategic environment and the regional vision of the AKP leadership which prioritizes solidarity with Muslim Brotherhood affiliates.

Given the context of tension in the Eastern Medirerranean and the role of Cyprus in exacerbating Turkey's foreign policy challenges, an assessment of Turkey-Greece relations is fitting. In his article for this issue of TPQ, George Koukoudakis, Research Fellow at the Hellenic Center for European Studies (EKEM), takes up the rapprochement between Greece and Turkey that was initiated at the end of the 1990s. He argues that this process has contributed to Turkey's EU accession quest and that the EU played the role of a catalyst in improving the relations between the two countries. The article acknowledges, however, that ultimately the "high politics" disputes between Turkey and Greece have not been resolved. Meanwhile of course, Turkey's EU accession process has lost momentum. Koukoudakis, who is also a Visiting Lecturer at the Military Academy of Greece, argues that Greece should try to revitalize interest among EU member states regarding Turkey's accession during the Greek presidency of the EU, which will take place in the first half of 2014.

Venturing out of the neighborhood, with a view of Turkey's global outreach, in this issue of TPQ we also take a look at Turkey-China relations. In their co-authored article for TPQ, Rıza Kadılar, a senior international investment banker, and Andrew K. P. Leung, an independent China Specialist, examine the rising economic weight and global status of both Turkey and China, asserting that economic and strategic cooperation between the two can bring mutual benefits. The authors outline China's infrastructural and economic outreach in Eurasia and Africa as well as the potential of increased trade and investment between Turkey and China. Controversial dimensions are also covered, such as China's emergence as a counterbalance to U.S. hegemony, and the difference in perspectives between Beijing and Ankara over Syria and the Turkic people of China.

Finally, we feature the analysis of a conference proceeding that closely relates to the scope of this issue of TPQ. David Koranyi, Deputy Director of the Atlantic Council’s Dinu Patriciu Eurasia Center, presents his perspective of the debates that took place at his institution’s annual Energy and Economic Summit, held in Istanbul last November. We hope that this recap of the event –at which TPQ served as a media partner– can help set the foundation of the ACUS Summit upcoming on 21-22 November.

Koranyi refers to the “Global Trends 2030 – Alternative Worlds” report, published by the National Intelligence Council. Identifying trends in spheres such as the environment, technology, economy, and global politics, the scope of this report provides a global context for the questions this issue of TPQ raises regarding the decade ahead for Turkey. On the one hand growth of the global middle class, greater educational attainment, widespread use of new communications and manufacturing technologies, and health care advances are expected to raise individual empowerment levels. However, the related rising demand for resources –including energy– has the potential to generate a more crisis-prone world economy, a growing global governance gap, increased conflicts, and other negative outcomes.

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