

# INTERNATIONAL ORGANIZATIONS IN TRANSFORMATION: WHY DOES THE OECD MATTER FOR TURKEY?

*In today's world, the globalization of international relations, the internationalization of national policy areas and the growing awareness that global problems require global solutions signify new important functions for diplomacy. Yet, the traditional actors of international affairs are not sufficiently equipped to deal with the complexities of the present and anticipated challenges. They face a survival question: to catch up with changing times by responding effectively to the needs of their constituencies or lose their relevance and value in the new global order.*

*This essay examines the transformation currently underway in many international organizations, with a particular focus on the OECD. It also discusses how the OECD could become a truly global hub, where the major economic players of the world can interact and whether a medium-size power like Turkey could maximize benefits from globalization by better leveraging OECD's vast expertise and outreach.*

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**T**he future shape of the global economy is a concern on everybody's mind. The reason is simple: the economic and political map of the planet has changed and it is increasingly clear that progress on major challenges will only be achieved by intensifying co-operation between the world's major and emerging players and by adapting the existing structures to make room for the newcomers. Otherwise, the risk of further fragmentation into regional blocs such as the Shanghai Co-operation Organisation, the NEPAD, the ASEAN, the BSEC and others will further increase.

Globalization has delivered significant progress. Under its influence the world economy has experienced one of its most dynamic expansions ever. International trade and investment flows have boosted interdependence and allowed developing countries to connect better to the global economy, lifting millions out of poverty. But, globalization has also made the world more complex by linking local and global concerns, by blurring the borders between national and international. The future of humankind is being shaped by issues that are beyond any nation's ability to address them.

For instance, global warming and rising sea levels, poverty and AIDS threaten us regardless of geography, nationality, ethnicity or religion, as do terrorism and the spread of weapons of mass destruction. Security, development and respect for human rights are inextricably linked. The debate and the decisions on reforms will largely determine whether or not mankind's global and regional institutions will be able to adapt to this rapidly changing world.

The free market global economy now means, we are all interdependent and sovereignty is no longer in control. An American company can design a product in India, manufacture it in Mexico using parts imported from around the world and sell it to Canadians through a British distributor using financial backing arranged in Hong Kong. The whole deal might have been created by a Turkish entrepreneur over a cellular telephone. The large multinational company is becoming less attached to the particular interests and values of its country of origin and does not feel responsible for solving demographic, environmental or regional problems. Displeased international investors can instantly transfer billions of dollars, bringing havoc upon a country's economy.

Globalization has weakened the ability of the nation-state to organize its domestic and external affairs and almost made national borders meaningless. There is the danger that a regional financial instability could lead to a global financial "melt down." In spite of potential dangers, the world economy is progressively growing and trade barriers are being reduced. The major economies are converging into at least three large regional trade blocks: the European Union, North America and Asia-Pacific. China, with economic growth of nine to thirteen per cent per year, is now the world's second largest economy and it could be number one by 2030. India is not far behind.

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## *Multilateralism on the Move*

The United Nations is still the primary formal organization, no matter how weak and ineffective it might be, co-ordinating activities between states on a global scale and the only inter-governmental organization with a truly universal membership. With recent additions, the membership of the UN now totals 192 member states, nearly four times the number at its foundation in 1945. This multiplies the instances of possible interactions between states, still the primary, but no more the sole subjects of international relations.

At the same time some traditional categorizations have lost their meaning (“East versus West”) or tend to forego significance (“North versus South”). Others are becoming essential: rich versus poor, inclusion or exclusion from the process of globalization, good governance versus undemocratic, dictatorial regimes.

More and more states are members of an increasing number of international organizations to which they delegate—to varying degrees—the administration not only of foreign policy but also of economic, social, environmental issues and other areas hitherto exclusively in the domain of national politics. Some states have clear federative structures and their federal entities are also, at least to a limited extent, active on the international scene. Regional structures often transcend national boundaries and become internationally relevant.

## *New International Actors and Changing Diplomacy*

An emerging conventional wisdom is that diplomacy can no longer be considered only in terms of relations between states, but must now take account of wider relationships and modes of dialogue, involving increasingly significant entities such as regional and international organizations, multinational corporations, special economic zones, local and city government, advocacy networks and influential individuals. Geoffrey Wiseman proposes that “Traditional state-centred bilateral and multilateral diplomatic concepts and practices need to be complemented with explicit awareness of a further layer of diplomatic interaction and relationships.”<sup>1</sup>

Many important areas of today’s international relations (i.e. human rights, development cooperation, environmental politics, sustainable development and others) would be unthinkable without the active contribution of the NGO community. All in all, there are a multitude of different actors engaged in international affairs.

Today, international organizations and other entities are recognized as agents under international law. Business is vivacious across national and international borders; multinational enterprises can boast balance sheet numbers that, ually,

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<sup>1</sup> Geoffrey Wiseman, “Polylateralism and New Modes of Global Dialogue,” in Christer Jönsson and Richard Langhorne (eds), *Diplomacy*, Vol. III, London: Sage, 2004, pp. 36-57.

individually leave the GNPs of smaller and medium sized countries far behind. More than 15,000 NGOs directly involve themselves in international affairs.

Institutions like the International Red Cross, Amnesty International, Médecins sans Frontières, Greenpeace, Human Rights Watch and also religious organizations can receive strong international public support for their activities. The UN-organized World Conferences held at Rio, Vienna, Beijing, Cairo, Kyoto, Monterrey and Johannesburg have become examples for the active engagement of NGOs in international affairs.

Accordingly, the diplomat of the future will need to operate at the bilateral level, the multilateral level and increasingly, the polyilateral level (relations between states and other entities). Diplomacy today, bilateral and multilateral alike, is vastly different than the 19th and 20th century. It will continue to evolve and change. The diplomat today is, above all, a communicator and mediator of positions of his/her own country *vis-à-vis* all sections of the politically informed public in the host country. The main business is no longer discreet and confidential dealings with the foreign ministry of the host country but public diplomacy aimed at explaining and canvassing support for positions among government circles, parliament, the political parties, business community, social partners, media and representatives of academic and cultural life.

Tomorrow's diplomacy will be even further removed from the famous pictures of the dancing Congress of Vienna, where the foundations for the structure of diplomacy for two centuries were laid. Diplomats have become 'managers of globalization', they are tasked to manage the 'global village' in which we live. Disarmament, arms regulations, the fight against international terrorism, crime and drug abuse, protection of human rights, prevention of climate change and desertification, promotion of sustainable development, conflict prevention, development cooperation, peace keeping, peacemaking, and peace enforcement, protection of foreign investments, foreign trade issues... the task list for these "managers of globalization" appears to be endless.

### ***OECD Already in Transformation***

The changes in the world economy have a strong impact on how international organizations such as the OECD operate and interact among each other. A few simple figures can serve to illustrate what they mean for the OECD. The share of OECD member countries in world GDP has been on decline. In 1975, the OECD countries covered close to 65 percent of world GDP. In 2005, this figure was 55 percent, while the BRICs' (Brazil, Russia, India, and China) share already exceeds 25 percent. Projections show that OECD member countries' share will fall below 50 percent in 10 years- unless they succeed in bringing the emerging, high-growth countries into OECD's ranks.

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## *The “Rich Men’s Club”*

The OECD groups 30 member countries of the industrialized world sharing a commitment to democratic government and the market economy. Best known for its publications and its statistics, its work covers economic and social issues from macroeconomics, to trade, education, development, science and innovation. In short, the OECD helps societies and governments manage globalization for the benefit of all. It does this through its studies, policy dialogue, policy recommendations and instruments.

The Organisation provides a setting where member and partner governments can compare policy experiences, seek answers to common problems, identify good practice and co-ordinate domestic and international policies. The mandate of the OECD is very broad, as it covers all economic, environmental and social issues. It is a forum where peer pressure can act as a powerful incentive to improve policy and implement “soft law” -non-binding instruments that can occasionally lead to binding treaties-.

While the OECD is and remains an intergovernmental organization, it collaborates closely, and increasingly so, with other stakeholders, notably business, labour, parliamentarians, civil society and academic circles. Because of the changing nature of government, and the changing nature of stakeholder groups in our society, an inter-governmental organization like the OECD needs to embark on extensive multi-stakeholder diplomacy.

Representatives of the OECD countries meet in specialized committees to advance ideas and review progress in specific policy areas. There are about 200 committees, working groups and expert groups. Some 40,000 senior officials from national administrations go to OECD committee meetings each year to request, review and contribute to work undertaken by the 2000 strong OECD secretariat, who collect data, monitor trends, and analyze and forecast economic developments. They also research social changes or evolving patterns in trade, environment, agriculture, technology, taxation and other areas. The OECD is also known as a premium statistical agency, as it publishes highly-comparable statistics on a very wide number of subjects.

Over the past decade, the OECD has tackled a range of economic, social and environmental issues while further deepening its engagement with business, trade unions and other representatives of civil society. For example, negotiations at the OECD about taxation and transfer pricing have paved the way for bilateral tax treaties around the world. Between 1995-1997, the OECD designed the much disputed Multilateral Agreement on Investment, which was rejected. It would have disburdened foreign investments of any claims on the part of the concerned regions and countries (also of social, environmental standards).

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Among other areas, the OECD has taken a role in coordinating international action on corruption and bribery, creating the OECD Anti-Bribery Convention, which came into effect in 1999. The OECD has also constituted a task force on spam, which submitted a detailed report, with several quite useful background papers on spam problems in developing countries, best practices for ISPs and e-mail marketers appended.

‘Innovation’ –seen as a capacity for non-trivial change– is a rare occurrence in international organizations. Another undervalued concept is ‘good governance’, now a central item on the agenda of the international economic organizations such as the IMF, World Bank, WTO, UNCTAD and OECD, but only in their dealings with member states and other stakeholders. The principles of accountability, participation, and transparency these institutions are applying to their clientele have not yet been as vigorously applied to their own governance.

Fundamental questions about the respective roles of the state and the market lie at the heart of the current debate about good governance and regulatory reform. Governments are grappling with a double challenge: they have to reduce obstacles to the dynamic market forces that drive efficiency and innovation in an increasingly competitive, globalizing economy and also they have to find more efficient ways to protect and promote important public-policy goals. Regulatory reform helps them deal with both. Reform can serve as a powerful stimulus to improved economic performance.

Considering the importance of international and supranational organizations, the internal reform processes in these administrations have yet to be systematically examined. Many important organizations, such as the European Commission, European Parliament, European Central Bank, OECD and several subsidiary organizations of the United Nations have, in part, begun to fundamentally renew their internal structures as well as their human resources and financial management.

To what extent are the current reforms in international organizations in line with the requirements of our times? What is the importance of internal reforms for the effective functioning of international organizations? Which areas of internal management (financial management, human resources, horizontal and vertical coordination structures) are leading the way in the observed reform processes? Where do we find the greatest deficits? Do we need a new framework of analysis to better understand the reform paths and reform deficits of international organizations? These are some of the questions that international institutions and various supranational bodies have been struggling to address effectively.

## *Where the OECD Can Contribute*

Meeting global challenges sometimes demands painful reforms. However, marshalling the political economy of reform is not easy. For instance, countries could learn from each others' experiences about policy design, communications and partnerships. The OECD has much to offer in this area and has decided to go beyond policy design and intensify its work in support of governments' reform efforts. It also helps promote the wider world economy to work better and in a more inclusive way.

A problem which does not recognize borders is climate change. OECD studies show that, to put us on the path to stabilizing greenhouse gases in the atmosphere (at about 450 parts per million in carbon dioxide-equivalents) would reduce global growth by only about one tenth of 1 percent per year (on average) from now to 2050. This is an affordable cost, given our expectations for growth and living standards in the coming years. The cost of inaction would be far higher. But how do we manage the transition to a low carbon world in an economically efficient and socially responsible manner? The right solutions require political will, from both developed and developing countries, as well as the best technical expertise. The OECD is helping put the post-2012 climate regime on a solid economic footing.

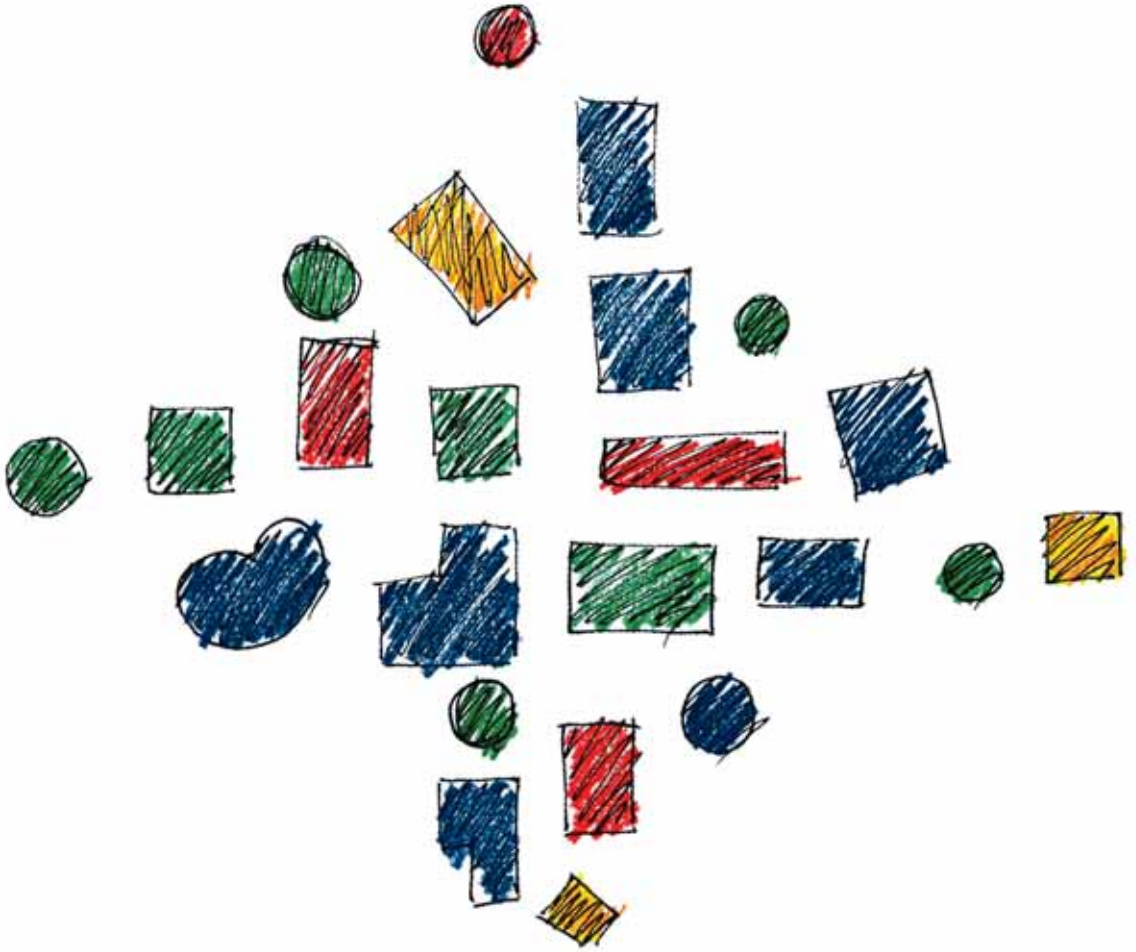
Reducing world poverty is another priority for the OECD, which is committed to help combat poverty to meet the Millennium Development Goals, through a multi-disciplinary approach, but also with specific instruments like its DAC Guidelines on poverty reduction.

Population aging and international migration are other interwoven global challenges. By 2030, the number of people of working age in the EU-25 is estimated to decline from 303 million to 280 million. Migration can help slow the erosion of population levels and alleviate the fiscal pressures caused by demographic transition in advanced economies.

Though crucial for competitiveness, productivity and progress, innovation is weak in too many countries. Governments need to 'harness the cross-cutting nature of innovation' from education and the supply of researchers, to intellectual property rights, public and private investment. A new OECD Innovation Strategy is being developed to provide a framework to help them.

Further free-trade is a gateway to progress. The Doha Trade Round, if successful, will improve many countries' development prospects. But there are challenges beyond Doha, in strengthening aid-for-trade, for example, adjusting to competition, liberalizing services or trading in a world criss-crossed by multi-lateral, bilateral and regional deals. Members will need the OECD's support in these areas, either.

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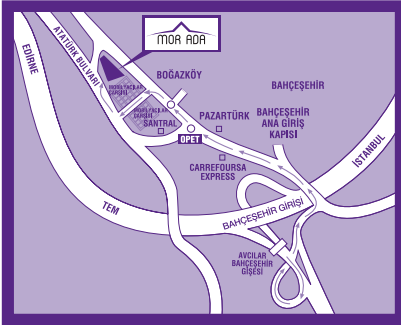
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And the OECD is also helping its members and many other countries alike to improve, for example, their education, tax regimes, investment environments and environmental policies.

Trade and development are important for engaging with global partners. But they are not sufficient. To strengthen their influence by promoting sound economic policies and good governance, the OECD needs to develop a more global structure which means talking about a broader membership and closer relations with economically strategic countries.

### ***OECD Enlargement and Enhanced Engagement***

Among the many important projects underway, the immediate challenge facing the OECD leadership and 30 member governments is implementing the Ministerial Council Decision of May 2007, namely to open negotiations for accession to the OECD with five emerging economies (Chile, Estonia, Israel, Russia and Slovenia) and to strengthen cooperation and engagement with the five major emerging economies (Brazil, China, India, Indonesia and South Africa) with a view to possible membership because these economies account for nearly half of the world's population, 15 percent of global exports and a combined GDP of 5.8 trillion dollars.

The four largest players in global financial markets (Arab petro-dollar investors, Asian central banks, hedge funds and private equity firms)—collectively called “the new power brokers”—have the positive effect of adding liquidity to global capital markets over the past six years. The assets they manage are expected to double to 20.7 trillion dollars by 2012. But the controllers of such massive amounts of money also pose significant risks to the global financial system and in drawing new regional political maps.

These countries are now the ‘locomotives’ of the world's growth. The OECD members believe that while the policies and activities of these countries have an impact on the OECD, the experience of good policy practices by OECD members could benefit them. OECD already collaborates closely with several of these countries, nevertheless would now like to forge a more structured relationship with them.

For the enlargement countries, the OECD will, in the near future, complete country specific road-maps listing criteria to be reviewed by the various OECD committees in order to assess each country's position with respect to the relevant OECD instruments, standards and benchmarks. On some of the key instruments impacting business, countries like Chile, Estonia, Israel and Slovenia are closer to the OECD standards than others, such as Russia.

It is generally expected that those relatively small but efficient market economies of Chile, Estonia, Israel and Slovenia will make swift progress in their negotiations with the OECD, leading to membership in a few years time. However, in the case of Russia, the accession process will likely take longer due to a number of difficult policy issues including non-economic ones; such as human rights problems, facing their government. In addition, Russia's accession to the WTO is considered to be a pre-requisite to its accession to the OECD. The committee-based negotiations will certainly provide enlargement countries with a valuable opportunity to learn and carry out reforms in such policy areas as investment regime, regulatory environment, corporate governance, competition, energy, environment and corruption.

Although it may take several years or longer to reach the final goal of accession through this Enhanced Engagement, these economies have become increasingly active in many of the key OECD committees. While they represent a group of major economic powers with many of the highest growth rates in the world economy, improvements in their policymaking and adoption of best practices in line with established standards and principles will not only greatly benefit each economy, but the global economy as well. It is important that the OECD deals with each country individually, as each economy is different in its structure and it is also important for the OECD to make the process transparent to business.

The OECD's relations with nearly 100 other non-member countries are broadening and deepening. This new configuration of the OECD will help it achieve useful solutions to the global problems it faces. The sub-prime crisis, for example, has revealed the remarkable vulnerability of the global financial markets. The current tax evasion scandal in Germany—regarding an issue on which the OECD had already set off the alarm some time ago—is another example that tests international co-operation. Financial regulators need to adapt fast to the rapidly changing financial landscape.

### ***OECD Responding to Turkey's Challenges***

I have always felt that Turkey fails to make best use of its membership and association with international organizations. Only the organizations with military (i.e. NATO) and financial (i.e. IMF) muscles have thus far managed to grab Turkish mandarins' attention. But, lately there has been a growing awareness of how a medium-size power like Turkey could increase its leverage in the global arena through the platforms and instruments offered by international organizations. The EU accession process offers a different path than that provided by intergovernmental organisations; hence, we will not treat Turkey's EU accession process in this paper.<sup>2</sup>

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<sup>2</sup> See For the author's analysis on this matter, Ögütçü, Mehmet 'Turkey and the European Union: how to achieve a forward-looking and "win-win" accession by 2015?', *Collegium*, No. 31, Spring 2005.

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Some of the challenges Turkey faces and which can be turned into her benefit from greater interaction with international organizations such as the OECD include, inter alia:

### *Re-visiting Turkey's Development Model*

Turkey's economic fragility in terms of current account, foreign trade deficits, debt levels, ecological sustainability and competitiveness is considered to be a risk and barrier to further development. This compels intensive thought on the fundamentals of a new, home-grown approach of how to unlock Turkey's vast potential, overcome the frequent occurrence of crises and put Turkey on a sustainable, equitable and robust path of development. Hence, the "take or leave" recommendations, rather than imposed "pre-conditions" from OECD and other organizations, will help develop and implement proposals on how to chart such an integrated development strategy based on Turkey's natural advantages and international best practices.

### *Strategic Technologies for Upgrading Turkey's Competitiveness*

Technology has already changed not only our lives but also the classical balance of power in the world economy and geopolitics. The new technologies, currently under development, will shape the future trends even more significantly. Such technologies include miniature, wireless, highly mobile, powerful, and personalized computing with network access, microscopic machines, measured in atoms rather than millimetres, genetics-based medical and health care, green integrated technology tackling global climate change and other energy/environmental concerns. Again, international organizations could help sketch out key emerging technologies in the making, which can enhance Turkey's efforts to frogleap towards the cutting edge of global competitiveness.

### *Attracting "Quality" International Investment*

The OECD countries still provide the bulk of international investment. Foreign direct investment (FDI) flows are expected to increase over the next three years despite the concerns about global financial instability and protectionism in some countries. Greenfield investments (new establishment of affiliates in foreign countries) will be more commonly used as an entry mode into the developing economies, while investment in developed countries will more frequently take the form of mergers and acquisitions. A traditionally passive spectator of the FDI movements in the past, Turkey has achieved record levels of FDI inflows (20 billion dollars) in 2007 and strived hard to enhance the quality of investments. The OECD Investment Instruments, including the Policy Framework, which provides a non-prescriptive checklist of issues for consideration by any interested governments, engaged in domestic reform, regional co-operation or in-

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ternational policy dialogue for attractive investment environment and enhanced benefits of investment to society, could contribute to Turkey's efforts to attract "quality" Greenfield investments, rather than largely mergers/ acquisitions and privatization as witnesses to date.

### *Investing in Turkey's Energy Future*

Turkey will face severe power shortages from 2009 unless it mobilises massive investment – to the tune of 100 billion dollars by 2030. Private sector domestic energy investment will take on increased importance given the pace at which Turkey's energy demand is expanding and the magnitude of the investment requirement. There are plans to enlarge and improve electric power, gas infrastructure, nuclear power plants, with private- especially foreign-companies' participation. Energy intensity is still high, despite measures taken to increase energy efficiency. Turkey needs investment to use its existing energy resources more efficiently. International bodies such as IEA, WEC and World Bank Group could help address some of the aspects of the investment requirements and framework in the energy sector – such as the need for finance, risks, speedier approvals, and clarification of investors' rights.

### *Life-long Education or Learning: How?*

Yes, Turkey has an education crisis. So does the world. Neither can solve these dilemmas in isolation. In a world of diverging standards, how sustainable can standard education be? In a world fast moving away from the production models and rules of the industrial revolution, can an education system that is itself a product of the industrial revolution be outmoded? Instead of preparing our children for tomorrow, we prepare them for yesterday. Education is a subject of the past. Learning is the subject of the future. The OECD, UNESCO and other bodies could put forth peer reviews on how Turkey's education system, designed to teach and disseminate 'long half-life' knowledge, can be reformed to serve the needs of a society increasingly demanding 'short half-life' knowledge.

### *Fighting against Ageing*

The OECD has only been around for half a century but nevertheless is an ageing club. Just before it was set up in 1960, only one in twelve people was aged 65 and over on average in OECD countries. By 2005, this ratio had increased to one in seven. By 2050, the 65s and over will account for some 25 percent of the population in OECD countries. Future international migration of younger people is assumed to have only a limited contribution to changing population trends. However, while all OECD countries are experiencing an ageing population, there are large differences in the current and future population structures across countries. Based on current projections, a remarkable 40 percent of the

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Japanese population will be aged 65 or over in 2050. At present, one in five Japanese is in this age group. 'Old Europe' is starting to reflect its billing, too, with almost 20 percent of Germans currently in the 65 and over bracket, rising to nearly 30 percent in 2050. Slightly ahead in the ageing marathon is Italy, with the Greeks greying in third. The OECD's youngest countries, including the U.S. but also Iceland, Mexico, the Netherlands and Turkey, will only reach the current ageing of the "oldest" countries by 2030.

### *Upgrade Turkey from a Mere Participant to a Full Player in World Tourism*

Turkey has made significant investment in tourism infrastructure and physical facilities but tourism management, human resource development and marketing are far from satisfactory. These are the main reasons for its being disadvantaged as a low-budget, all-inclusive tourist destination. There is a pressing need to rejuvenate Turkey's tourism fortunes in light of its comparative strengths. OECD, World Tourism Organisation and others could possibly contribute to how Turkey can take further steps to remain a key but fuller player and distinct brand in world travel and also what roles the public and private sector should play in making this come true.

### *Prepare Turkey for EU Accession*

So much has been said about Turkey's 'bridging role' between the West and Middle East, Islam and Christianity, the OECD World and Third World—all portraying Turkey as a peripheral power poised to serve the western interests and exploit the so-called identity crisis which has long bedevilled the Turks. But this no longer is the case. There is a growing assertiveness in Turkey's economic dynamism, geopolitical repositioning and cultural renaissance, which the West gradually recognizes. The EU accession process was initially heralded as European leaders having finally made up their mind about Turkey's place in Europe, however the reality tells a different story. Some EU countries are trying to slow down the pace of Turkey's accession negotiations. The 'stick' seems to be the preferred instrument of 'taming' Turkey and the idea of a 'fictional' accession at the end of an 'open ended' process, weakens Turkey's resolve. The call for Turkey to join hands with its regional neighbours and a rising Asia is being heard more often than hitherto. The OECD could continue playing a useful role in upgrading Turkey's technical and governance standards and promoting regional integration, which will in turn enhance the accession process already underway on a separate track.

### *Time Has Come for Turkish 'Energy Champions'*

At a time when energy wars are being fiercely waged in the international marketplace, attempts to create national energy giants or 'champions' have proliferated all around the world. The most recent example is the merger of Gaz de

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France and Suez in France. The Spanish, Italians and Germans are also thinking and acting on the same wave-length, despite the numerous papers and measures undertaken by the European Commission to prevent monopolization through ‘unbundling’ of supply, generation, transmission and distribution in the single market.

It is not only resource-rich countries that are gaining the upper hand in the new energy game; industrialized importing countries are also resorting to what is called ‘economic patriotism’ to protect their strategic sectors. The expansion of government-owned companies from hydro-carbon importing developing countries such as China and India into oil and gas exploration activities on a global scale is gaining added momentum. There is no black-and-white answer to the question ‘Should the economy be left to the functioning of the market players or is there a need for strategic direction from the state?’ The rapidly changing economic, political and security realities usually dictate being pragmatic, leading to some sort of a third way between these two extremes.

Turkey, positioning itself as the ‘hub’, ‘corridor’ and ‘terminal’ in the region’s supply and demand picture and desiring to maximize the value from such newly found roles, does not seem to have the right human resources of high calibre and the necessary corporate structure to implement its yet-to-be fleshed out strategic vision. There is so much disconnection between Turkey’s rhetoric, human and physical resources and international reality. Hence, other countries’ experiences and practices learned through international organizations would help Turkey create its own national energy champions to survive and succeed in this ongoing bitter global competition, without being subjected to the strait jackets of the WTO, OECD and EU.

### *The Way Ahead*

With a U.S. economy flirting with recession, the Euro area losing stamina under a strong Euro, a barrel of oil above the 100 dollar threshold, international food and commodity prices reaching record levels and climate change intensifying, it looks like the world is heading into a turbulent zone. In such an atmosphere, it is all the more important that we are engaged in meaningful international dialogue through consensus-based, “honest broker” organisations such as the OECD.

There is a pressing need to re-tool the international organizations, so that they reflect the changing balance of power and address effectively the challenges of today’s world, that keep changing. A frank, world wide debate is already on the way for the UN, based on the recommendations of its Secretary-General and the reports of the High-level Panel on Threats, Challenges and Change and the UN Millennium Project Team.

Not only the UN, but also other international organizations are at a crossroad and need re-engineering of their missions, staff, work programmes and resources.

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The challenge is now to decide which sign-posts we will follow, and how to avoid detours and road blocks. Our common destination is clear: we want to arrive at a multilateral system that is fully equipped to face today's and tomorrow's challenges. Gradually, we are all waking up to the fact that in a globalized world, national interests and the common interest have become two sides of the same coin. In this new world, there is a new rule: Cross-border challenges demand cross-border responses.

The OECD has risen to the challenge under a new management, led by the Secretary-General Angel Gurría from Mexico, and put in place a series of bold reforms to make the organization more relevant in addressing their domestic problems, expand its outreach to new major players of the world economy and practise multi-stakeholder diplomacy.

Multi-stakeholder diplomacy has become inevitable in a world of growing complexity of policy issues. At the same time, each stakeholder group and government itself, are doomed to see global problems through the lens of their own specific contexts and conditions. A story which perfectly symbolizes that situation is the elephant in a dark room. Everyone touches a part of the animal and everyone is right in what he or she describes, but no-one grasps the animal in its whole. Multi-stakeholder diplomacy provides a means, a hope for grasping the animal in its whole. It can help us devise innovative solutions to critical problems.

The OECD has a long history with peer-learning and consensual approaches towards the development of 'best practice' across a wide range of policy areas. As such, Turkey can benefit more than it has benefited so far from the OECD's offer to share experiences to develop common understanding, and to elaborate policy guidance.<sup>3</sup>

As a matter of fact, in recent years the OECD has stepped up its Turkey focus through education, environment, corporate governance, agriculture, local development, investment, science and technology, anti-corruption, trade policy peer reviews—all of which are relevant to the EU accession process. OECD's autonomous body, the International Energy Agency, too has been an effective body in encouraging Turkey to frame a comprehensive national energy strategy taking into account the world energy trends and best practices.

Like never before, the success of human beings, companies, governments or any type of organization depends on their adapting capacity. Most of our challenges now have a global dimension. Addressing them requires not only a common understanding of their causes and results; but also demands an inclusive international dialogue that can produce effective solutions. And as a medium-size power, Turkey can multiply its impact on the global system through enhanced and focused engagement with international organizations including the OECD.

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<sup>3</sup> For further details see, A New OECD for New Global Challenges, Angel Gurría, OECD Secretary-General, at the Norwegian parliament, Oslo, 6 March 2008.

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