

TURKEY'S EMERGING ECONOMIC TIES IN THE HORN OF AFRICA: THE RISE OF VIRTUAL STATE

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ABSTRACT

Horn of Africa is becoming home for Turkish institutional level relation, by serving as get-way for Turkish access to AU, ADB and IGAD. The total trade transaction between Ethiopia, Somalia, Eritrea, Djibouti, and Turkey reached more than 500 million USD than less than 100 million it has been in 2004. FDI only in Ethiopia accounted 3.2 billion USD, which is by far the largest in Africa. The first overseas public bank that Turkey has opened is in the horn of Africa. TIKA and Anadolu News Agency has well establishment in the region already. In this paper, Turkey's emerging economic interest in the horn of Africa is discussed based on the Richards Rosecrans's (1996) conceptual framework of virtual state, and Robert Putnam's (1988) second track diplomacy.

Keywords: virtual states, second track diplomacy, Turkish foreign policy, Turkey and horn of Africa economic ties

INTRODUCTION

“We are not here to increase our military actions or to establish a military base in the region. We are here to establish an economic base that both parties will benefit from it commercially”. This a speech made by Turkish Economic Minister Nihat Zeybekci on announcing a partnership with Ethiopia to build a Private Economic Zone in Djibouti. Later in December 2014, Turkish Axim Bank started operation as first branch in Africa, a bank that has already provided \$1.4 billion to finance a massive rail project currently underway in Ethiopia by the Turkish company called Yapi Merkezi that created more than 10,000 jobs. The emerging interest of Turks also involve humanitarian concerns, no other country weather in the forms of NGO or governmental level involved in Somalia issues than Turks, last year alone, 40% foreign assistant in Somalia came from turkey (5).

The above examples are some of the indicators to show the recent and unprecedented ties of Turkey in the horn of Africa. The Horn of Africa is the easternmost projection of African continent that includes Ethiopia, Somalia, Djibouti, Eritrea and, Kenya, Uganda Sudan and South Sudan with broader definition. For long time and still the region is described as most conflicted regions of the world. However, now a day's situation in some countries of the

region is changing, economic diplomacy identified as a tool to curbe the region formidable enemy, poverty and has been enabling the region to attract immense investment on trade, agriculture, livestock, agro-processing, manufacturing, tourism, industry, construction etc. For this end, Turkey is one of the countries under radar of this region and Turkey itself was in need of such a tie. Since, search for foreign market becomes policy of the day for current AKP led government to break through trap of middle income and transform in to higher income countries. Relations between Turks and horn of Africa go back to several centuries as most Horns of African countries were totally or partially were under Ottoman rule. After the establishment of the Turkish Republic in 1923, Turkey-Africa relations in general swiftly reduced in to their lowest level ever. It is in 1998, Turkey adopted a new policy measure called the "Opening up to Africa Policy." This policy served as a base line for most of bilateral relation that has been developed in sub Saharan Africa. However, it is in 2005, practical effort of improving has gone certain kind of transformation, especially when Turkey declares 2005, as "A year of Africa "(8).

Today, Turkey has embassy in all countries in horn of Africa, as most of them have in Ankara. Horn of Africa is home, for Turkish institutional level relation, by serving as get-way for Turkish Office to AU, ADB, IGAD, TIKA, Anadolu News Agency and others.

This paper starts first by trying to link the concepts of virtual state and second track diplomacy with Turkey and Horn of Africa relations. It goes further in dealing with commonalty in foreign policy objective- try to find out the common denominators. It also discusses factors shaped the emerging interest. The paper ends with conclusion by pointing some of drawbacks and, suggesting things to be strengthen to foster the relations.

THE CONCEPT OF VIRTUAL STATE IN UNDERSTANDING TURKISH AND HORN OF AFRICA INCREASING ECONOMIC TIES

According to Rosecrance, there are "two worlds of international relations": a territorial system originating from the world of Louis XIV and is presided over by the USSR and the U.S.; an oceanic or trading system, which is the legacy of British policy in the 1850s, organized around the Atlantic and Pacific basins. In the territorial system, states view power in terms of landmass (and thus self-sufficiency and self-reliance). In the trading system, assuming trade is free and open; states (e.g. European, Japan) do not need to conquer (1).

The ascent of the trading state preceded that of the virtual state. After World War II, led by Japan and Germany, the most advanced nations shifted their efforts

from controlling territory to augmenting their share of world trade. In that period, goods were more mobile than capital, and selling abroad became the name of the game. As capital has become increasingly mobile, advanced nations have come to recognize that exporting is no longer the only means to economic growth; one can instead produce goods overseas for the foreign market. A nation's economic strategy is now at least as important as its military strategy; its ambassadors have become foreign trade and investment representatives. Major foreign trade and investment deals command executive attention as political and military (2).

According to Kemal Kirkinç, the concept of interdependence of trading state in Turkey foreign policy traces back to 1980, a period when Turgut Ozal was the president of the republic. Here the concept served two purposes; first, as a mechanism for conflict resolution then peacemaking, and second, as interdependence gives an opportunity of opening market for Turkish export. It is the idea related with a move of changing model of development from import substitution to export oriented supported by liberal market policy. For this end, two-macro policy shift has been taken. First the 1980's move of liberating market accompanied by adoption of Washington Consensus which in turn create eventual emergence of Anatolian tigers-seeking overseas market seeking markets abroad. This is very same trend what Rosecrance called, "mercantilist control"- this evident if we see the role played by Anatolian tigers in opening up market in whole Africa and horn of Africa by shaping Turkish foreign policy making. The second move is undertaken again by president Ozal's effort consistent with idea of Rosecrance, change from security and military based territorial system to interdependent trading states. Moreover, re-organisation of foreign minister in 1998 and further shuffling after AKP came to power, an earlier change in minimizing of visa requirement can be regarded a policy shift consistent with the idea "social learning "of trading state (3).

Thought it is hard to claim Turkey today as branded virtual state, since Turkey is a country still struggling to breakthrough middle-income trap, one can see the figure Turkish FDI in horn of Africa and claims as Turkey is on the process.

SECOND TRACK DIPLOMACY IN TURKEY AND HORN OF AFRICA RELATION

Putnam in his (Two Level Diplomacy) identifies diplomacy as two sets of games that are being pursued simultaneously. On one level, there are the negotiations between decision-makers representing states and on other level there are same process taking place between these decision-makers and their respective national constituencies which he called them second level actors. In a democratic environment, this means that a range of interest groups representing civil society will be able to participate in the broader decision-making process even if they

may not actually sit around an official or formal negotiating table (3).

The adoption of liberal market policies in 1980 give a birth for gradual emergence of business interest group which are playing second track diplomatic role by accessing and influencing decision making in foreign policies. In this regard strong role playing by interest groups such as; Turkish Union of Chambers and Commodity Exchanges (TOBB), the Turkish Industrialists and Businessmen's Association (TÜSİAD), the Foreign Economic Relations Board (DEİK), The Independent Industrialists and Businessmen's Association (MÜSİAD), Exporters Assembly (TİM), the International Transporters Association (UND), and the Turkish Contractors Association (TMD) is paramount (3).

Parallel to this, TOBB and DEİK in cooperation with the Undersecretaries for Foreign Trade held a Turkish-African Business Forum in Istanbul in August of 2008. The forum was held in parallel with the Turkish-African Summit organized by the Ministry of Foreign Affairs and attended by representatives of fifty African countries. One can see the level of impact this groups in the policymaking by considering the fact that the summit was held after a year turkey has already inaugurated a policy of opening to Africa (4).

These roles are parallel with what Putnam's second track diplomacy- the possibility of business people to influence policy is their frequent participation in major state visits.

WHY TURKEY TO HORN AFRICA - THE BOTTOM LINES

Search for Foreign Market vs. Economic Diplomacy

According to recent report by world economic forum, Turkey is facing difficulty on transforming itself from middle-income country to higher income. And it forecasted that Turkey will remain to be in the trap of middle income countries. Besides, Europe still couldn't cure itself from problem euro zone debt crisis, therefore turkey is in need of diversifying its trade partners so as to tap into a virgin business opportunities available Africa (9).

On the other side, Africa in general and horn Africa in particular, are in magnificent level of economic development. Most apart of the continent registered an average annual 4% growth in GDP for successive years and forecasted to be continuing in coming years. Ethiopia alone, the largest country in the region has registered double-digit growth for successive years. There is also growing trends of regional and international cooperation than ever before.

Therefore, Turkey's interest in the horn of Africa is first a part of continental change, as well as it is a part of emerging countries interest search for foreign market.

Concomitantly Horn of Africa can also use turkeys advantage, as once Turkey's former Deputy Prime Minister Bulent Arinc said the country has a liberal economy, qualified manpower, broad domestic market, world's 16th largest economy , competitive industry and a strategic location which African nations can exploit. More importantly, countries of horn of Africa have identified economic diplomacy as a tool to alleviate poverty, and strategy enables the countries to attract immense investment on trade, agriculture, livestock, agro-processing, manufacturing, tourism, industry, construction etc (4).

Soft Power Claims

The former President Gül made speech in Ghana saying, “We are different from Europeans. We do not take away your raw materials. We invest and bring along technology and qualified workforce”. Turkey's soft power claims that we are not like the west – we are not here for oil, mineral seems apparent as many of Turkish investment in horn of Africa, for instances in Ethiopia alone the value of direct investment reached 3.2 billion in 2012 creating more than 50,000 jobs and helping technological transfer and local entrepreneurships creation. In Sudan dominated by construction sector, while in Somalia and Darfur- south Sudan is full of humanitarian (7).

Horn Africa is most complex and conflicted regions of the world, and still with problems and poor infrastructural facilities. A good reputation and experience that Turkish construction companies have in Central Asia and in other parts of the world could be considered as opportunity to be exploited. For example, Turkey's membership in the African Development Bank could assist contracting firms from Turkey in undertaking large infrastructure projects on the continent. Here it is worthy to mention the contribution by TIKA projects, designed to serve such long-term purposes as the development of social and economic infrastructure on whole continent. Two of total three offices of TIKA in Africa are operating in horn of Africa (7).

The Issue of Religion

Most of Horn African states are Muslim majority if not they are significant minority. The party in power in present turkey is also from Islamic background. It is not a departure to see countries give preferences to the religion and culture they now, since there will be compatibility in different aspects including holiday days etc. Therefore, Turkey is increasing interest in horn of Africa can also be attributed to religion factor, here involvement in Somalia is good evidence reflecting humanitarian concern based on Islamic culture.

Alternative to China

Although, it is unfair to compare Turkey's economic ties in the Africa in general and in horn of Africa in particular with Chinese, it seems Turkey follows success route of Chinese in engaging with Africans. Like Chinese and unlike the west Turkey followed non- interference policy on the matters good governance, democracy issue of internal affairs, and engaged mega investment involve higher risk that can benefit African economies (4).

Turkey might be favourable for horn of Africans, as its engagement for now seems to be more driven by the desire to create markets for its products than Chinese do for raw materials if not horn of Africa, other part of Africa. There is success history of Turkish companies in job creation and creating local entrepreneurs. Moreover, now a day there is a growing concern against poor quality of Chinese's product to Africa. In this regard, Turkey can be alternative as some product made in Turkey such as; engineering products, machinery, textiles, building materials are 20-30% cheaper than their European equivalents and enjoy a better reputation among African consumers than those made in China (4).

FACTORS SHAPED EMERGING INTEREST

The 1998 African Initiative

However, it stayed on paper the new multi-dimensional foreign policy vision launched by ministry of foreign affairs, in 1998, called "Africa Action Plan" included Africa in the focus of Turkish foreign policy. The foreign minister of the time Cem explained as it could be considered as a new road map for the political, commercial and cultural cooperation between Turkey and African countries. Later some of the projects on the plan served as a fertile ground to the "Year of Africa" policies launched by the AKP government in 2005 (6).

The 2005 "Year of Africa"

After AKP come to power in 2002, Turkey prepared the "Development of Economic Relations Strategy with African Countries" in early 2003, but, it remains ineffective due to the AKP government was preoccupied with adjusting itself internal, regional problems, and legitimacy issues. It is in 2005, practical effort of improving has gone certain kind of transformation, especially when Turkey declares 2005, as "A year of Africa" (6).

Turkey-Africa Cooperation Summit (2008)

Turkey-Africa Cooperation Summit held 18-21 August 2008 in Istanbul with the participation of representatives from fifty African countries with only three absent. This first Turkish- African Summit hosted under the auspices of Turkish former President Abdullah Gul, under the theme of "Solidarity and Partnership

for a Common Future". It is after this conference Turkey opened more than 15 embassies in following years. The conference also served a venue for bilateral talks and contact, which the president himself discussed with 42 countries delegations on the issue of accelerating, and new ways of developing the relation indifferent field. The summit served as fertile ground for familiarizing high-level contact, forthcoming development of the relationship of Africa and Turkey (8).

Role of civil societies

Conservative business associations like the Independent Industrialists and Businessmen's Association (MÜSİAD) and Turkish Confederation of Businessmen and Industrialists (TUSKON) took major steps especially in exports to Africa. TUSKON, launched in 2005, which has helped make these trade links possible. TUSKON organized seven "Turkey-Africa Foreign Trade Bridge" summits since 2005. About 350 entrepreneurs from 54 African countries attended the seventh matchmaking trade summit and 10,000 bilateral business interviews took place.

Conclusions

Turkey and horn of African countries need one another other for communality in their foreign policy objectives. For Turkey, search for foreign market becomes policy of the day for current AKP led government to break through trap of middle income and transform in to higher income countries. Horn of Africa countries also identified economic diplomacy as a tool to curve the region formidable enemy, poverty in order to attract immense investment on trade, agriculture, livestock, agro-processing, manufacturing, tourism, industry, construction etc. For this end, Turkey is one of the countries under radar of this region and Turkey itself was in need of such a tie. More importantly, Turkeys' claims of zero record of colonialism and former Ottoman Empire cultural ties with horn of Africa could be taken as a fertile ground to be seized for long-term win-win relations.

Turkey should continue to use Ethiopia as a get way country as it represents continents 2nd largest population, larges military and historical leadership and long sustained experience on African issues. Although recently there are a better effort of to curve the lack of information about one another by sending students, but it is still one way .And there is still limitation in movement of academicians, cooperation among think tank, joint conferences, publication and etc. Turkey is also over involving in Somalia by supporting the reunification and trying to find a solution for local problems, that is a failed approach international community has tried. Turkey should not involve in such internal affair circumstances since Africans problems better solved by African themselves. There is a growing claim by local people over issues of labour condition, payment, environmental

conservation over some Turkish overseas companies that Turkish investor should take in to account.

Although there is dramatic improvement in trade volume between turkey and horn of Africa, it still low compared to other major trade partner of turkey outside Africa.

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