Turkey’s Foreign and Economic Policy Challenges in the Middle East

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Abstract

This article traces the evolution of Turkey’s foreign and economic policy from one that preferred to deal mainly with the West to one that also includes other geographic regions and the impact of the change in power to the Justice and Development Party (JDP) more than 10 years ago on Turkish foreign policy-making. Turkey’s Middle East policies are at the heart of Turkey’s evolution in its foreign policy yet this change was brought about by changes in the domestic structure of the Turkish economy. Starting in the 1980s the growth of small and medium-sized enterprises in the Turkish economy, dubbed the Anatolian Tigers and centered in cities outside the traditional business centers of Istanbul, Izmir and Ankara, paved the way for the growth of trade relations with the Middle East. For many of these companies Turkey’s eastern neighbors and the Middle East presented a culture and

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environment that was familiar and easy to do business with. As trade with the region grew, Turkey’s political landscape and foreign policy also shifted. As a result, Turkey’s export to the Middle East and North Africa has risen eleven-fold while its trade with the EU (its biggest trading partner) has steadily declined as a percentage of its overall trade. The paper ultimately argues that pre-Arab Spring, the Turkish model of economic growth, coupled with its unique mix of secularism, Islam and democracy may have presented a model for the authoritarian regimes of the Middle East however, in the post-Arab Spring environment, the Turkish model and Turkey’s relations with the newer leaders in power in the region have come under question as Turkey’s foreign policy in the region was initially based on the status quo of the pre-existing regimes. The Arab Spring presents many opportunities and many challenges in this respect.

Keywords

Turkish Foreign Policy, Anatolian Tigers, Justice and Development Party, Middle East, Arab Spring
Introduction

By 2010, eight years after the Justice and Development Party (JDP) came to power in 2002, most international publications and observers were commending Turkey on its endeavors and good relations with the Middle East. However, since the emergence of the Arab Spring uprisings at the end of 2010 the leaders of the JDP have scrambled to make sense of the changing geography and the situation around them. The lack of foreign policy direction in Turkey’s recent Middle East policy could be attributed to the Arab Spring events. The top leadership of the JDP, who supported the dictatorial regimes in the Middle East and North Africa, suddenly became the ardent opponents of these same Arab dictators and suddenly led to a period of confusion in setting a Turkish foreign policy. The aim of this paper is to evaluate the Turkish foreign policy activism in the early phase of the Arab Spring. The Arab Spring events challenged not only the authoritarian regimes in the Middle East and North Africa, but also the Turkish foreign policy strategy. In some cases, like in Syria, the JDP, moved from supporter to worst critic of the Asad regime to actually being involved in developments by aiding and abetting the opposition. The future of Turkey’s policies in the Middle East remain cloudy and as developments in the region happen on a daily basis, Turkey’s role and place in the area is subject to change.

The paper mainly explores the impacts of changes in domestic power structure on foreign policy choices of the country.

under the JDP rule. It is reasonable to argue that it was the active Turkish foreign policy style of the JDP, rather than the traditional passive Turkish foreign policy style of the state-led secular elites, including the intellectual-bureaucratic elite and military, which caught the interest of large segments of the Arab elites and the society at large. The paper also highlights the limits of Turkish foreign policy activism in regional politics as well as illustrates the fact that Turkish foreign policy was able to display important elements of pragmatism at times when the political, economic and social conditions in Turkey’s neighborhood and in the world necessitated policy adaptation.

The central argument of the first part of this paper is that the Islamic mind-set of the ruling cadre makes Turkish foreign policy prone to building close relations with neighboring regions, especially the Middle East. It will also be discussed as to whether the Turkish foreign policy under the rule of the JDP government drifted from the West to the Middle East. In the second part, it will be argued that Turkey has found available space to use its “soft power” to lure the Arab world not only through religious and cultural affiliations, but also by using the new economic dimension that drives the country to open more room in the Arab world for Turkish entrepreneurs. The third part of the paper will critically analyze the impact of the Arab Spring uprisings on Turkish foreign policy strategies’ in the Middle East and North Africa. The challenges in front of Turkey to involve actively in the transformation process of the Arab world as a “model” will be discussed. As a conclusion, it will be argued that despite Turkey’s foreign policy activism in the Middle East which was unavoidably brought about by changes in the domestic structure of the Turkish economy, Turkey could still continue to play a constructive role in the transformation of the budding democracies in the Arab world only through acting as a source of inspiration and trying to take a
more detached and concerned stance through controlled foreign policy activism.

A Drift from or the Evolution of Traditional Turkish Foreign Policy

Throughout the period of the Cold War, a relatively passive foreign policy in the Balkans, Middle East, Caucasus and Central Asia marked the first seventy years of the Turkish Republic since it was founded in 1923. Largely as a result of the bipolar bloc dynamics, Turkey was restricted to acting outside mainstream Western policies and most of the time, was prevented from acting independently and being assertive in its foreign policy. The election of the JDP in 2002 led to a sharp turn in Turkey’s role and goals in its geography. Elected with what became a complete house-cleaning of many of the old elite in parliament, the JDP took office with a majority of the vote allowing it the ease and parliamentary dominance necessary to minimize opposition to their policies. Turkey’s foreign policy however, started to become more multi-dimensional under the guidance of Ahmet Davutoğlu, a professor of international relations who was the chief advisor to Prime Minister Recep T. Erdoğan until he became the Minister of Foreign Affairs in 2009. Many of Davutoğlu’s views are laid out in his book *Strategic Depth* and include a complete overhaul of Turkey’s foreign relationships, especially with its near abroad.

While traditional Turkish foreign policy preferred to pursue Western-oriented policies and a status quo approach to the

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international system that necessitated respect for international laws and treaties, Davutoğlu’s vision is one where Turkey would look beyond the West and to make the country more assertive in the international system with respect to the national interests of Turkey. The traditional approach to foreign policy in Turkey was also more security based, concentrating on Western states and markets. The “new” Turkish foreign policy, led by a boost of new domestic small and medium-sized enterprises which had found new markets for themselves in neighboring states, went beyond the security approach and promoted trade-based relationships. Davutoğlu’s more assertive Turkish foreign policy approach, particularly in the neighborhood regions, was based on the principles of: (a) mutual gain through economic interdependence; (b) multi-dimensional foreign policy; (c) pro-activism in the field of diplomacy; (d) a “zero-problems with neighbors” policy; and (e) reconciliation between security, liberty and democracy.4

Since the establishment of the Turkish Republic under the leadership of Mustafa Kemal Atatürk, Turkey had traditionally avoided activism in the Middle East and chose to have limited relations with the countries in this region which had gained their independence from the Ottoman Empire. However, Davutoğlu’s Strategic Depth doctrine mostly relies on Turkey’s active engagement in the neighborhood regions, especially in the Muslim-populated former Ottoman territories. Relations with the Middle East bloomed because of this activism and many Western observers began to call this approach neo-Ottomanism or the Middle Easternization of Turkey.5 Murinson argued that “Davutoğlu’s

intellectual antagonism to the process of Westernization in Turkey and its philosophical critique found their expression in his reinvigorated neo-Ottomanism.”6 Turkish foreign policy-makers deliberately avoid using the term “neo-Ottomanism” because of the fact that it implies imperialism, where Muslim countries in the Middle East and North Africa gained their independence against the Ottoman Empire and, thus, do not want again to see a new Turkish hegemony in their regions. A predominantly hegemonic, unilateralist and over-assertive Turkish foreign policy posture could not only cause fears of the emergence of “neo-Ottoman” imperialist feelings in the Arab world, but also such a Turkish foreign policy is doomed to backfire and fail. Davutoğlu believes that Turkey had responsibilities in its larger geography and envisioned a new regional order under Turkish leadership. He argued that: “The unique combination of our history and geography brings with it a sense of responsibility. To contribute actively towards conflict resolution and international peace and security in all these areas is a call of duty arising from the depths of a multidimensional history for Turkey.”7 This Turkish leadership does not refer to a hegemonic role for Turkey, but rather strongly supports an inclusive and constructive approach for conflict resolution and international peace and security based on the realities in the regions of Turkey’s neighborhood.

The JDP added to these foreign policy changes by bringing a whole new activism to policymaking which also included the view that Turkey needed to become an active stakeholder in its

7 Ahmet Davutoğlu, “Turkish Foreign Policy and the EU in 2010”, *Turkish Policy Quarterly*, Vol. 8 No. 3 (2009), pp. 11-17.
neighboring regions rather than merely responding to events which was the traditional reactionary Kemalist policies of earlier governments. Nevertheless, it has been observed during the “new” Turkish foreign policy approach under the rule of the JDP that Turkey is increasingly drifting from the much revered Western foreign policy preferences and denominations to the Eastern foreign policy choices. After the JDP came to power in 2002, it initially continued on the path to the European Union (EU) membership, implemented many reforms and began official accession negotiations on October 3, 2005. However, since then Turkey’s Western orientation is seriously debatable partly as a result of accession negotiations being stalled mostly due to France and Germany’s opposition to Turkey’s full EU membership and partly as a result of the JDP government following a more ambitious and assertive foreign policy to transform Turkey into a regional and notably a key Middle Eastern power.

Turkey’s Middle East policies are at the heart of either drift from or evolution in Turkish foreign policy, yet whatever the current direction of Turkish foreign policy, it was brought about by long-standing changes in the domestic structure of the Turkish economy. The first major changes in Turkish foreign policy began in the 1980’s during Turkish Prime Minister Turgut Özal’s period when Turkey began to liberalize its economy and implement a model of economic development based on the East Asian export-oriented growth model. Many small and medium-sized enterprises began to flourish in Anatolia and soon started to get small state aids to produce and sell to foreign markets. An effort was also made to diversify the range of products produced in Turkey and the production of manufactured goods was encouraged. While Turkish trade was still dominated by larger capital centered in the bigger cities like Istanbul and exporting to Western markets, small and medium sized enterprises began to experience growth as well. Once the Soviet Union fell apart and long lost “cousins” of Turks
in Central Asia and Southern Caucasus were discovered, Turkish trade began to shift direction and look towards markets outside of its traditional Western targets. As Turkey engaged more in international trade in the early 1990s, it began to pursue more foreign and economic relations with its neglected neighbors yet many of the foreign policy concerns were still Western-oriented and security based. In 1997, bilateral relations with Greece, a relationship which had always been problematic, began to improve as the then Minister of Foreign Affairs İsmail Cem of the Democratic Left Party, made many trips to Greece and promoted trade. In the mid-1990s the Welfare Party stepped up relations with the Middle East and increased high-level visits to the area. Roughly a decade later, with the election of the JDP the concerns and focus of Turkish foreign policy also began to shift more sharply.

Published in 2001, Davutoğlu’s *Strategic Depth Doctrine* set forth a new Turkish foreign policy that looked towards regional interests, both Western and non-Western, with the desire to change status quo policies according to its will and based more on economic cooperation than security based relationships. This new vision also desired a Turkey that was the leader of its own club in its neighborhood as opposed to a minor player in the West taking orders from the other bigger players. In order to achieve this, Turkey also needed to pursue a “zero-problems with neighbors” policy, which would give it the necessary legitimacy in its region to settle disputes politically and increase trade and have a wider say in the area economically. None of these policy aims would have been possible to attain without changes in the world system, regional sub-system and in Turkey’s domestic political and economic

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structure. Once the Soviet Union fell apart, the distribution of power in the world system changed in favor of the United States of America (USA). The Middle East also became a boiling cauldron after Iraq’s invasion of Kuwait in the early 1990s, leading to a power vacuum in the region. Since the region entered an era of uncertainty with Arab Spring events, many Western states began to look upon Turkey as a model for the region. Turkey with its ability to achieve the co-existence of Islam, secular modernity and democracy constitutes an alternative modernity through inspiration—not as a “model”—to the rest of the Islamic world. Although Turkey’s democracy may have been flawed, it was still “good enough” to be regarded as an inspiration for the Middle East and the newly independent states in Central Asia and the South Caucasus because Turkey had chosen the Western model of secularism and democracy.

The 1990s was a time when Turkey’s relationship with the Middle East was concentrated more on the restructuring of Northern Iraq and negotiations with Syria and Iran had gained momentum to combat terrorism in the area (especially the PKK). Turkey’s relations with Middle Eastern neighbors were therefore limited to issues of safety and the Kurdish question. At the same time, relations with Israel were promoted leading to significant economic, touristic, and military interactions. Paradoxically, in 1997, Islamist Prime Minister Necmettin Erbakan from the defunct Welfare Party, where most of the JDP cadre comes from, was forced by the Kemalist elite and military to sign important military co-operation agreements with Israel despite the fact that it was him and his followers who had harshly criticized Israel before. Based on Davutoğlu’s “zero-problems policy” after 2002, Turkey’s relations with the Middle East are based more economic

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9 Hürsoy, ‘Changing Dimensions of Turkey’s Foreign Policy’, p. 149.
cooperation and military investments and partnerships have become more limited.

Moreover, Davutoğlu’s zero-problems with neighbors’ policy led to unprecedented negotiations and diplomatic contacts with states that Turkey had traditionally preferred to have limited contact with such as Iran, Syria, Armenia and Greece. Turkey also acted as negotiator to promote peaceful relations between Israel and Syria, Iran and other states. While Turkey’s political presence in the region was felt at the state level, at the grassroots level the Turkish cultural presence was also expanding as Turkish television channels, soap operas, music and actors began to travel across Turkish borders and into the homes of neighboring areas along with increasing exports of Turkish products to the region.10 The Arab world began to be affected by Turkey’s newly emerging “soft power”11 and as a manifestation of it tourism to Turkey from the Middle East began to increase also fueled by the Turkish government’s easing of visa requirements to facilitate these growing interactions. Research conducted by the Turkish Economic and Social Studies Foundation (TESEV) in 2011 showed that 74% of the population of the Middle East had watched a Turkish soap opera and 71% had used Turkish products.12 The following table demonstrates the increase in Turkish exports to the Middle East, North Africa and its vicinity.

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10 Altunüşk and Martin, “Making Sense of Turkish Foreign Policy in the Middle East Under AKP”, p. 582.
11 “Soft-power” refers to “getting others to want the outcome that you want” and its “attraction” component refers to the ability of a country “to obtain the outcomes it wants in world politics because other countries want to follow it, admiring its values, emulating its example, and/or aspiring to its level of prosperity and openness”. Joseph Nye, “Public diplomacy and soft power”, The ANNALS of the American Academy of Political and Social Science, No.616 (2008), pp. 94–95.
Table 1: Turkey's Exports to the Middle East, North Africa and Surrounding Areas\(^{13}\) (Value: 000's of $)

<table>
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<tbody>
<tr>
<td>Afghanistan</td>
<td>21,886</td>
<td>36,489</td>
<td>136,982</td>
<td>290,048</td>
<td>1225</td>
</tr>
<tr>
<td>UAE</td>
<td>239,886</td>
<td>702,908</td>
<td>7,975,400</td>
<td>8,175,541</td>
<td>3308</td>
</tr>
<tr>
<td>Bahrain</td>
<td>10,562</td>
<td>28,856</td>
<td>308,223</td>
<td>208,809</td>
<td>1877</td>
</tr>
<tr>
<td>Algeria</td>
<td>482,293</td>
<td>573,002</td>
<td>1,613,644</td>
<td>1,813,279</td>
<td>276</td>
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<tr>
<td>Morocco</td>
<td>99,428</td>
<td>180,779</td>
<td>957,769</td>
<td>1,015,149</td>
<td>921</td>
</tr>
<tr>
<td>Palestine</td>
<td>791</td>
<td>6,489</td>
<td>20,690</td>
<td>62,696</td>
<td>7828</td>
</tr>
<tr>
<td>Iraq*</td>
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<td>829,058</td>
<td>3,916,685</td>
<td>10,827,668</td>
<td>1206</td>
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<tr>
<td>Iran</td>
<td>194,696</td>
<td>533,786</td>
<td>2,029,760</td>
<td>9,922,580</td>
<td>4996</td>
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<tr>
<td>Israel</td>
<td>479,507</td>
<td>1,082,998</td>
<td>1,935,235</td>
<td>2,330,263</td>
<td>386</td>
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<tr>
<td>Qatar</td>
<td>10,247</td>
<td>15,688</td>
<td>1,074,013</td>
<td>257,489</td>
<td>2413</td>
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<tr>
<td>Kuwait</td>
<td>89,379</td>
<td>165,941</td>
<td>493,035</td>
<td>290,633</td>
<td>225</td>
</tr>
<tr>
<td>Libya</td>
<td>95,195</td>
<td>254,741</td>
<td>1,074,288</td>
<td>2,140,071</td>
<td>2148</td>
</tr>
<tr>
<td>Lebanon</td>
<td>156,128</td>
<td>148,126</td>
<td>665,055</td>
<td>846,230</td>
<td>442</td>
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<tr>
<td>Egypt</td>
<td>474,229</td>
<td>345,779</td>
<td>1,426,450</td>
<td>3,679,692</td>
<td>676</td>
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<td>Pakistan</td>
<td>63,585</td>
<td>70,354</td>
<td>155,065</td>
<td>276,457</td>
<td>335</td>
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<tr>
<td>Sudan</td>
<td>34,147</td>
<td>63,791</td>
<td>234,223</td>
<td>279,750</td>
<td>719</td>
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<tr>
<td>Syria</td>
<td>309,044</td>
<td>410,755</td>
<td>1,115,013</td>
<td>500,976</td>
<td>62</td>
</tr>
<tr>
<td>S. Arabia</td>
<td>473,868</td>
<td>741,475</td>
<td>2,201,875</td>
<td>3,677,732</td>
<td>676</td>
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<td>Tunisia</td>
<td>351,036</td>
<td>220,015</td>
<td>778,098</td>
<td>796,828</td>
<td>127</td>
</tr>
<tr>
<td>Oman</td>
<td>21,630</td>
<td>22,484</td>
<td>215,755</td>
<td>268,562</td>
<td>1142</td>
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<tr>
<td>Jordan</td>
<td>141,495</td>
<td>149,618</td>
<td>460,738</td>
<td>771,095</td>
<td>445</td>
</tr>
<tr>
<td>Yemen</td>
<td>62,100</td>
<td>156,069</td>
<td>353,605</td>
<td>485,975</td>
<td>683</td>
</tr>
</tbody>
</table>

From the JDP’s ambitious and assertive approaches to make Turkey a regional and notably a Middle Eastern power, it is evident enough that Turkish foreign policy is drifting from the West to the Middle East. As Ülgen argued, “[w]e can see a consequence of Turkey’s foreign policy shift in its evident proclivity for unilateralism. Turkey aims to rediscover the borders of its own influence and its effectiveness as a foreign policy actor in the region and in the world. The desire to test the limits of Turkish “soft” power thus fuels the proclivity for unilateralism”.14 The drift of Turkish foreign policy from the West to the Middle East does not make Turkey a regional power, nor will Turkey’s over ambitious and assertive unilateral foreign policy approaches would strengthen its position in the Western and transatlantic caucus. Thus, Turkey could only develop a novel and successful foreign policy approach if it acts in coalitions and in close alignments with the USA and European partners rather than acting through self-attributed unilateral pro-activist policies. The growing economic strength in Turkey and the emergence of political and economic liberalizations in the Arab world are likely to boost bilateral economic and political ties between Turkey and the Arab world and will enhance the relevance of Turkish democratization experiences as a point of reference. However, sharing Turkish experiences in political democratization and economic liberalization with the Arab world require the revitalization of partnerships with the West in multilateral platforms if the JDP government wants to utilize Turkey’s operational effectiveness as an inspiration for transformation in the Middle East and North Africa regions.

The Structural Changes in the Turkish Economy

The liberalization reforms of 1980 fundamentally overhauled Turkey’s economic model. A focus on exports replaced import substitution. The completion of a Customs Union with the EU at the end of 1995 brought economic liberalization a new dimension. At the same time, Turkish governments in the 1990s began in earnest the process of privatization and the sale of state assets. In connection to the liberalization reforms, a major change in Turkey after the 1980s has been the growth of domestic economic entrepreneurs which began to export to neighboring states. The economic and partial political liberalization under the former Prime Minister Turgut Özal gave rise to the success of the religiously conservative but economically globalist businessmen. These growing domestic economic entrepreneurs, which are small and medium-size producers, popularly referred to as the Anatolian Tigers, felt comfortable doing trade with neighboring countries in the Middle East which are culturally and religiously similar to Anatolian Turkey. It is the businessmen of Anatolian Tigers that represent a great share of the JDP’s electorate and economy-politics of conservatism. Prior to the 1990s, the Turkish economy was predominantly directed by larger capital, which are traditionally in the hands of businessmen supporting the political-economy of secularism and centered in the larger cities like Istanbul, represented by an institution known as the Association of Turkish Industrialists and Businessman (TÜSİAD) since 1971. On the other hand, in an effort to support their interests, the Anatolian Tigers – consisting generally of smaller family corporations who felt out of place in institutions like TÜSİAD – established the Association of Independent Industrialists and Businessman (MÜSİAD) and the Turkish Confederation of Businessman and Industrialists (TUSKON) in the 1990s. Both organizations have growing membership numbers with MÜSİAD
Turkey’s Foreign and Economic Policy Challenges

The Anatolian Tigers, unlike larger capital, are based in provinces such as Denizli, Gaziantep, Kayseri, Konya, Kahramanmaraş, and Balıkesir. These conservative small businesses received significant backing from the JDP who preferred them to large capital which is generally supported by the Kemalist and hyper secular circles. The Anatolian Tigers are also putting Turkey back in touch with the Middle East, a region which had been discriminated against in Turkey because of Turkey’s Western-oriented foreign and economic policies which were attached to the political-economy of secularism and under the direct control of the secularist state elite. Davutoğlu’s foreign policy approach also stems from the growing importance of the principle of economic interdependence, which offers a rationalist and mutual economic gain between Turkey and the Arab world. Therefore, the rise of the new influential and Muslim businessmen class, based on socio-economic conservatism, such as the aforementioned Anatolian Tigers in Turkey, offers a great advantage for trade between the culturally and religiously similar entrepreneurs in Turkey and in the Arab world. To facilitate this exchange further, the JDP lifted visa requirements and brought businessman along on diplomatic visits allowing for further economic exchange. With the lifting of visa requirements for

15 The centralised unitary ideology of the modern Turkish state is defined as Kemalism. It is the secularist state elite (intellectual-bureaucratic elite and military) that defined the rationale for the state’s regime and associated it with a mindset of siege, asserting that it must be under continuous protection and its survival should be in safe hands. Siret Hürsoy, “The Paradox of Modernity in Turkey; Issues in the Transformation of a State”, India Quarterly, Vol. 68, No. 1 (2012), p. 52.

16 A group of bureaucrats from the JDP government travelled to Qatar and Kuwait, Turkish businessman were also included in the official
Syria, Lebanon, Jordan and Libya, tourists from the region also discovered Turkey and in 2010 tourists from the Middle East (including Iran) reached approximately 3.8 million people.\(^{17}\)

Most of members of the top leadership of the JDP - being educated with Islamic principles and life experience - are in the perfect spot to further Turkey’s relations with the countries in the Middle East. President Abdullah Gül worked at the Islamic Development Bank in Saudi Arabia from 1983-1991, Minister of Foreign Affairs Ahmet Davutoğlu began his academic career at the International Islamic University in Malaysia in 1990 and Prime Minister Recep T. Erdoğan graduated from the Islamic Divinity Students High School (İmam Hatip Lisesi). Under their leadership, the Middle East moved from a peripheral region in Turkish foreign policy to one of central importance.

In the meantime, Turkey’s relationship with the EU also began to change. Initially the JDP embraced EU membership and used many of the EU’s conditions for candidacy to pass reform packages that led to many changes in the domestic politics of Turkey. Yet, at the same time, trade with the EU began to drop as a percentage of overall Turkish trade while the Middle East began to enjoy a major upsurge. The share of EU in total Turkish exports in 2012 has fallen to 38.83 per cent, while the share of Turkish exports to the Middle East and North Africa region, which has risen to 34 per cent, has doubled over the last ten


\(^{17}\) Özlem Tür, “Economic Relations with the Middle East Under the AKP; Trade, Business Community and Reintegration with Neighboring Zones”, *Turkish Studies*, Vol. 12, No. 4 (December 2011), pp. 589-602.
Once the EU began to experience the financial crisis currently under way, Turkey was able to shift itself to alternative markets in the Middle East. The following figure shows Turkey’s changing trade patterns with Europe and the Middle East and North Africa.

**Figure 1: Turkey’s Exports to Europe, Middle East and North Africa**

All of these changes led to an increase in Turkey’s exports to the Middle East and North Africa by 2012, reaching over $52

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billion dollars.\(^{20}\) When compared to 2002, when the JDP took office, this points to almost an eleven-fold increase in exports to the Middle East and North Africa in ten years alone. While Turkey's trade with the Middle East and North Africa has risen, its trade with the EU (its biggest trading partner) has steadily declined. When big capital was in power, Turkey was secular and traded with the West and a more military friendly state protected the big capital, once smaller capital began to increase its trade and gain power the conservative political elements followed and Turkey's secularism has become more “flexible”. The Middle East began to see an influx of small and medium size Turkish companies' investments into the regions, such as Northern Iraq, where there were over 300 Turkish firms in operation by the end of 2010.\(^{21}\) Imports from the Middle East also grew exponentially, with natural gas from Iran taking top billing. In 2012, imports from Iran amounted to 11,964 billion dollars, the bulk of which was natural gas.\(^{22}\) Paradoxically, while Turkey is cozying up to Iran and increasing its trade, the West is imposing tighter economic sanctions. In addition, Turkey’s marginal border provinces also benefitted from trade as Gaziantep, Hatay, Adana, Mersin, Şanlıurfa, Mardin, Diyarbakır, Hakkari and Şırnak experienced spectacular economic growth. The following table shows the Exports of Turkey’s Border Towns, mostly heading to the Middle East region.

Table 2: Exports of Turkey’s Border Towns (in $)\textsuperscript{23}

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<tbody>
<tr>
<td>Adana</td>
<td>461 040</td>
<td>883 833</td>
<td>1 304 024</td>
<td>1 915 935</td>
<td>316</td>
</tr>
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<td>Adıyaman</td>
<td>8 097</td>
<td>22 207</td>
<td>59 103</td>
<td>104 826</td>
<td>1195</td>
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<td>Ağrı</td>
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<td>28 219</td>
<td>50 687</td>
<td>42 138</td>
<td>1236</td>
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<td>Bitlis</td>
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<td>2 899</td>
<td>5 337</td>
<td>2 528</td>
<td>975</td>
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<tr>
<td>Diyarbakır</td>
<td>6 811</td>
<td>57 349</td>
<td>92 091</td>
<td>198 952</td>
<td>2821</td>
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<tr>
<td>Gaziantep</td>
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<td>1 652 554</td>
<td>3 237 061</td>
<td>5 581 382</td>
<td>801</td>
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<td>Hakkari</td>
<td>4 850</td>
<td>42 752</td>
<td>203 376</td>
<td>363 152</td>
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<tr>
<td>Hatay</td>
<td>349 548</td>
<td>745 358</td>
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<td>2 041 203</td>
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<td>1 311 918</td>
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<tr>
<td>Kahramanmarash</td>
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<td>229 108</td>
<td>379 376</td>
<td>754 014</td>
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<tr>
<td>Mardin</td>
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<td>171 436</td>
<td>434 210</td>
<td>949 896</td>
<td>3958</td>
</tr>
<tr>
<td>Siirt</td>
<td>360</td>
<td>5 785</td>
<td>914</td>
<td>6 226</td>
<td>1629</td>
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<tr>
<td>Şanlıurfa</td>
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<td>32 392</td>
<td>147 445</td>
<td>110 925</td>
<td>1492</td>
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<tr>
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<td>13 415</td>
<td>13 073</td>
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<td>1421</td>
</tr>
<tr>
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<td>600</td>
<td>44 434</td>
<td>12 737</td>
<td>83 544</td>
<td>13824</td>
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<tr>
<td>Şırnak</td>
<td>21 172</td>
<td>250 740</td>
<td>382 885</td>
<td>1 018 370</td>
<td>4710</td>
</tr>
<tr>
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<td>4 496</td>
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<td>11 671</td>
<td>369</td>
</tr>
<tr>
<td>Osmaniye</td>
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<td>1 540</td>
<td>6 821</td>
<td>117 916</td>
<td>16788</td>
</tr>
</tbody>
</table>

The increase in trade with the Middle East coupled with the changing mindset of the Turkish leadership towards the region resulted in the warming of relations with neighbors that Turkey had traditionally had more tense relationships with, such as Syria, Iran and Iraq. Tourism from these states grew and Turkish products penetrated not only the houses of the Arab world but also their hearts as many began to discover their long lost Muslim brothers and sisters by watching Turkish soap operas and listening

Despite a dramatic fall of trade with Syria in 2012 as a result of the Syrian civil war, the following figure demonstrates Turkey’s export rise to Iraq and Iran.

**Figure 2: Exports to Middle Eastern Countries Bordering Turkey**

<table>
<thead>
<tr>
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<td>3 916 685</td>
<td>8 310 130</td>
<td>10 827 668</td>
<td></td>
</tr>
<tr>
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<td>533 786</td>
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<td>Syria</td>
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<td>410 755</td>
<td>1 115 013</td>
<td>1 609 861</td>
<td>500 976</td>
</tr>
</tbody>
</table>

By the end of 2010, the trading state model of Turkey resulted in Turkey becoming the 16th largest economy of the world. Sixty percent of the exports of Turkey were attributable to small and medium sized enterprises which are popularly referred to

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as the Anatolian Tigers.\textsuperscript{26} Relations between Turkey and the Middle East also increased as Turkey began to help its Middle Eastern neighbors in reforming their state and regulatory institutions. Turkey’s state and regulatory institutions have gained experience in addressing political economy deficiencies and, thus, transforming the national economic system from a weak to a strong and modern political and economic governance framework. Such an extensive political economy reform experience in Turkey would be invaluable for Arab states, which have been confronted with similar political and economic challenges long before the Arab Spring uprisings. Before the Arab Spring uprisings, Turkish financial authorities were already involved in co-operation and capacity building programs in the Middle East. For instance, the Istanbul Stock Exchange helped Syrian authorities in establishing a similar institution in 2009 – the Damascus Securities Exchange – and in 2010 they signed a letter of memorandum on co-operation in exchanging information, expertise, consultants and training courses.\textsuperscript{27}

Moreover, the Turkish Union of Chambers and Commodity Exchanges (TOBB) is one of the largest civil society organizations in Turkey that has traditionally been active in overseas private sector development assistance. Since the JDP came to power the TOBB was encouraged to become an active participant in Turkey’s overseas private sector development assistance, and as such it launched the “Industry for Peace Initiative” in 2005 as a catalyst for private sector development in the Middle East. As a manifestation of the TOBB’s overseas private sector development initiatives’, the “Ankara Forum” brought together the representatives of the Federation of

\textsuperscript{26} Özlem Tür, “The Arab Spring and Non-Arab Regional States: Turkey”, \textit{The Arab Spring: Between Authoritarianism and Revolution Conference}, (University of Durham, 12-13 March 2012).

\textsuperscript{27} Ülgen, “From Inspiration to Aspiration”, pp. 23-24.
Palestinian Chambers, the Manufacturers Association of Israel and the TOBB, and the “Levant Business Forum” brought the representatives of business organizations from Turkey, Syria, Lebanon and Jordan together in 2009 in Istanbul and they signed a declaration to implement 75 projects under fourteen chapters for strengthening private sectors throughout the region.\(^{28}\) Turkey’s foreign and economic policy efforts to contribute to economic interdependence, which is based on a rationalist and mutual economic gain, between Turkey and the Arab world as well as in the Arab countries themselves began to be challenged by the unrest and regime changes in the Middle East and North Africa after the Arab Spring uprisings.

### The Impact of the Arab Spring on Turkish Foreign Policy

The AKP’s model of supporting trade relations with the Middle East functioned quite well until the Arab Spring which began in Tunisia towards the end of 2010. However, Davutoğlu’s Strategic Depth doctrine, which was based on “zero-problems with neighbors”, faced a dramatic and severe test in the context of the Arab Spring and Turkey began to experience problems with its neighboring countries. The AKP was unprepared for such a shift in power relations of the states in the region and did not know what kind of response to give. Turkey’s “romanticized” plans for regional leadership in the Middle East were based on existing balances of the pre-Arab Spring events. Therefore, the AKP did not know how to deal with the newly emerging leaders in the Middle East and North Africa after the Arab Spring uprisings, especially since AKP’s top leadership sometimes had personal relationships with those outgoing Arab leaders. Prior to the Arab

\(^{28}\) Ülgen, “From Inspiration to Aspiration”, p. 26.
Spring events, the JDP government’s “zero-problems with neighbors policy” was based neither on the promotion of the notion of democracy, nor on the logic of intervening into the internal affairs of states in the Middle East and North Africa. However, Turkish foreign policy makers, soon after the Arab Spring events had began, supported the profound internal challenges mounted against the brutal authoritarian regimes. This is a paradoxical Turkish foreign policy strategy in practice that while Turkey was trying to enhance its own economic interests through achieving stability and building an economic interdependence between the Middle Eastern and North African countries in the medium-term, a regime change and democratic transformation in these regions would not only cause unprecedented instabilities but also jeopardize economic interests and interdependence strategies of Turkey and all other counties for an unpredictable time period.

Earlier bumps in the road had hinted that some of Davutoğlu’s policies were not attainable, as in the case of Azerbaijan and Armenia, two states in a frozen conflict, both neighbors of Turkey with Azerbaijan having ethnic and linguistic ties to Turkey. Moreover, Turkey’s relations with its two other eastern neighbors, namely Syria and Iran, had been strained mostly because of Turkey’s explicit support of the opposition groups struggle against the authoritarian government in Syria’s civil war and the threat of the rise of political Islam in Turkey that is allegedly supported by Iran. The JDP began to realize that if neighbors have serious problems with one another, it would not be easily possible to attain the policy of “zero-problems with neighbors”. While Egypt and Tunisia did not pose much of a problem for the JDP, Syria caused major damage to JDP’s foreign

policy agenda. Having failed at convincing Syrian President Bashar Asad to democratize, the JDP began to voice harsher criticisms of Damascus after refugees and stories of horror began to hit the Turkish border. Soon after Turkey broke its diplomatic relations with Syria, trade halted resulting in major losses for the border towns. Turkey’s situation with Syria has deteriorated to the degree that a war between the two sides is not out of question and Turkey’s resources to deal with the growing influx of refugees along with its reputation as a regional leader are slowly waning. Turkey has asked NATO to assist with Patriot missiles so that it can defend itself against any missile attack coming from Syria, a request which was granted by the NATO member states. The leadership of Turkey in the Middle East region also came under question as the discrepancy between the promises Turkey had made and what it was able to deliver increased, such as in the case of humanitarian aid and the establishment of peace in the region. While the Arab Spring in Libya resulted in major economic losses for Turkey (over $40 billion), the Syrian civil war resulted in a loss of reputation, especially after failing to manifest a firmer reaction to the downing of a Turkish jet aircraft by Syrian forces in June 2012.

The Arab Spring did, however, bring Western attention back to Turkey as a “model” for the Middle East and North Africa regions. The debate over Turkey as a “model” has not only been in focus of the Western countries, but it is also in the agenda of Turkey itself as a part of the new Turkish foreign policy activism in the Middle East and North Africa. Instead of Turkey being a “model”, Prime Minister Erdoğan and most of Turkish foreign policy makers consider Turkey to be a source of inspiration for the Muslim world who believe that Islam and democracy can coexist.30

The Turkish example of a coexistence of Islam and modernity as well as secularism is very important that most Arab states consider Turkey as a potential source of inspiration. The accumulation of Islamist political power in the hand of the JDP represents a flexible cohabitation between secularism and political Islam that allows more space for religion in public space and everyday life. This is even more attractive for the Arab world in considering Turkey as a potential “model”. Just before the Arab Spring uprisings broke out, a survey conducted by TESEV from August to September 2010 in seven Middle Eastern countries found that 66% thought of Turkey as a “model” for the Middle Eastern countries.\(^1\) Even though Turkey could stand as a “reasonable” model to the countries in the Middle East and North Africa, there are at least two main problems in front of the operationalization of a Turkish “example” through an inspiration in the Arab world.

Firstly, Turkey underwent significant democratizing reforms regarding the codification of the legal system, adoption of the parliamentary forms of government, reconciliation of Islamic and Western laws, and accomplishment of education reforms. These developments are deeply rooted in two centuries of Western orientation plans that had began in the Ottoman period and continued with revolutionary transformations in the Turkish society to develop a secular democratic identity since the establishment of the Turkish Republic by Atatürk in 1923.\(^2\)

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\(^2\) Siret Hürsoy, “Turkey’s Democratic Experience and Its Influence on Regional Muslim Countries in the Post-9/11 Era” in N.S. Sisodia and
However, all these Western democratic reform processes that are now cherished by Turks initially had to be imposed on the population under authoritative conditions that could not be qualified as democratic. The sustainability of democracy depends on the quality of democratic institutions and the Turkish experience thus demonstrates clearly that moving from the completion of transition to democracy to the consolidation of democracy requires the democratization of state institutions such as effective political parties, functioning parliament, independent judiciaries and media. Due to Turkey’s incomplete democratization process and the JDP government’s loss of its eagerness to further Turkey’s democratic reforms, the future of democratic consolidation in Turkey is also questionable as many journalists, parliamentarians, and military personnel remain jailed for extended periods of time on charges that for some remain quite disputable. Moreover, the problem of a lack of a democratic counterweight to the JDP’s ever-expanding political power could easily be observed during the constitutional amendment process in 2010. The JDP increased the political influence of the executive power over the judiciary which is supposed to be the most independent and impartial institution of a democratic state.\footnote{Ülgen, “From Inspiration to Aspiration”, pp. 28-30.} It is by no means clear what type of democracy is demanded from the Arab world: a well developed European democracy, a defective Turkish democracy or a special type of Arab democracy. However, there are some plausible reasons that make Turkey not really a good example for the Arab world: (a) Turkey is not a “real” democracy and therefore not a good “example” to emulate; and (b) Hyper-secularist and authoritarian characteristics of Turkey are seen as problematic by the Arab world in that while the former is not acceptable for the Islamic groups, the latter would be rejected by the Arab Spring supporters for democracy.

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Secondly, Turkey has a long-standing institutional relationship with the West, as a member of the Council of Europe, NATO, WEU, OSCE, and has entered into the last stage of the EU membership process with the start of accession negotiations on October 3, 2005. However, over-selling Turkey as an example to the Arab world with international pressure from outside the region either through abovementioned institutions or through any Western countries leadership would most likely cause serious repercussions. It should also be mentioned that with the rise of Arab nationalism against the legacy of the Ottoman rule in mind, most of the Islamic countries in the Middle East and North Africa would consider the secular Turkish “model” as acting as an instrument for Western “imperial” intervention into the region. A common Ottoman history of Turks and Arabs does not have a good place in the memories of both sides as Turks are imperialists and aimed at spreading the Turkish hegemony over the Middle East and North Africa in the minds of Arabs and Arabs are traitors and betrayed their Muslim brothers in the minds of Turks. Moreover, modern Turkey is seen by both Westerners and Arabs as a “torn” country in an identity crisis between the clash of Western and Islamic civilizations. In fact, Turks are only loosely part of the Middle East and neither ethnically nor linguistically Arab and, at the same time, they are not fully accepted in the minds of Westerners as Europeans, partly because of Western ambivalence toward Islam and partly because of the ethnic origin of Turks going back to Central Asia.

After ten years in power the JDP finds itself back in a security environment where Western assistance and partnership is needed for Turkey to foster democracy and the rule of law in the Arab world and to recover its deteriorated relations with the

immediate neighbors. However, supporting, sustaining and consolidating democracy and state-building in the Arab world in the aftermath of the Arab Spring requires Turkey to overcome first its own shortcomings. There is clearly no simple or direct way to apply the Turkish “model” to the countries in the Middle East and North Africa, but Turkey’s experiences could be a source of inspiration to their efforts in finding the right path to transform a state from authoritarianism to transition into democracy.

Conclusion

The doctrine of Strategic Depth and one of its main principles, the “zero-problems with neighbors” policy, ascertain for a more assertive Turkish foreign policy approach. However, the major dilemma of the present Turkish foreign policy is while the rediscovery of immediate neighborhood of Turkey – notably the Middle East and North Africa – is a part of a broader multidimensional foreign policy for diversifying its mutual economic, unproblematic political and pro-active diplomatic relations that clearly constitutes an evolution of the traditional Turkish foreign policy, a progressive move away from the much revered Western foreign policy preferences and notably from the long-established ideal of EU membership represents a serious drift from the traditional Turkish foreign policy. However, Davutoğlu believes that actively opening up to Turkey’s former Ottoman regions does not contradict with the Western orientation of Turkey; on the contrary, establishing multilateral alliances and acting responsibly in the Middle East and North Africa regions in particular would not only increase Turkey’s credibility in the eyes of both the West

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and the Islamic world, but also counterbalance Turkey’s dependency on the West.\textsuperscript{36}

Turkey’s increasing foreign policy activism in its neighborhood is obviously based on religious and cultural affiliations of the JDP government, particularly to the Middle East and North Africa regions. It is difficult to refute such an argument that establishing multilateral alliances in a wider geography would enhance Turkey’s freedom of action and increase its regional and global leverage. Addressing the Foreign Affairs Committee in Parliament for the first time after he became foreign minister, Davutoğlu argued that Turkey’s flexible, responsible and all-around strategy in its external relations is finding resonance in a so-called “360 degree diplomacy” concept. He further explained this concept as: “[d]raw a circle and put Turkey in the center. Anything that happens a thousand kilometers away from us concerns us.”\textsuperscript{37} However, the main problem with Turkish foreign policy is that the exercise of Davutoğlu’s options to back his claim of Turkey’s regional and global ‘strategic responsibility’ runs the risk of overextending Turkish diplomatic efforts. Therefore, confusion in Turkish foreign policy could be removed by instead of overextending itself through ‘multi-dimensional’ foreign policy activism, it may be better for Turkey to focus more and more on its priorities.\textsuperscript{38}

The structural changes in Turkey’s economy are also at the heart of this Turkish foreign policy activism. The dynamism of the

\textsuperscript{36} Hürsoy, ‘Changing Dimensions of Turkey’s Foreign Policy’, p. 147.


\textsuperscript{38} Hürsoy, ‘Changing Dimensions of Turkey’s Foreign Policy’, pp. 159-160.
Turkish economy is the by-product of a long process of economic liberalization since the 1980s that created an independent business community which are more export-oriented in trade. Turkey’s changing trade structure from import-substituting industrialization to export-oriented growth, decline in statism and big capital (concentrated in the bigger cities like Istanbul) and transition to small and medium-sized enterprises (concentrated in smaller cities in Anatolia) has changed Turkish foreign policy and trade relations. As Turkey’s economic power has risen in the early 2000’s it has given the JDP the economic means to which it could aim for regional leadership. The Turkey of the 1980s and the 1990s lacked such economic strength and could not project such an image of economic and political power. Turkey was able to withstand the impact of the global financial crisis in 2008 not only with the successful changes in its economic structure, but also gradually diverted its trade away from Europe towards the Middle East and North Africa since the beginning of the 2000s. However, presently in the midst of continuing global recession, further move towards the oil and natural gas rich Middle Eastern markets could only increase Turkey’s trade deficit against countries such as Iran, Saudi Arabia and Qatar.\(^9\)

Although the Arab Spring could be considered as an opportunity for Turkey to demonstrate itself as a source of inspiration to the Middle Eastern and North African countries in transforming their state institutions into democratic political and liberal economic systems, an assertive and over ambitious Turkish foreign policy of the JDP is exposed to a series of major challenges.

\(^9\) According to 2011 statistics, Turkey’s imports from Iran amounted to 11,637 billion dollars and export is only 3,250 billion dollars, import from Saudi Arabia is 3,072 and export is 2,483 billion dollars, import from Qatar is 427 million dollars and export is 159 million dollars. Foreign Trade Statistics Data Base, TÜİK, available at: <http://www.tuik.gov.tr/> (Accessed on: 13.01.2013).
and limitations. Another major dilemma challenging the Turkish foreign policy is how to encourage the existing authoritarian regimes, which were previously supported and declared as friends, to pursue reforms and how to respond to the demands of rising opposition movements, which began to seriously challenge these authoritarian regimes. The more Turkey is actively and assertively engaged in the regional conflicts, the less likely it will have the ability to play a constructive, stabilizing and mediation role between the warring factions. It is easy to bear witness to the fact that from the rows with Israel to the most dramatic change in relations with Syria and to the sectarian struggle with Iran, Turkey is at pains to operationalize the Turkish “example” as a source of inspiration in the Middle East and North Africa. Turkey’s deteriorating relations with Israel is also unavoidably complicating Turkey’s relationship with the USA, who is a key ally and a strong supporter of the state of Israel. The American-brokered apology remains ambiguous and the near future will show whether or not Turkey and Israel can go back to having cordial relations. In addition, utilization of the Turkish “example” in the rest of the Arab world is necessarily bound not only with the further liberalization of the Turkish economy, but also with the quality of consolidation of the Turkish democracy. Against the backdrop of all these challenges, Turkish foreign policy should be flexible enough to adapt itself to changing conditions by building multilateral coalitions, more careful public diplomacy and selective mediation interventions in order to be a “good” source of inspiration in the Middle East and North Africa.