Turkey’s Competitiveness: National Economic Strategy and the Role of Business

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Agenda

• Turkey’s Economic Performance
  • Principles of Competitiveness
  • Assessment of Turkey’s Competitive Position
  • Towards an Economic Strategy
Turkey’s Prosperity Performance

GDP per Capita (in 2008 PPP US$)

CAGR:
+3.27%

CAGR:
+2.57%

CAGR:
+4.74%

Note: PPP using EKS calculation methodology. Source: Groningen Growth and Development Centre, Total Economy Database (June 2009)
Prosperity Performance
Selected Middle and Upper Middle Income Countries

PPP-adjusted GDP per Capita, 2008 ($USD)

Source: EIU (2009), authors calculations
Unemployment Performance
Selected Middle and Upper Middle Income Countries

Note: In some cases, 1999 data was unavailable, so 2000 data used.
Source: EIU (2009)
Competitiveness Master - 2009-04-20.ppt
Turkey’s Export Share Trends

World Export Market Share

- Red: Processed Goods
- Gray: Semi-processed Goods
- Dark Gray: Unprocessed Goods
- Yellow: Services
- Black: TOTAL

Source: WTO (2009)
Export Performance
Selected Middle and Upper Middle Income Countries

Exports of Goods and Services (% of GDP), 2008

Change in Exports of Goods and Services (% of GDP), 2001 to 2008

Source: EIU (2008), authors’ analysis
Inbound Foreign Investment Performance
Stocks and Flows, Selected Countries

FDI Inflows as % of Gross Fixed Capital Formation, Average 1990 - 2008

Innovative Capacity
Innovation Output of Selected Countries

Average U.S. patents per 1 million population, 2004-2008

Note: Blue shaded countries have similar GDP per capita to Turkey.
Strategic Issues Facing Turkey in 2009

• There have been significant **policy improvements** since 2001, such as opening the economy to trade and competition, streamlining regulations, and improving infrastructure.

• However, the **slowdown of reforms** during 2008 exposed Turkey to the brunt of the global crisis:
  – Investors and consumers are still wary given Turkey’s historical track record.

• Improving Turkey’s future economic performance will require addressing **numerous challenges**:
  – Turkey has only reached the first stage in becoming a truly competitive economy.

• Second stage reforms are considerably **more challenging**.

• Turkey needs a coherent **economic strategy** in order to continue its progress.

• The **private** and the **public sector** must collaborate in order to take the economy to the next level.
Agenda

• Turkey’s Economic Performance

• Principles of Competitiveness

• Assessment of Turkey’s Competitive Position

• Towards an Economic Strategy
What is Competitiveness?

• Competitiveness depends on the **productivity** with which a nation uses its human, capital, and natural resources.
  – Productivity **sets the sustainable standard of living** (wages, returns on capital, returns on natural resources)
  – It is not **what** industries a nation competes in that matters for prosperity, but **how productively** it competes in those industries
  – Productivity in a national economy arises from a **combination of domestic and foreign firms**
  – The productivity of “**local” or domestic industries** is fundamental to competitiveness, not just that of export industries
  – Relentless **innovation** in technology, products, and organizational methods is necessary to **drive productivity growth** and a rising standard of living

• Nations compete to offer the **most productive environment for business**
• The public and private sectors play **different but interrelated roles** in creating a productive economy
Macroeconomic competitiveness creates the potential for high productivity, but is **not sufficient**

- Productivity ultimately depends on improving the **microeconomic capability** of the economy and the **sophistication of local competition**
Determinants of Competitiveness

- **Human Development**: basic education and health care
- **Rule of Law**: property rights and due process
- **Political Institutions**: stable and effective political and governmental processes and organizations

**Social Infrastructure and Political Institutions**

**Macroeconomic Competitiveness**
- Quality of the National Business Environment
- State of Cluster Development
- Sophistication of Company Operations and Strategy

**Microeconomic Competitiveness**
- Social Infrastructure and Political Institutions
- Macroeconomic Policies

**Natural Endowments**
Determinants of Competitiveness

- **Microeconomic Competitiveness**
  - Quality of the National Business Environment
  - State of Cluster Development
  - Sophistication of Company Operations and Strategy

- **Macroeconomic Competitiveness**
  - Social Infrastructure and Political Institutions
  - Macroeconomic Policies

- **Macroeconomic Policy**
  - Fiscal policy: public spending aligned with revenues over time
  - Monetary policy: low levels of inflation
  - Macroeconomic management: avoiding structural imbalances and cyclical overheating

- **Natural Endowments**
Determinants of Competitiveness

**Microeconomic Competitiveness**
- Quality of the National Business Environment
- State of Cluster Development
- Sophistication of Company Operations and Strategy

**Macroeconomic Competitiveness**
- Social Infrastructure and Political Institutions
- Macroeconomic Policies

**Natural Endowments**

- The *internal* skills, capabilities, and management practices needed to attain the highest level of company productivity and innovation possible
Determinants of Competitiveness

- The general external business environment conditions that allow companies to reach high levels of productivity and innovation

Microeconomic Competitiveness
- Quality of the National Business Environment
- State of Cluster Development
- Sophistication of Company Operations and Strategy

Macroeconomic Competitiveness
- Social Infrastructure and Political Institutions
- Macroeconomic Policies

Natural Endowments
Determinants of Competitiveness

• The depth of specialized skills and assets and the ability to capture *synergies* across related firms and industries.
Quality of the Business Environment

Context for Firm Strategy and Rivalry

- Open and vigorous local competition
  - Openness to foreign competition
  - Competition laws
- Local rules and incentives that encourage investment and productivity
  - e.g., incentives for capital investment, intellectual property protection, corporate governance standards

Factor (Input) Conditions

- Efficient access to high quality business inputs
  - Efficient utilization of natural endowments
  - Human resources
  - Capital availability
  - Physical infrastructure
  - Administrative and information infrastructure (e.g., registration, permitting, transparency)
  - Scientific and technological infrastructure

Demand Conditions

- Sophisticated and demanding local customers and needs
  - e.g., Strict quality, safety, and environmental standards
  - Consumer protection laws

Related and Supporting Industries

- Availability of suppliers, supporting industries and institutions, and firms in related fields

Many things matter for competitiveness

Successful economic development is a process of successive upgrading, in which the business environment improves to enable increasingly sophisticated ways of competing.
State of Cluster Development
Tourism Cluster in Cairns, Australia

Public Relations & Market Research Services

Travel agents
Hotel
Restaurants

Tour operators
Attractions and Activities
e.g., theme parks, casinos, sports

Airlines, Cruise Ships

Government agencies
e.g. Australian Tourism Commission, Great Barrier Reef Authority

Educational Institutions
e.g. James Cook University, Cairns College of TAFE

Industry Groups
e.g. Queensland Tourism Industry Council

Local retail, health care, and other services

Local Transportation
Souvenirs, Duty Free
Banks, Foreign Exchange

Food Suppliers

Property Services

Maintenance Services

Local retail, health care, and other services

Sources: HBS student team research (2003) - Peter Tynan, Chai McConnell, Alexandra West, Jean Hayden
Development of the Australian Wine Cluster

1930
First oenology course at Roseworthy Agricultural College

1955
Australian Wine Research Institute founded

1965
Australian Wine Bureau established

1970
Winemaking school at Charles Sturt University founded

1980
Australian Wine and Brandy Corporation established

1990
Winemaker’s Federation of Australia established

1991 to 1998
New collective organizations created for education, research, market information, and export promotions

1950s
Import of European winery technology

1960s
Recruiting of experienced foreign investors, e.g. Wolf Bass

1970s
Continued inflow of foreign capital and management

1980s
Creation of large number of new wineries

1990s
Surge in exports and international acquisitions

Clusters and Economic Diversification

- Upgrade Existing Export Products and Services
- Turn Products Into Clusters (Local firms, MNCs)
- Deepen Existing Clusters
- Develop Related Clusters

- Local firms
- MNCs
The Evolution of Regional Economies

San Diego

Climate and Geography

U.S. Military

Hospitality and Tourism

Transportation and Logistics

Power Generation

Aerospace Vehicles and Defense

Communications Equipment

Analytical Instruments

Education and Knowledge Creation

Bioscience Research Centers

Sporting Goods

Information Technology

Medical Devices

Biotech / Pharmaceuticals

Clusters and Economic Diversification
Linkages Across Clusters

Note: Clusters with overlapping borders or identical shading have at least 20% overlap (by number of industries) in both directions.
Specialization of Regional Economies
Leading Clusters by U.S. Economic Area, 2007

- **Boston, MA-NH**
  - Analytical Instruments
  - Education and Knowledge Creation
  - Medical Devices
  - Financial Services
- **San Diego, CA**
  - Medical Devices
  - Analytical Instruments
  - Hospitality and Tourism
  - Education and Knowledge Creation
- **Dallas**
  - Aerospace Vehicles and Defense
  - Oil and Gas Products and Services
  - Chemical Products
  - Transportation and Logistics
- **Houston, TX**
  - Oil and Gas Products and Services
  - Chemical Products
  - Heavy Construction Services
  - Transportation and Logistics
- **Atlanta, GA**
  - Transportation and Logistics
  - Textiles
  - Motor Driven Products
  - Construction Materials
- **Pittsburgh, PA**
  - Education and Knowledge Creation
  - Metal Manufacturing
  - Chemical Products
  - Power Generation and Transmission
- **Chicago, IL-IN-WI**
  - Metal Manufacturing
  - Lighting and Electrical Equipment
  - Production Technology
  - Plastics
- **San Jose-San Francisco, CA**
  - Business Services
  - Information Technology
  - Agricultural Products
  - Communications Equipment
  - Biopharmaceuticals
- **Seattle, WA**
  - Aerospace Vehicles and Defense
  - Information Technology
  - Entertainment
  - Fishing and Fishing Products
- **Los Angeles, CA**
  - Entertainment
  - Apparel
  - Distribution Services
  - Hospitality and Tourism
- **New York, NY-NJ-CT-PA**
  - Financial Services
  - Biopharmaceuticals
  - Jewelry and Precious Metals
  - Publishing and Printing
- **Raleigh-Durham, NC**
  - Education and Knowledge Creation
  - Biopharmaceuticals
  - Communications Equipment
  - Textiles
- **Denver, CO**
  - Business Services
  - Medical Devices
  - Entertainment
  - Oil and Gas Products and Services
- **San Diego, CA**
  - Medical Devices
  - Analytical Instruments
  - Hospitality and Tourism
  - Education and Knowledge Creation

Regions and Competitiveness

• Economic performance **varies significantly** across sub-national regions (e.g., provinces, states, metropolitan areas)
• Many essential levers of competitiveness reside at the **regional level**
• Region’s **specialize** in different sets of clusters
• **Cluster strength** directly impacts regional performance
• Each region needs its own distinctive **competitiveness agenda**
• Competitiveness requires **effective policy collaboration** between regions and the national government

• **Decentralization** of economic policy is especially important in large countries to foster regional specialization, internal competition, and accountability
Economic Integration Among Neighboring Countries

Turkey’s Neighborhood

- Turkey sits at the crossroad between Europe and the Middle East
- Economic coordination among neighboring countries can significantly enhance competitiveness
- Integration offers greater opportunities than participation in broader economic forums (e.g., EU)
Competitiveness and the Neighborhood

- Opening **trade and investment** among neighbors
  - A nation’s **neighbors** are its most natural trading and investment partners
  - The natural path of **internationalization** for local firms is the neighborhood
  - Open trade and investment make each a more attractive location for **investment**

- Economic coordination to drive **improvements in the business environment**
  - Capturing **synergies** in policy and infrastructure
  - Gaining greater clout in **international negotiations**

- External agreements to help **overcome domestic political and economic barriers** to reform
Economic Integration Among Neighbors
Capturing Synergies

**Factor Conditions**
- Improving the efficiency of the regional transportation infrastructure
- Creating an efficient energy network
- Enhancing regional communications and connectivity
- Linking financial markets
- Opening the movement of students for higher education
- Harmonizing administrative requirements for businesses

**Context for Strategy and Rivalry**
- Eliminating trade and investment barriers within the region
- Simplifying and harmonizing cross-border regulations and paperwork
- Coordinating anti-monopoly and fair competition policies

**Demand Conditions**
- Harmonizing environmental standards
- Harmonizing product safety standards
- Establishing reciprocal consumer protection laws
- Opening government procurement within the region

**Related and Supporting Industries**
- Facilitating cross-border cluster development
  - e.g., Supplier networks
  - Transport & Logistics
  - Quality standards

**Macroeconomic Competitiveness**
- Coordinating macro-economic policies
- Coordinating programs to improve public safety
The Need for an Economic Strategy

Policy Improvement

• Implementing best practices in each policy area

• There are a huge number of policy areas that matter

• No country can or should make progress in all areas simultaneously

Economic Strategy

• A prioritized agenda to create a unique competitive position for the country or region
The Need for an Economic Strategy

National Value Proposition

- What are the **distinctive competitive assets** of the nation’s economy given its location, legacy, rate of progress, existing strengths, and potential strengths?
  - What unique value as a business location?
  - In what types of fields / clusters?
  - What roles with neighbors, the broad region, and the wider world?

Refining Unique Strengths

- What elements of the **business environment** and **institutional context** can be unique strengths relative to peers/neighbors?
- What **existing** and **emerging clusters** can be developed?

Addressing Crucial Constraints

- What are the crucial **weaknesses** and **constraints** that must be addressed to achieve parity with peer countries and allow the country to move to the next level?

- **Priorities** and **sequencing** are a necessity in economic development
The Process of Economic Development
Shifting Roles and Responsibilities

Old Model

- The central government drives economic development through policy decisions, spending and incentives

New Model

- Economic development is a collaborative process involving government at multiple levels, companies, educational and research institutions, and private sector organizations

- Competitiveness must be a bottom-up process in which many individuals, companies, and institutions take responsibility and act
Role of the Private Sector in Economic Development

• The competitive advantage of companies depends partly on the quality of the business environment at the national and regional level

• A company gains advantages from being part of a strong cluster

Corporate role in competitiveness

• Inform government on business needs and constraints bearing on company and cluster development

• Nurture local suppliers and attract foreign suppliers

• Work closely with local educational and research institutions to improve their quality and create specialized programs addressing the cluster’s needs

• Collaborate with other companies to enhance competitiveness through trade associations and other mechanisms

• Participate actively in national and regional competitiveness initiatives

• Focus corporate social responsibility initiatives on enhancing the business environment
Private Sector Role in Economic Development
Turkcell in Anatolia

• Turkcell was facing wage pressure and high turnover in its Istanbul call center operations, where employees faced long commutes and had many alternative job opportunities.

• Turkcell opened new call centers in Erzerum and Diyarbakir, which had become much more accessible by improved air travel and infrastructure.

• Turkcell was able to attract a highly loyal staff from local universities at significantly lower wage costs.

• Erzerum and Diyarbakir each gained jobs and momentum in improving competitiveness.
Agenda

• Turkey’s Economic Performance

• Principles of Competitiveness

• Assessment of Turkey’s Competitive Position

• Towards an Economic Strategy
Comparative Labor Productivity
Selected Countries

Real GDP per employee (PPP adjusted US$), 2008

Growth of real GDP per employee (PPP-adjusted), 1990 to 2008

Source: authors calculation Groningen Growth and Development Centre (2009), EIU (2009)
Decomposing Turkey’s GDP per Capita Growth

Contribution to change in real GDP per Capita (PPP adjusted)

Source: EIU (2008), GGDC total economy database (2008)
Turkey’s Competitiveness Profile, 2009

Macroeconomic Competitiveness (71)
- Social Infrastructure and Pol. Institutions (78)
  - Political Institutions (92)
  - Rule of Law (75)
  - Human Development (73)
- Macroeconomic Policy (68)

Microeconomic Competitiveness (53)
- Business Environment Quality (56)
- Company Sophistication (41)

Note: Rank versus 128 countries; overall, Turkey ranks 57th in 2008 PPP adjusted GDP per capita and 64th in Global Competitiveness
Corruption Perception Index, 2007

Note: Ranks only countries available in both years (91 countries total)
Source: Global Corruption Report, 2008
# Human Development
## Turkey vs. Peer Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita (PPP US$), 2007</th>
<th>Rank, 2007</th>
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<tbody>
<tr>
<td></td>
<td>GDP per capita</td>
<td>Human Development Index (HDI)</td>
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<tr>
<td>Slovakia</td>
<td>$20,076</td>
<td>63</td>
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<td>Hungary</td>
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<td>Lithuania</td>
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<td>Serbia</td>
<td>$10,248</td>
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</table>

Source: World Bank, Human Development Index 2009
Turkey’s Macroeconomic Competitiveness - Continued

Action Priorities

• Strengthen the independence of institutions like the Central Bank

• Stronger fiscal discipline
  – Create greater stability in government spending through fiscal rules

• Agree on a process of resolving the domestic political tensions among key institutions and interest groups

• Improve the quality of governmental organizations, including at the provincial level

• Continue efforts to improve the accessibility and quality of education and health care services across the country
Turkish Company Sophistication

Assessment

- Significant **improvements**, especially among large companies
- Solid **operational efficiency** in manufacturing but weaker performance in **services**
- A **huge gap** between the large business groups, that compare favorably to international peers, and the huge number of SMEs that are far behind
- The World Bank reports significant entry and exit of new companies, but **little sustained growth** of small companies in the Turkish economy

Action Agenda

- **Consolidate** efforts to improve the performance of SMEs
- Strengthen the **linkages** between large business groups and SMEs
- Use **cluster policy** as a tool to boost SME development
Turkey’s Business Environment
Overall Strengths and Weaknesses

**STRENGTHS**
- Domestic transportation and communication infrastructure
- Rules and regulations for starting new companies
- Openness to foreign investment
- Moderate level of tariff barriers
- Domestic rivalry improving
- Availability of local suppliers
- IT policies
- Improving sophistication of the financial system

**WEAKNESSES**
- Tax system
- Access to credit, especially for SMEs
- Limited workforce skills
- Low sophistication of local buyers
- Weak governance and auditing
- Distortive effects of government-owned companies on competition
- Unreliable electricity supply
- Innovation infrastructure
- Burdensome customs procedures
- Intellectual property protection
- Low patenting rates
- Limited management schools
- Labor rigidity
- Regulatory quality

Note: Rank versus 128 countries; overall, Turkey ranks 57th in 2008 PPP adjusted GDP per capita and 64th in Global Competitiveness
Source: Institute for Strategy and Competitiveness, Harvard University (2009)
Ease of Doing Business
Turkey, 2009

Ranking, 2009
(of 183 countries)

Favorable

Unfavorable

Turkey’s per capita GDP rank: 57

Cluster Development

Turkey’s National Cluster Export Portfolio, 1997 to 2007

Change in Turkey’s world export market share, 1997 to 2007

-1.0% -0.5% 0.0% 0.5% 1.0% 1.5% 2.0%


Exports of US$3.3 Billion =

Turkey’s Average World Export Share: 0.87%

Change In Turkey’s Overall World Export Share: +0.18%

Turkey’s world export market share, 2007
Share of World Exports by Cluster
Turkey, 2007

World Market Share
- 0.9% - 1.5%
- 1.5% - 3%
- > 3%

Note: Clusters with overlapping borders have at least 20% overlap (by number of industries) in both directions.
State of Turkish Cluster Development

Assessment

• Turkey’s economy has naturally developed around clusters
• Organized collaboration within these clusters remains low
• Economic policy has not leveraged cluster development as a tool to create synergies and deliver government policies more effectively
  – Recent EU-financed cluster programs have not yet had a significant impact in Turkey

Action agenda

• Pursue an aggressive national cluster development agenda to support existing clusters and enable the emergence of new clusters in related fields
• Utilize clusters as a central tool for upgrading company sophistication, stimulating growth in SMEs, and driving regional competitiveness
Clusters and Economic Diversification

- Upgrade Existing Export Products and Services
- Turn Products Into Clusters
  - Local firms
  - MNCs
- Deepen Existing Clusters
- Develop Related Clusters
Turkey’s Automotive Cluster, 1997 – 2007
Exports by Subcluster

- **Motor Vehicle Assembly**
  - Export Share: 1.37%
  - Overall change in Subcluster World Export Share: +1.21%

- **Automotive Components**

- **Engines**

- **Automotive Parts**

- **Production Equipment**

- **Glass**

Regional Economic Performance
Turkish Provinces

GDP per Capita, 2001
(USD, PPP-adjusted)

$10,000
$8,000
$6,000
$4,000
$2,000
$0

-5% -4% -3% -2% -1% 0% 1% 2% 3% 4% 5% 6% 7%

Growth of Real GDP per Capita (PPP-adjusted), CAGR, 1995-2001

Unweighted Turkish Average: $4,888
Unweighted Turkish Average: 0.81%

Note: 2001 is latest available data for Turkish provinces. Source: OECD Regions at a Glance: 2009

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Specialization by Cluster of Turkish Regions, 2007

Istanbul
- Textiles
- Leather and Apparel
- Distribution Services
- Jewelry

Bati Marmara
- Apparel
- Textiles
- Chemicals
- Construction Materials

Bati Karadeniz
- Tobacco
- Apparel
- Metal Mining and Manufacturing
- Forest Products

Orta Anadolu
- Furniture
- Textiles
- Apparel
- Agricultural Products
- Metal Mining and Manufacturing

Dogu Karadeniz
- Food Processing
- Distribution Services
- Furniture
- Forest Products

Dogu Marmara
- Textiles
- Automotive
- Apparel
- Furniture

Ege
- Tobacco
- Textiles
- Construction Materials
- Apparel

Bati Anadolu
- Furniture
- Construction Materials
- Distribution Services

Akdeniz
- Textiles
- Hospitality and Tourism
- Apparel
- Distribution Services

Ortadoğu Anadolu
- Textiles
- Agricultural Products
- Apparel
- Distribution Services

Kuzeydogu Anadolu
- Agricultural Products
- Footwear
- Distribution Services
- Hospitality and Tourism

Note: Source: European Cluster Observatory, 2009
Regional Economic Development in Turkey

Action Agenda

• Decentralize economic policy making to enhance *regional leadership* while creating *incentives / accountability for performance*

• Create a sound *development platform* in each region, including sound physical infrastructure and the provision of basic public services

• Create *regional governmental capability* to assume responsibility for regional economic development

• Decentralization of economic policy should be seen as a *long term process*, with devolution taking place in stages as regional government capabilities develop
Economic Integration Among Neighboring Countries
Turkey’s Neighborhood

- Turkey sits at the crossroad between Europe and the Middle East
- Economic coordination among neighboring countries can significantly enhance competitiveness
- Integration offers greater opportunities than participation in broader economic forums (e.g., EU)
Economic Coordination with Neighboring Countries

Assessment

• Turkey’s geographic position between a number of important global regions provides huge opportunities

• While government policy has focused on politically stable relations with neighbors, companies have started to extend their operations into these neighboring countries

Action Agenda

• Turkey should pursue economic coordination with neighboring countries as a critical tool of economic policy to reap the full benefits of its geographic location

• Turkey has a great opportunity to create a new Eastern neighborhood
Agenda

• Turkey’s Economic Performance

• Principles of Competitiveness

• Assessment of Turkey’s Competitive Position

• Towards an Economic Strategy
Toward a Turkish Economic Strategy

Unique Strengths

- Large workforce with a strong work ethic at competitive wage levels
- Strong entrepreneurial “trading” legacy
- Significant and growing domestic market
- Large, spread out geographic area with heterogeneous regions
- Geographic position at the crossroads of major world regions
- Companies with experience to operate in challenging policy environments
- Stronger market institutions than other emerging economies

Implications

- Maintain a sound macroeconomic policy platform
- Continue to strengthen workforce skills
- Achieve political stability
- Strengthen physical infrastructure connecting provinces and neighbors
- Simplify trade of goods and services
- Mobilize cluster development
- Consolidate efforts for SME development
- Decentralize economic policy and strengthen regional institutions
- Intensify economic collaboration with neighbors
Turkey: Moving to Action

- Strong **private sector leadership** is needed to address the well documented competitiveness challenges facing Turkey

- Encourage **Provincial Competitiveness Councils** working with the new economic development agencies to drive consensus on provincial plans which monitor implementation
  - Involve representatives from the public, private and academic sectors as well as federal government participation

- Work towards the creation of a private-sector led **National Council on Competitiveness** to build consensus on an overall economic strategy and track implementation
  - Public sector and academia participation is critical in order to develop effective national policy and coordinate implementation
Moving the Next Level of Turkish Competitiveness: The Role of the Private Sector

• The recent improvements in Turkish economic policy have created new opportunities for Turkish companies to grow and upgrade

• The next stage of economic development will require companies to become a more active partner in the design and implementation of economic policy
  – Participate in national and regional competitiveness efforts
  – Collaborate with other companies in upgrading the business environment

• A coherent economic strategy for Turkey will be crucial to allow the country to be able to fundamentally enhance competitiveness

• Such a strategy will only be effective only if it is based on a new model of collaboration between business and government