

TÜSİAD newsletter



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Opinions

Strides towards the European Union

The year 2000 marked the beginning of the 21st century. But it has also been for Turkey the beginning of a new relationship with the European Union. The conclusions of the EU Helsinki Summit in December 1999, which officially recognized Turkey's candidacy to the EU on equal footing with the other twelve applicants, have opened a new era in the Turkish-European history. With the Helsinki decision, the discouraging note pronounced in the Luxembourg summit two years earlier, was reversed and Helsinki laid down the foundation for Turkey's membership. Nevertheless, Turkey has to fulfill the Copenhagen political criteria which requires that the candidate country has to achieve stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and, protection of minorities for membership to start negotiations.

The EU Commission's Regular Progress Report on Turkey in 2000, and the Accession Partnership (AP) offer a perspective for Turkey in its accession process. Whereas the AP underlines once more criteria for full membership and demands Turkey to comply with those criteria within a time schedule, the Progress Report evaluates Turkey's degree of harmonization to the EU acquis.

The AP defines the political criteria within the context of universal human rights

principles and common democratic standards in the EU. The EU's position on this issue is in conformity with Turkey's unitary state structure, constitutional order and citizenship concept.

The demands of reform focus on current legal arrangements, which forbid individual freedoms and the expression of cultural identities. The EU's approach takes into account differences of understanding and practice in itself and is based on minimum common points.

The short and medium term priorities envisaged for Turkey have already coincided with political and economic reforms that have been planned and declared by Turkey. In the 8th Five Year Development Plan, adopted by the TGNA last year, set out as priority, mostly in parallel with the AP, the aim of being EU member and economic and social transformation required for membership.

In this context, the efficient implementation of the Accession Partnership and its financial co-operation commitments are essential to the future of EU-Turkey relations. Turkey's participation to all the initiatives between the EU and the candidate countries is also another indispensable improvement urgently needed. This is a key factor in mobilising channels of horizontal integration between the European societies, extending beyond public authorities.

The National Program of Turkey for the adoption of the *acquis communautaire* is an important component of Turkey's road to the EU. Firm commitment in the way to the EU membership is one of the major pillars for ensuring stability and completing necessary reforms in Turkey. The National Program (NP) is an action plan, which responds to the demands of transformation in areas set out in the AP and it covers financial engineering of the action plan. It is of major importance that the NP supports and complements the AP especially, concerning political criteria.

TÜSİAD's main concerns are as follow:

1 It necessary to speed up in fulfilling political criteria in order to start accession negotiations with the EU. The medium-term priorities cover a period until 2003 in the AP whereas the NP sets those priorities to be achieved until 2005. Any delay in this area carries the risk of low performance due to possible changes and challenges both in Turkey and in the EU.

1 For the efficient implementation of the NP, it is important that the views of the private sector, who is the final actor to apply the NP, should be regularly, taken into account.

1 The financial aspects of the NP should be included in the budgetary planning of 2002. This will ensure to put into effect actions committed in the NP. Within this context it is necessary to harmonize Turkey's plans, programs and

budgetary items with the context of the NP

1 The setting up of infrastructure necessary for the implementation of the NP should speed up.

Taking into account the content and structure of the NP, the need also arise to take the views of the private sector. On that issue, TÜSİAD presented its initial views to the EU General Secretariat and works are going on in its 8 Committees and 28 Working Groups where priorities of the private sector in the harmonization process are assessed. Moreover, this issue is also discussed in the platforms of SİADs and sector organizations.

Turkey's candidacy process is in its normal track like those of the other candidates. Nevertheless, the political, economic and social reforms and transformations necessary for this process need to be achieved without losing time. In the candidacy process, it is the responsibility of Turkey to prepare necessary infrastructure to prepare and apply fully the National Program. The NP can only be effective if it embraces all the segments of the Turkish society as it brings fundamental changes and challenges to social, economic and political life in Turkey.

It is obvious that, being a candidate to the EU membership Turkey has no choice other than completing its reform processes in democratization, economic stabilization and the judicial system. These are necessary steps to fulfill the EU's political and economic criteria. The road to the EU

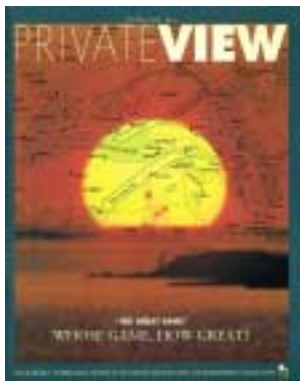
membership passes through internal stability and harmonization with the international standards. It should be kept in mind that being a member to the EU is a major national project of Turkey, which will have major implications in its foreign policy as well as in Turkey's domestic policy.

In an era of rapid transformations where new economy and information technologies occupy the first place of the developed countries' agenda the road to the EU membership gains a much more importance. For Turkey to play in the first league, it is vital to establish political and macro-economic stability. Progress in the way to the EU membership will definitely help stabilizing efforts and increase Turkey's international credibility.

Consequently, one cannot deny the significance of a closer forward-looking dialogue supported not only by the public authorities but also by both communities in Turkey-EU relations. This dialogue will be to the benefit of both parties. Turkey has started undertaking fundamental reforms and needs the European Union's support to sustain and further these reforms. In this respect, it is important that the EU unambiguously includes Turkey into its policies, official statements and communication and information initiatives on the enlargement and the future of Europe and that it adopts a constructive and solution-oriented approach to support Turkey's efforts to overcome the problems of integration.

Publications

Private View (Autumn 2000)



The Autumn 2000 issue of Private View, TÜSİAD's international journal published in English, focuses on international energy politics in the Caucasus and Central Asia under the heading of "The Great Game: Whose Game, How Great?". The cover story articles are written by seven different authors and provide penetrating analyses on the subject concerned.

Reviewing the historical record since the disintegration of the Soviet Union and the emergence of the newly independent states of the Caucasus and Central Asia, Gareth Winrow comes to the conclusion in his "Games countries play" that all the

players involved in the politics of the region need to cooperate even when they compete to get ahead of the game.

In his "Caspian Oil and Gas in the Larger World Energy Picture", Jean-Christophe Fueg presents the big picture of supply of and demand for oil and gas in the world. He gives a numerical assessment of the relative importance of Caspian resources in the world markets.

In his comprehensive "Turkish Foreign Policy towards Central Asia and the Caucasus: Continuity and Change", Mustafa Aydın looks at the challenges Turkey faced after the collapse of the Soviet Union, presents the case for the Bakü-Ceyhan pipeline and calls for a more realistic, sober overall policy toward the region on the part of Ankara.

In her thoughtful essay "Truths and Untruths about Caspian Energy" Amy Myers Jaffe argues that the riches of the Caspian easily lent themselves to exaggeration. She presents a strong case for the technical difficulties and obstacles to exploring and marketing Caspian Oil. On strategic issues she calls for a more

cooperative approach by all players.

Russia's policy towards the Caspian went through several stages reflecting different elite interests as well as strategic considerations since the dissolution of the Soviet Union. In his essay "The Putin factor in the Caspian", Yuri E. Fedorov argues that the current policy is more realistic and pragmatic than before.

In his concise article "Caspian Energy developments and U. S. policy", Patrick Clawson looks at the determinants of the U. S. policy in the region and explains the logic of Washington's position vis-à-vis alternative projects for oil and gas transportation.

In her sensitive article "Knotty issue with three variables" Gulshan Pashayeva focuses on the conflict between Azerbaijan and Armenia over Nagorno-Karabakh that created hundreds of thousands of refugees and remains one of the most serious obstacles to stability in the region. She analyzes the triangular relations in the region and presents the outline of a solution to the problem.

Strategies of International Competition: Biotechnology

Strategies of International Competition: The Biotechnology report, coordinated by the Relations with Industrial and Local Business Associations Committee of TÜSİAD, was prepared by Prof. Hüveyda Başağa and Assoc. Prof. Dilek Çetindamar from Sabancı University. This study is a part of series of TÜSİAD's competition strategies and was conducted with the aim of enhancing international competitiveness of Turkish industry and of rendering it competent in the face of the international system in accordance with TÜSİAD's objective of international integration. In line with this mission, the issue of biotechnology occupying a significant place on the agendas of many



countries is analyzed within a broad framework. With this study, it is intended to create a forward-looking working platform in order to assess the different issues of biotechnology determined as a preferential study realm by the sixth, seventh and eighth

five-year Development Plans and the High Board of Science and Technology; its organizations and regulatory bodies.

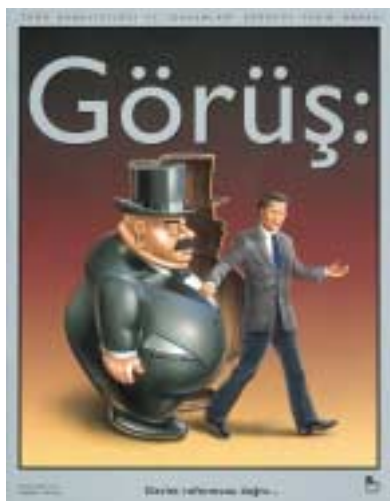
Following basic definitions on biotechnology, the report provides comparative time-series statistical data pertaining to various sectoral developments occurring in different countries. In the next chapters the strategies and policies of biotechnology conducted by the countries having made progress in this realm such as the USA, the EU countries, Israel, South Korea are revealed.

The final part of the report comprises the current state of Turkey in the area of biotechnology and the policy proposals for the coming period.

Görüş Issue 45 (October-November 2000)

The cover theme of the 45th issue is 'State Reform'. Chairman of the Board Erkut Yücaoğlu, in his article, underlines the significance of good governance that is the basic concept in the discussions held around state reform. According to Yücaoğlu, the countries that cannot practice good governance will remain behind the others that achieve it.

The discussion section comprises the articles of several academicians and experts on state reform. Özden Sanberk evaluates reform issue within the context of interconnected relationships among individual, society and state. İlder Turan puts on the agenda his reform proposal on speeding up and making the working procedures of the parliament more operational. Ömer Faruk Gençkaya



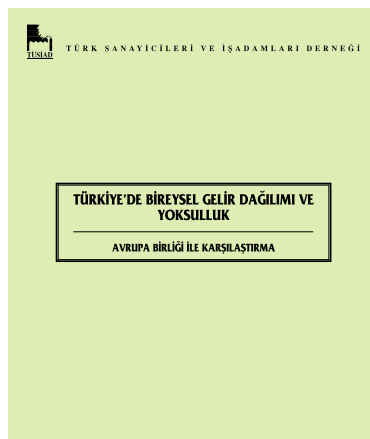
underlines the critical importance of transparency and control mechanisms in the financing of political activities. Tülay Arın, in her article, mentions the necessity

of striking a balance between the government and the control mechanisms in order to materialize the belated budget reform. Analyzing the clues to the crisis of the state, Gencay Şaylan enumerates them as the decline of meritocratic recruitment, centralism and corruption. Fikret Adaman and Ali Çarkoğlu, in their co-written article, evaluate the results of their quantitative research on the satisfaction of the people from the services provided by the central and local governments. İlhan Tekeli, in his theoretical analysis, focuses on the continuity dimension of reforms between Ottoman and Republican periods. Finally, Güven Sak applies the analysis of governance to the legal framework of the management of companies.

Individual Income Distribution in Turkey: A Comparison with the European Union

Based on the data of income surveys held by the State Institute of Statistics for 1987 and 1994, this report prepared by Prof. Dr. Seyfettin Gürsel, Assis. Prof. Haluk Levent from Galatasaray University and Assis. Prof. Raziye Selim from İTÜ, examines the "individual equivalent income" considering the composition and the size of households. This pioneer method of income distribution for Turkey shows that, all measures reveal comparatively high level of inequality in income distribution. In comparison with the EU countries, the most important outcome is that the Turkish redistribution policies do not help achieve a more equal income distribution vis-à-vis the EU countries where tax and transfer policies significantly redistribute the income in an equalitarian manner. The results also indicate that poverty is another source of concern.

Supposing households benefit from economies of scale at a higher level,



the income distribution in 1994 cannot be argued to be more unequal compared to 1987. Nevertheless, income inequality is high and in terms of income components it is the highest for the non-agricultural income-earners. In terms of determinants of household parameters, the most disturbing factor turns out to be the education variable. The higher the level of education is, the higher the average level of income is.

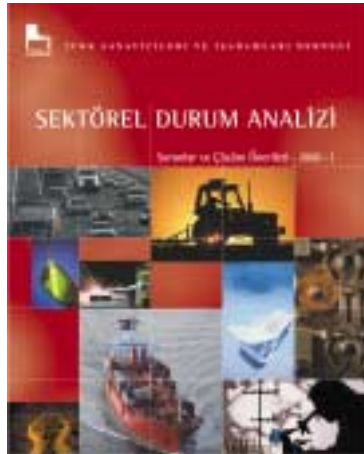
The analysis of the relative poverty concept demonstrates that there is a little decline in the rate of poverty from 1987 to 1994. The analysis on the social characteristics of the poor highlights that income transfer policies, in order to fight poverty, should give priority to large families with many children having a low educational level, unemployed and living in South-eastern Anatolian region.

It seems possible to reduce inequalities via institutional regulations. For example greater use of direct income transfers for poor agricultural workers may reduce the distributional inequality significantly in the medium-term. In the long-term, if the inequality determined directly by market distribution were to be permanently reduced, the most effective method would be to increase public education expenses aiming to provide the skills and professions for the younger generation.

Sectoral Situation Analysis: Problems and Recommendations-2000-1

Sectoral Situation Analysis: Problems and Recommendations-2000-1 was prepared jointly by TÜSİAD and 22 sectoral associations and published under the coordination of the Executive Committee of Sectoral Associations' Platform (SAP). The author of the report is Assis. Prof. Hakan Ercan. This report is the first publication of the Executive Committee of SAP and will be updated and published twice a year. It examines the repercussions of the Russian economic crisis and the macroeconomic recession of 1999 on the manufacturing sectors that are categorized under sixteen headings, as well as on banking and tourism.

The report is composed of three parts: In the introduction part macroeconomic policies and their effects on the manufacturing sector as a whole are investigated with near term perspectives.



In the second part, domestic and international events affecting the manufacturing sector in the last decade and the common problems are assessed. The impacts of the disintegration of the Soviet Union in 1991, Turkey's entering

into the Customs Union with the European Union in 1996, Asian economic crisis in 1997, its concomitant Russian repercussion in 1998 and the macroeconomic stabilization program, currently in effect, are analyzed on a sectoral basis. The last part of the report analyzes eighteen different sectors separately. For each sector there are subheadings named as "Introduction and Current Situation" in which general information on the sector concerned is given, "Evaluation of Crisis" that focuses on the sector policies developed as a response to the consecutive economic crises, accompanied by comparative information on investments, employment, growth rate and the balance between imports and exports via detailed tables. The opinions of sectoral associations on the problems and proposals for their sector are also included.

Towards Gender Equality: Education, Working Life and Politics

The report entitled, "Towards Gender Equality: Education, Working Life and Politics" and coordinated by the Social Policy Research Department of TÜSİAD, was prepared by Prof. Mine Tan, Assoc. Prof. Serpil Sancar Üşür of Ankara University and Assoc. Prof. Yıldız Ecevit of Middle East Technical University. This study was conducted with the objective of analyzing the conditions appropriate to strengthen political, social and economic position of women in the Turkish society.

The report focuses on the fact that in modern societies women cannot take the advantage of the political, social and educational rights and opportunities enjoyed by all members of the society, hence they are not able to use these opportunities in an efficient and equal way as men do. In this context, the report aims at initiating the discussion of the obstacles that women face in the



fields of education, working life and politics and tries to find solutions to overcome the difficulties they face in the aforementioned fields. Furthermore, the report emphasizes that the social systems that discourage women from taking part in any decision-making

process and create gender inequality with particular respect to underpaid woman labor, exacerbate gender discrimination.

In the view of the fact that, gender discrimination is not a concept which can be defined only in local or national level, the report aims to propose solutions under the consideration of the effects of international economical, political and cultural means and gender equality policies implemented in the international platform.

The study also proposes possible solutions to transform present social structures and systems of relations in the society, in order to overcome the difficulties and obstacles women face in education, working life and politics and to enable them to take part in the decision-making processes through which they will enjoy the same opportunities as men do.

Activities

TÜSİAD-NHO Joint Seminar

TÜSİAD and its Norwegian counterpart NHO (Confederation of Norwegian Business and Industry) organized a joint seminar entitled as "Business, Globalization and Corporate Social Responsibility" in Istanbul on the 6th of November 2000 with the participation of the Ministers of Energy of both countries.

Opening speeches of the seminar were delivered by the chairmen of both business organizations. Mr. Erkut Yücaoglu, Chairman of the Board of TÜSİAD, gave information about the organization and activities of TÜSİAD, underlining the organizational support to the establishment of the legal and institutional framework of a market economy and the candidacy of Turkey to full EU membership. Then he emphasized the significance of political reforms for democratization and the macroeconomic stabilization program in the light of disinflation process, both of which seem to be crucial to catching up with the political and economic standards of the European Union. Mr. Yücaoglu stated that it is the task of the Government and the Parliament to adopt laws and make necessary amendments to proceed in the privatization process in the sectors dominated by the state, like energy, to complement this overall liberalization program.

Mr. Leif Frade Onarheim, Chairman of NHO, pointed out that energy is the driving factor behind every economical and industrial development and prosperity in the modern world. In the course of its industrialization and economic development, Turkey was marked by a rapidly growing demand for electrical energy despite her limited energy resources. Considering this fact and its geo-strategic position, Mr. Onarheim added,



Mr. Erkut Yücaoglu with Mr. Olav Akselsen and Mr. Cumbur Ersümer

Turkey is predestinated to be the bridge of energy between Asia and Europe once Bakü-Ceyhan crude-oil pipeline and the Trans-Caspian Gas pipeline projects materialize. Mr. Onarheim concluded that energy sector in Turkey offers good opportunities for foreign investors, suppliers and contractors who can cooperate with the capable Turkish firms in the sector.

Mr. Olav Akselsen, Norwegian Minister of Petroleum and Energy, declared that Turkey and Norway have developed ever-closer business relations during last years and trade in both directions has been expanding since the early nineties. He underlined that the key to economic growth and social justice depends on how each country manages its own resources. Internationally based energy companies can make a particular contribution in the countries where they operate, since energy often plays a vital part in the economy of the host countries. He added that Norwegian companies are in full conformity to the standards of corporate social responsibility as they respect environmental concerns and acknowledge their responsibility for contributing to increased welfare for employees, the local community and all those affected by the operations of them. Mr. Akselsen concluded that it would be

a competitive advantage for companies to be perceived as socially responsible and Norwegian companies could find good partners in Turkey.

Mr. Cumbur Ersümer, Turkey's Minister of Energy and Natural Resources, emphasized the irreversible nature of globalization accelerated by the dissolution of the Soviet Empire and the developments in information technologies and financial markets. He underlined that

the countries that cannot avail of the opportunities created by the globalization process will remain behind those that can in a period when their economic, political even cultural structures are getting homogeneous. Mr. Ersümer pointed out that in order to remain competitive, the sectors directed by state interventions should be judged by market criteria. He concluded that in the Turkish energy sector, which is currently dominated by the public economic institutions, constitutional and legal amendments are accomplished so as to transform energy legislation into a status conducive to private investments.

In the brainstorming session of the seminar moderated by Mr. Ishak Alaton, the issues of globalization, business ethics and energy were discussed. Mr. Şahnur Agaik, President of TÜSİAD Globalization Working Group, Mr. Arnold Hornfeld, President of TÜSİAD Energy Working Group, Mr. Jon Veia, Director of NHO International Affairs, Mr. Peter Mellbye, Executive Vice-President of Statoil and Mr. Yavuz Zeytinoğlu, Chairman of the Executive Board of DEİK (Foreign Economic Relations Board) made presentations on their subjects of expertise. The seminar ended with a luncheon.

Platform for Restructuring Public Sector

The platform for restructuring public sector is formed to function in the common ground of various rules that regulate relations between voluntary, official, professional and commercial institutions and persons that have activated or will activate their resources in order to make forward leaps in public management.

As TÜSİAD and TESEV (Turkish Economic and Social Studies Foundation) proposed to cooperate for the establishment process of platform, they prepared a document with the contribution of the academicians from TODAİE (Public Administration Institute for Turkey and the Middle East). The purpose of that document was both to announce the platform and also to invite relevant parties to take part in that body. The announcement document was



Mr. Can Paker, Mr. Erkut Yücaoglu and Mr. Mehmet Ali Babaoğlu at the press conference

presented by Erkut Yücaoglu, Chairman of the Board of TÜSİAD, Mehmet Ali Babaoğlu, President of Social Affairs Committee of TÜSİAD and Can Paker, Chairman of TESEV in a press conference held in Ankara, on December 14, 2000.

In the declaration it is stated that, in order to obtain a sustainable

restructuring in public sector and to achieve a concrete progress, all parties in society should cooperate. In that frame, TÜSİAD and TESEV are willing to collaborate with other non-governmental organizations, universities and public sector itself in the process of restructuring public sector.

Income Distribution and the Problem of Convergence with the EU

The Economic and Financial Affairs Committee of TÜSİAD organized a conference on "Income Distribution and the Problem of Convergence to EU" at Ceylan Inter-Continental Hotel on 6 December 2000 in collaboration with State Institute of Statistics (SIS). The introductory remarks were made by Chairman of the Board of TÜSİAD, Mr. Erkut Yücaoglu and by the Minister of State Mr. Tunca Toskay. Mr. Erkut Yücaoglu pointed out that a stable macroeconomic environment is a prerequisite to improve income distribution. Accordingly, as a result of the implementation of stabilization program approved by the IMF stand-by agreement, Turkey has been getting main progress on income distribution. Mr. Yücaoglu emphasized that government should develop redistribution channels to obtain a fair income distribution through

performing effectively its main responsibilities such as education, health, social security and infrastructure.

Minister of State Tunca Toskay underlined that the fight against poverty is the basic concern of the national development. Therefore, the actualization of both fair income distribution policies and a sustainable development pattern will help reduce the level of poverty significantly within ten years. Mr. Toskay also mentioned a new project organized by SIS to improve the collection of data on household incomes and expenditure patterns in order to monitor more closely the interaction between macro and microeconomic indicators.

The conference was sub-divided to two consecutive sessions concerning the presentation and discussion of TÜSİAD Report " Income Distribution

and Poverty in Turkey: 1987-94 Comparison with the EU" and papers that focused on the different aspects of income distribution. In the first session, Assoc. Prof. Seyfettin Gürsel and Assist. Prof. Raziye Selim, the members of research team, presented the objectives and results of the report and explained the methodology used for the first time to calculate individual income distribution in Turkey.

Prof. Merih Celasun, Assoc. Prof. Seyfettin Gürsel, Dr. Andrew McKay and Ercan Dansuk were the panelists of second session. In this session, Prof. Merih Celasun gave a brief assessment of the TÜSİAD's report, Dr. Andrew McKay focused on the impacts of trade liberalization on income distribution and Ercan Dansuk analyzed the social dimensions of income distribution.

TÜSİAD Panel on 'Environment in Turkey in the Enlargement Process'

TÜSİAD organized a panel with the aim of seeking to determine the positive and negative aspects of environment in the enlargement process of the EU and the necessary strides to be taken for harmonization, especially from the industrialists' viewpoint in İstanbul on 20 November 2000.

of the panel, Frederic Delpont, an expert on Agriculture, Environment and Consumer Protection from the Representation of the European Commission to Turkey, addressed a speech on the EU environment legislation and the enlargement process. Following that speech, Athanassios Balodimos, a legal expert on Environment and Accession from the EU Commission, delivered a speech on the current situation of the harmonization process in the environment legislation of the candidate countries.

The subject matter of the second session was Turkey's environment legislation and its implementation. Mr. Ediz Hun, President of Environment Commission of Turkish Grand National



The speakers of the second session

Assembly, made a speech on current situation of Turkish environment legislation in detail. Following Mr. Hun's speech, Dr. Tacettin Şimşek, the Legal Advisor of Ministry of Environment, briefed on the harmonization process of Turkish environment legislation to the *acquis* and its effects. The last speaker of the panel, İshak Alaton, a prominent industrialist and a member of TÜSİAD, expressed his personal views on the protection of environment and prospective effects of harmonization process of Turkish environment legislation with the EU from the viewpoint of a businessman.

The results of the panel can be

summarized under five main headings:

- 1 Environment constitutes one of the most important headings in the process of harmonization with the EU.
- 1 Harmonization of environment legislation could not be possible without incorporating and mobilizing all the sections of the society towards this end.
- 1 The current situation of Turkish environment legislation is inadequate for Turkey to realize its responsibilities stemming from harmonization process. There is a significant amount of work to accomplish on environmental harmonization.
- 1 Notwithstanding the fact that Turkey's financial resources that are allocated to the environmental harmonization are limited, Turkey will have to finance an important part of its required expenditure for environmental harmonization process itself in the near future.
- 1 The most critical issue on environment is to design a well-defined sustainable development policy.

The Platform of SİAD's at Şanlıurfa Summit

In conformity with the decision taken in the Mersin Summit last year, the fourth SİAD (Industrialists and Businessmen's Associations) Summit convened on November 17, 2000 in Şanlıurfa. Thirty SİADs participated in the meeting organized by a planning committee, the members of which are ŞUSİAD (Summit organizer), MESİAD (Ex-organizer in Mersin), ANSİAD (Next organizer in Antalya), GASİAD (correspondent association in Gaziantep), KAYSİAD (Kayseri SİAD), TSİAD (Trabzon SİAD) and ESİAD (the umbrella association of the Aegean region). Mr. Hüsnü Yusuf Gökalg, the Minister

of Agriculture and Rural Affairs was the guest speaker of the meeting.

At the summit it was decided to constitute a nationwide platform of SİADs with the objective of confederating their activities conducted separately and cooperating on a wider basis. The mission of the platform is to contribute to national development through the associations of industrialists and businessmen operating on national, regional and local levels and sharing common principles and aims, to prepare joint projects in order to accelerate regional and local development and

to convey their problems and solution proposals to the public and related institutions. The platform will operate as a network of cooperation of independent SİADs.

The specific theme of the fourth SİADs Summit was 'Agricultural Reform in the Process of Integration to the EU'. In the declaration proclaimed at the end of the summit it is stated that enhancing the competitive power of agriculture, the diversification of the income resources of the agricultural producers and the protection of natural resources have a priority in the agenda of Turkey on the brink

to the EU. In order to reach these ends, agricultural policies ought to be stabilized in a rational and scientific manner without recourse to political populism. Furthermore, it is stressed that the founding of

unions of producers, the model of contractual agriculture and direct support to the producers, the use of nature-friendly technologies and the enacting of the law of agricultural insurance should be materialized

without losing time. The collaboration, it is added, among local governments, civil society organizations and private sector is the essential key to success in agricultural reform.

The SİADs participating in the platform are expected to meet the principles and criteria specified below:

- 1 To be aware of the significance of industrialization that hinges on the efforts of private sector for the development of Turkey,
- 1 To agree with the idea that the impediments to the development of the country could be overcome only by substantive and scientific reforms,
- 1 To be in conformity with the goal of catching up with the level of modern civilization determined by Atatürk, to believe in the virtues of the market economy and a secular and democratic state, which is based on the principles of rule of

law and respect for human rights, to be aware of social responsibilities,

- 1 To endeavor for the most efficient use of regional potential for faster development of the country,
- 1 To support the full membership of Turkey to the European Union,
- 1 To accept new members to the associations in line with these principles,
- 1 To have an independent organizational structure against political, ethnic and religious discrimination,
- 1 To have a significant share in the economic life of the activity area (country, region, city, district)

The Last High Advisory Council Meeting of 2000

TÜSİAD's third High Advisory Council meeting of 2000 was held in Ankara on 15 December. Among the participants there were Şükrü Sina Gürel, Minister of State, Mr. Sümer Oral, Minister of Finance, Mr. Yüksel Yalova, Minister of State and Mr. Tunca Toskay, Minister of State.

Opening speeches of the High Advisory Council meeting were delivered by Mr. Bülent Eczacıbaşı, the President of High Advisory Council, and Mr. Erkut Yücaoglu, the Chairman of the Board of TÜSİAD. The last High Advisory Council meeting of 2000, was also a kind of a farewell for the two presidents whose terms of office would expire with the General Assembly of TÜSİAD on 19th of January 2001, during which the elections for the Board of Directors will be held.

Mr. Bülent Eczacıbaşı started his speech by reminding that the meeting was held at a time of an economic crisis. Mr. Eczacıbaşı pointed out that at the end of 1999 they had had positive hopes for the future and that they had been able to see the light at the end of the

tunnel. Mr. Eczacıbaşı underlined that for the success of the economic program Turkey needed the revenues of both privatization and taxes, nonetheless political and ideological obstacles

sector led to the economic crisis. Mr. Eczacıbaşı concluded that the government had one last chance to be able to create a stable and healthy Turkey.

Chairman of the Board of TÜSİAD,

Mr. Erkut Yücaoglu, in his speech evaluated the scene before the crisis. Reminding that the success of the economic stability program depended mainly on the foreign resources, Mr. Yücaoglu emphasized that the government should first guarantee the continuity of the trust of the world market by being determined and consistent in implementing the exigencies of the



Mr. Bülent Eczacıbaşı and Mr. Erkut Yücaoglu at the High Advisory Council Meeting in Ankara

prevented the undertakings for privatization and the revenues from it. He added that the government did not take the additional precautions for the program in time and lost time for the reformation of finance system that is debilitated by corruption, agriculture and public expenses. As for the relations with the European Union, Mr. Eczacıbaşı stated that the government was also slow and did nothing for months. All these factors made the foreign investors lose their trust in Turkey and loss of trust in the finance

program; in other words by providing the conditions of political and administrative stability. Mr. Yücaoglu stressed that the government should take decisions by consulting to the private sector and pointed out that the government needed a counselor institution for the decision making process.

The topics of the sessions, closed to the press were the macroeconomic assessment of the year 2000 and Turkey's relations with the European Union.

EPC Conference on Turkey's Accession to the EU and the Role of Business

The European Policy Center (EPC), a Brussels-based influential think-tank, organized a conference entitled Turkey's Accession to the EU and the Role of Business on 27 November 2000 in collaboration with TÜSİAD. The conference was attended by over 150 participants composed of mostly the representatives of the European institutions, European branches of the multinational companies and the European firms as well as academicians and journalists.

The morning session addressed mainly the political aspects of Turkey's accession to the European Union. John Palmer (Director of the EPC) emphasized the importance of political issues and the need for further progress in these areas. Alain Servantie (Head of the Turkish Team in the European Commission Enlargement DG) outlined the necessary political, macroeconomic and financial reforms cited in the Accession Partnership

and briefly addressed some of the contested issues, including Cyprus. He also mentioned the increase in financial cooperation with Turkey and EIB's further involvement. Subsequently, Aldo Kaslowski (Vice-Chairman of TÜSİAD) underlined both parties' responsibilities in enhancing cooperation between Turkey and the EU. In connection with the need for improved dialogue, he stressed Turkish business community's demands from the Turkish government for the consolidation of the political consensus among political parties on the Turkish National Programme and broader civil society involvement in a transparent reform process. He also requested that the EU include Turkey in all its initiatives on the enlargement and the future of Europe.

The afternoon session dealt with foreign investment in Turkey. Zeynep Göğüş (Strategy Advisor at Corporate and Public Strategy Advisory Group)

pointed out the low levels of foreign investment in Turkey, while Ersin Pamuksüzer, Member of External Relations Committee of TÜSİAD and Dr. Hanns R. Glatz, Delegate of the Board of Management of DaimlerChrysler stressed the profitability of investing in Turkey as Turkey provides an excellent trading link between European and Asian markets. Turkey's further integration into the EU will thus provide an additional element of political stability. Çelik Kurdoğlu, (Member of External Relations Committee of TÜSİAD), argued that because of internal dynamism and high levels of competition in the Turkish economy, foreign small and medium-sized enterprises had difficulty in entering the market. Durmuş Yılmaz of the Turkish Central Bank confirmed Turkey's strong commitment to the current anti-inflationary policies and importance of stable exchange rate policies for future exports which are expected to rise in 2001.

The First Seminar of the UNIMED Business Network Program

The first seminar of the UNIMED Business Network program was held in Aix-en-Provence (Marseille, France) on 10 November 2000.

The program, financed by the European Commission and managed by UNICE, aims at networking the Euro-Mediterranean Industrial Federations, supporting the development and strengthening of the internal organization of the business representative organizations in the Mediterranean non-member countries. Under UNIMED, a network of information will be set up between the associations and a continuous training activity will be held

during three years. These two basic components will be used to promote the balanced and sustainable development of the region by supporting the private sector. The project also aims to promote the strengthening of multilateral rapprochement among Southern Mediterranean business organizations. UNIMED was launched during the fourth Euro-Mediterranean Industrial Summit in Tunis 12/13 May 2000.

The first seminar, which focused on "Strengthening the role and influence of Employer Organizations", brought together the highest representatives of

Employer Organizations from the European Union and South Mediterranean Countries.

Mr. Aldo Kaslowski, the Vice-Chairman of TÜSİAD and President of External Relations Committee, made a presentation on the role, relations and legitimacy of TÜSİAD vis-à-vis the media, public opinion and civil society.

At the end of the seminar Statement by the Euro-Mediterranean business community in view of the fourth Euro-Mediterranean Ministerial Conference to be held on 15-16 November 2000 in Marseille, was approved.



EU Representation



Deputy Prime-Minister and the Minister of State Mesut Yılmaz at TÜSİAD & UNICE meeting

During the October-December 2000 period, the TÜSİAD Representation to the European Union has continued to undertake the following main responsibilities:

- 1 To represent the Turkish business community at the European Union level;
- 1 To represent TÜSİAD and TİSK within UNICE, the umbrella organization of the European business;
- 1 To inform the Turkish companies on the evolution of the European affairs and to assist them in their projects and initiatives in the EU;
- 1 To provide the European and international public and private sector organizations with the accurate information and analysis on Turkey.

In parallel to the elaboration of an Accession Partnership for Turkey, TÜSİAD has started to monitor more closely the process of harmonization with the EU. TÜSİAD EU Representation is contributing in this respect to the newly created secretariat and committees & working groups in

Istanbul. In Brussels, TÜSİAD has amplified the participation of the Turkish experts to various working groups of the European Commission and UNICE. TÜSİAD experts in Brussels took also part in the following activities: a) Industrial Forum for Enlargement b) the meeting of the Euro Mediterranean Partnership c) the meeting of the Stability Pact for the Balkans.

On October 17, in cooperation with UNICE, TÜSİAD organized a luncheon meeting between Mesut Yılmaz, Deputy Prime-Minister and the Minister of State and around one hundred prominent representatives of the European business community.

Moreover at the occasion of TÜSİAD's External Relations Committee's visit to Brussels, a meeting was organized with the participation of the officials from the European Commission's Enlargement (Turkey Team), Enterprise, Energy, Telecommu-nication, Economic and Financial Affairs, Single Market, Information Society, Enterprise and Transport DGs on 27 November.

New perspectives for business in the EU-Turkey relations were the focus of the different meetings organized at the TÜSİAD Brussels Office with the participation of the members of the Turkish Grand National Assembly, business representatives, European Commission's visitors program and the press. On November 27, TÜSİAD cooperated with European Policy Center for a conference on the EU-Turkey Relationship where TÜSİAD Vice-Chairman Aldo Kaslowski and members of External Relations Committee Çelik Kurdoğlu and Ersin Pamuksüzer made presentations.

TÜSİAD Brussels building hosted two artistic exhibitions and their inaugural receptions. First one was the exhibition of photography "Merhaba Athens, Here Istanbul" conceived and sponsored by Pamukbank. It was composed of the work of the Greek artists performed in Istanbul and the work of the Turkish artists in Athens. The second one was the Ikebana creations by an international club based in Brussels.

During this period, TÜSİAD Representative Dr. Bahadır Kaleağası participated as speaker to the conferences organized respectively by the Konrad Adenauer Foundation on the issue of EU-Turkey Accession Partnership (in Brussels), by the UNDP, GAP and the P&G on the issue of sustainable development (in Ankara) and by the University of Venice on Turkey in general.

US Representation



Regarding establishing cooperation with other institutions, important steps were taken towards hosting joint activities in Washington, DC, New York, Chicago and Houston. In this respect, On October 12, 2000, TUSIAD-US Representative, Abdullah Akyuz met with Patricia Engman, the Executive Director of the U.S. Business Roundtable. The Business Roundtable generally lobbies for business interests groups, in Congress and in the Administration. Possibilities for cooperation were discussed at the meeting. Mr. Akyüz participated in a number of meetings to foster the establishment of the DC Chapter of New York based Business Forum. Additionally, the meeting with Mr. Jerry W. Leach, President of World Affairs Councils of America (WACA) on October 31, 2000 was very productive. WACA is the umbrella organization of the World Affairs Councils that are in operation throughout the U.S. It was agreed that TUSIAD and WACA could effectively cooperate in promoting Turkey through events and field trips organized by local councils.

Mr. Akyüz traveled to Chicago to meet the representatives of the business organizations, think tanks and Turkish-American businessmen residing in the area. The main purpose of the trip was to explore opportunities of organizing joint events in and trade missions to the Midwest in the coming years. A preliminary agreement was reached on organizing a major half-day event in Spring 2001 in Chicago with the Chicago Council on Foreign Relations during the visit. Following the trip made to Chicago, a highly fruitful second trip was made to Houston, Texas in order to meet the representatives of the business organizations, think tanks, US companies having business interests in Turkey, and

Turkish-American businessmen. Another preliminary agreement was reached with Houston World Affairs Council to organize a joint event in Houston.

The Office has continued to work with the Library of Congress to organize a joint program featuring a show and presentation by Mrs. Yıldız Kenter and Professor Talat Halman. The program is entitled "Turkish Art Through the Ages". Contingent upon the availability of space at the Library of Congress, the event will be held on the week of March 5-9, 2001.

The visit made by Mr. Akin Ongor, President of DEİK's Turkish-US Business Council, to Washington DC paved way to a number of new plans for 2001, including organization of trade missions before and after the upcoming ATC Conference. The Representative Office provided necessary information and contacts to support these initiatives.

Washington DC Office closely watched the US presidential elections process. The issue received substantial interest from Turkish media as well, constituting wide coverage in the news. Some of the representatives of Turkish media contacted the representative office in order to get information on the candidates' positions vis-à-vis economic relations between Turkey and the US. A number of Turkish TV stations interviewed Representative Abdullah Akyüz on the same topic.

The office organized a roundtable conference on Turkish politics on November 21st, columnist Mr. Hasan Cemal being the guest speaker. Mr. Cemal's remarks covered comments on the recently announced Accession Partnership Document, Turkey's official reaction to the document as well as the recent developments in the Middle East and Cyprus. He also expressed

his views on Turkish domestic politics. The attendees included representatives from various think tanks in Washington, DC.

The Office has been the sponsor of the Third Annual Turkish Student Leaders Conference for the second time in a row. The Conference was held in Washington, DC on December 2nd, 2001, and brought together Turkish student leaders from several universities around the country.

Mr. Akyüz was a guest speaker of the Middle East Institute's Turkey Working Group on December 8th. The discussion focused on the just-released European Union accession partnership document for Turkey.

The staff of the Representative Office continued to participate in the meetings organized by other institutions as well. These included numerous Council on Foreign Relations meetings and occasional seminars of Institute of Turkish Studies and American Enterprise Institute. The Office maintained its activities of disseminating information on Turkey, namely weekly "Selected News on Turkey" and TUSIAD publications. Regarding the so-called Armenian Genocide Resolution in the Congress, TUSIAD-US sent a letter opposing H. Res. 596, to all Representatives. In addition to the letter, the office issued a press release on October 12, 2000, calling upon the Turkish government to urge Congress to reach a decision based on historical evidence. The Office translated then Chairman of TÜSIAD's letter to Prime Minister Ecevit regarding the Armenian issue and submitted it to members of the Senate and House.

MANAGEMENT

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