



OPENING ADDRESS OF
MS. CANSEN BAŞARAN-SYMES,
PRESIDENT OF THE TÜSİAD BOARD OF DIRECTORS
AT THE MEETING OF THE HIGH ADVISORY COUNCIL

1 December 2016

Ankara, Sheraton Hotel

TÜSİAD AVRUPA İŞ DÜNYASI KONFEDERASYONU (BUSINESSEUROPE) ÜYESİDİR

İstanbul: Meşrutiyet Cad. No: 46 Tepebaşı 34420 İstanbul –Türkiye
Ankara: İran Cad. No:39/4 Gaziosmanpaşa 06700 Ankara- Türkiye
Brüksel: 13. Avenue des Gaulois, 1040 Brussels-Belgium
Washington D.C.: 1250 24th Street, N.W., Suite Nr. 300, Washington D.C.20037-USA
Berlin: Märkisches Ufer, 28 Berlin 10179 Germany
Paris: 33, Rue de Galilée 75116 Paris France

Tel: +90 (212) 249 19 29
Tel: +90 (312) 468 10 11
Tel: +32 (2) 736 40 47
Tel: +1(202) 776 77 70
Tel: +49 (30) 288 786 300
Tel: +33 (1) 44 43 55 35

Faks: +90 212 249 13 50
Faks: +90 (312) 428 86 76
Faks: +32 (2) 736 3993
Faks: +1 (202) 776 77 71
Faks: +49(30) 288 786 399
Faks: +33 (1) 44 43 55 46

e-mail: tusiad@tusiad.org
e-mail: ankoffice@tusiad.org
e-mail: bxloffice@tusiad.org
e-mail: usoffice@tusiad.us
e-mail: berlinoffice@tusiad.org
e-mail: parisoffice@tusiad.org

www.tusiad.org

Honorable Prime Minister, Esteemed guests, Esteemed Chairs and Fellow TÜSİAD members, welcome to the last High Advisory Council of 2016.

I deeply mourn the loss of our girls who lost their lives in the student dorm fire in Adana Aladağ last night. Unfortunately, about a year ago a similar disaster occurred in Diyarbakir Kulp. We expect that the negligence that causes these disasters will be promptly determined. I would like to say that we want to ensure that all student dorms are under the most effective state control and that those responsible will be punished for their negligence.

You know that TÜSİAD is celebrating its 45th anniversary this year. I would like to start my speech with an overview of these 45 years. What we have is an institution that has witnessed almost half of the history of our republic. Today, we shared with you a booklet on our 45th anniversary. All the reports and various media and audio visual content produced by TÜSİAD during these 45 years are accessible by means of QR codes available in this booklet. TÜSİAD's 45 years of development and struggle sheds light on the story of the evolution of Turkey's economy's from a closed economy to one with global competition. TÜSİAD first struggled for the institutionalization of the market economy, and then intensified its efforts to accelerate the democratization process and the adoption of EU norms. I would like to commemorate with due respect all TÜSİAD administrators who contributed to these efforts.

TÜSİAD's development and struggle has had a great impact on our society because we are an independent and voluntary business organization, we follow global developments closely, we identify problems and develop our proposals by means of concrete scientific studies and reports, and we conceive the development process in its many different dimensions, from education to gender issues, to technology, regional development and inclusive growth. Our ability to put all these issues on the country's agenda very early on, and sometimes in spite of initial negative reactions, enhanced our impact.

This is exactly how we define the task of TÜSİAD and we will continue to work in this way.

Esteemed Prime Minister, Dear Members,

As we enter its last month, we cannot help thinking that this year we have been through unusual developments in both Turkey and the world. We are witnessing the world we are accustomed to changing rapidly and in unknown directions. The turmoil of the first half of the year and the

trauma created by the attempted coup of July 15 in Turkey has deeply shocked us all. We are now in the fourth month of the State of Emergency and in the midst of extraordinary circumstances and developments.

On the one hand, we are trying to do our day-to-day affairs and, on the other hand, we are thinking about what is necessary for our country to get out of harm's way in a future filled with uncertainties, and about how to make a breakthrough in development and civilization. Familiar signs, institutions, norms, anticipations, and structures are rapidly changing, evolving, and waiting to be understood. The background of such a radical change, of course, has been shaped by a crisis that has shaken the global economy since 2008. The current developments are shaking the liberal order that marked the 20th-century world both within developed countries and within the context of the international system. Democratic countries are under the influence of angry populism that does not attach much importance to rights and freedoms, and which ignores rules and institutions.

In our country, EU membership negotiations, which began with great enthusiasm eleven years ago, have actually stopped. This situation leads to the questioning of our 200-year-old modernization history; some even argue for departing from this path. We witness that the crisis of the West is perceived as the "crisis of universal values" that humanity has achieved as a result of great struggles. This crisis can never be a reason for the rejection or the disparagement of universally accepted principles, such as the protection of property rights, individual rights and freedoms, and the rule of law as embodied in the Western world.

Esteemed Prime Minister, Dear Members,

Here we are gathered as representatives of the business community. I would like to communicate our problems openly and clearly. I have to mention the decreasing rate of growth, the increasing unemployment, the reduced confidence, the impact of global developments on our national economy and, of course, the 15 percent depreciation of our money against the dollar in the last two months, and its probable consequences.

TÜSİAD is an institution made up of people and companies who strive for the welfare of our nation and for the advancement of our country in the global arena; this obliges us to speak up. After all, we all take risks based on our confidence in the potential and the future of our country, we pay a significant portion of taxes, and employ half of all registered, insured employees. With

our brands and our presence in world markets we represent our country abroad. We want to assist to our government by providing constructive criticism, as our interests overlap with the development of our country.

We know that your government is dealing with economic problems, and we believe that the consultation, dialogue, and communication environment established with the business community is useful and important. Esteemed Prime Minister, of course we carefully noted and were pleased with your calming messages on economic matters and your statements underlining serious attempts to deal with these issues. But we must also see that time is becoming more and more pressing.

Over the last four years our economy has grown at a rate well below its potential and investments have not increased. As of the third quarter of this year, the economy began to contract. The steep rise in the unemployment rate in the last six months also indicates the size of the problem. While industrial production is declining, we feel the pressure on interest rates as a result of the global conditions shaped by the winds blowing from the U.S. The rapid increase of the exchange rate is of course not caused solely by the domestic conditions in Turkey. Global trends clearly affect us, but we still have to think about being one of the countries with the most depreciated currency. We know that the private sector is now able to service its foreign denominated debt, but under the current economic conditions it seems very difficult to sustain solvency.

We know that these fluctuations inflict serious damage on small and medium-sized businesses. The collective memory of our citizens associates foreign exchange fluctuation with severe crises. Furthermore, we should also see that given the low growth rate of the global economy, Turkey's economic problems pave the way to reduced investments and lower growth rates. If we cannot improve the general conditions of economic activities, the legal system, judicial independence, property rights, and eroded confidence, technical solutions focusing on economics alone will be insufficient.

The extraordinary days we have been through and the purges following the coup attempt have created a serious and profound crisis of confidence among economic actors across the country. Security concerns within the context of the fight against terrorism and eradicating pro-coup activities have increased dramatically for obvious reasons. However, some of the state of emergency practices stemming from these security concerns are affecting business life,

especially in Anatolia, and are eroding economic confidence. We expect the state of emergency to be lifted as soon as possible, that the parliament will again resume its essential duties, and that governing by decree will end. This is our expectation because we believe that Turkey needs to be normalized as soon as possible. We also believe that this is possible only by rebuilding the basis of social reconciliation, taking measures to reduce tension, and adopting an inclusive discourse. We should not forget that the more we drift away from the normal, the harder and longer the normalization process will be.

One of the most important steps towards a consensus or consensus-based order is ensuring and cherishing judicial independence. I want to emphasize the need for merit-based non-discriminatory employment policies in judicial bodies as well as in all public institutions. The fact that distrust of the judiciary is extremely high in our country points to the severity of this problem which must be urgently and radically addressed.

A market economy cannot operate without a strong and fair legal system, without the protection of property rights and the rights and freedoms secured by law, without a fair tax regime, and without fighting the unregistered economy. We need to urgently create a growth narrative that will include, motivate, and mobilize all segments of society. We must implement educational reforms, technological choices, and institutional arrangements that will support this.

Dear Members and Distinguished Guests,

In spite of the global populist wave of politics that suggest the beginning of an anti-globalization period, globalization will not stop. If the lessons to be taken from today's crisis can be internalized as soon as possible, it is difficult but possible to put the train back on the right track.

In short, a conception of globalization that does not take into account democratic demands and the institutions of democracy and that does not provide measures to reduce the social costs of economic policies will damage both globalization and democracy.

The U.S. presidential election has shocked the world but it has also shown that these issues should be carefully considered. In the coming days, we will all see the consequences of a U.S. President questioning liberal political values ...

For us, the first issue where we directly feel the consequences of this election is the rising value of the dollar. If trade agreements are cancelled, we will also have to avoid the global

protectionist wars that will follow. Moreover, how the U.S. will shape its relations with the world, especially with Europe and the Middle East, is also very important for Turkey, which is at the center of the most critical geographical region of the world.

If one side of the Western alliance is the United States, the other is the EU, which is experiencing a serious identity crisis. The fact that the EU has a serious identity crisis, difficulty making decisions, an inability to reassert itself in the world's political arena in proportion with its economic power, and eroding cohesion and internal solidarity, does not mean that the EU is a negligible entity in the world economy and politics.

It is a fact that Turkey's relations with the EU have eroded because of the extraordinarily long process of negotiations, much longer than any other candidate country. On the other hand, we believe that Turkey's relations with the EU should not be conducted in a way to provoke public opinion and cause emotional reactions in our partners; we do not think that this would serve the best interests of our country. Relations between the EU and Turkey are multi-dimensional. If left outside the EU economic framework, Turkey's ability to attain its development goals will be seriously damaged.

The EU is not only an economically important reference. Rule of law, the sanctity and protection of property rights, check and balances among state powers, legal protection of individual rights, and judicial procedures compatible with human dignity are principles and values which originated in the West but are now accepted by every society as essential if not ideal. These form the common basis of the EU.

The existence of political movements within EU countries questioning these values does not mean that this framework of principles, shaped by costly historical struggle, can be discarded. Turkey should abide by the correct decision it made years ago. We find the death penalty debate particularly objectionable in this respect.

Turkey and the EU's failure to develop a common understanding of the fight against terrorism suspended the process for visa-free travel, which our people had expected for a long time. For this reason, Turkey-EU relations are now at another low-level of trust. As a result, the European Parliament's recommendations have sparked harsh reactions in our society. In our opinion, the EP's decision is not constructive and will not produce the desired result. The negative consequences of bringing relations to a point of no return need to be reconsidered. We invite

the Council of Europe, set to meet in two weeks, to take steps to overcome this crisis in EU-Turkey relations. Even if neither ourselves nor the EU political elite are fully aware, Turkey has to contribute to the reconstruction of Europe.

Esteemed Prime Minister, Dear Members,

I would like to conclude my remarks with two issues. Turkey strongly supported the Arab uprising in 2011. It adopted a position endorsing the realization of democratic demands of the people of the region. When the developments evolved in unforeseen paths, particularly in Syria, an uncontrolled maelstrom arose in the region.

Today we see that it will likely be a long time before the Middle East region will be able to recover, establish order, and heal itself. It seems that the sectarian conflicts, which became the geopolitical conflicts ideological language, will dominate life in the region for a while. We actually have the antidote. That antidote is secularism. The blood and violence in the Middle East once again showed us the importance of secularism. Some people may prefer not to see this or to reject this reality for ideological reasons. However, we are at the threshold of a new era where this principle will become more prominent. I believe that we should cherish and protect this crucial advantage achieved 90 years ago.

Finally, the new wave of terrorism has caused the suspension of the process that created great hopes across the country a few years ago. We must carefully separate the fight against terrorism and the Kurdish issue, which closely relates to our social integrity and the welfare of our country. We must take measures to restore social peace, heal the trauma caused by the tragedies of recent conflicts, and develop a unifying discourse and relevant policies to isolate terrorists and those who sanctify violence. We have to revive the inclusive political attitude seen for a very short period of time following the treacherous coup attempt of July 15.

We nearly paid a steep price for the infiltration of state bodies by FETÖ, a sectarian organization with a conspiratorial structure, demanding complete surrender of its members' will to its hierarchy. We should prevent another such mistake. However, we think that the waves of arrests that go well beyond the legitimate struggle against terrorist organizations constitute an obstacle to the normalization of our country.

Dear Members,

2016 was a year of increasing pessimism both for the world and for Turkey. When we look back, we see that we have achieved considerable successes by creating social consensus on certain principles and goals. We believe that losing this spirit of cooperation, turning politics into a zero-sum game, and questioning the founding principles of the regime lie at the heart of today's troubles. We also demand that security measures do not reach a level where they become a factor damaging public confidence.

If we are able to reconcile with our own pluralism and to cooperate towards shared goals, with due respect to each other's space, lifestyles, and thoughts, we may definitively end the pessimism of these days.

I thank you for your kind attention, I wish you all a very happy new year. Thank you once again Mr. Prime Minister, Deputy Prime Minister Mr. Nurettin Canikli, and Minister of Economy Mr. Nihat Zeybekci, for being with us in spite of your busy agenda. I express my sincere regards.