Chapter 22

A Review of Turkey’s Economic Progress in Sub-Saharan Africa

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ABSTRACT

Africa is one of the fastest growing regions on the globe and is home to seven of the ten fastest growing markets in the world. Sub-Saharan Africa in particular has many natural resources which has made it a hub for international trade. Turkey’s search for alternative market to accelerate the development of its emerging markets has led to its economic engagement in sub-Saharan Africa. However, much has not been written on Turkey’s inroads in that part of the continent. Therefore, the purpose of this paper is to review the progress of Turkey’s trade and investment in sub-Saharan Africa. It indicates that Turkey in the past didn’t have much economic relationships with Sub-Saharan Africa as compared to Northern Africa. Whilst the volume of Turkey’s trade and investment in Sub-Saharan Africa keeps uprising, there are some limitations and difficulties to this partnership such as informational gap on both sides.

INTRODUCTION

Turkey’s rapidly growing presence in Sub-Saharan Africa countries recently has become a topic of interest among economists and policy analysts.

Bacik and Afacan (2013) comments that African continent long stereotypical locus of the problems of poverty, is now a hub of economic interest for the Great Powers, and for several emerging economies. While African integration with the global market remains a crucial issue in world politics, many states continue to push their own profit-making agendas, of which Turkey is not an exception.

Today Turkey’s engagement in Sub-Saharan Africa in particular is visible in the field of economic, educational and political development to mention few.

Ozkan (2012) observes that although Turks have a relatively long history of involvement in Africa, the new engagement is a proactive one that bore fruit in a very short time in terms of economic indicators. Indeed, Ankara’s first interest in developing serious relations with Africa dates back to 1998.

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Aras (2013) also points out that since 2005, the makers of Turkish foreign policy have expanded the country’s focus, opening up to regions that were considered faraway territories in former decades. A significant step has been Turkey’s new Africa policy, which was created through a joint governmental, NGO and business community involvement. The motives behind this new policy are to consolidate Turkey’s position in international politics, benefit from African markets at a time of economic crisis, and support Turkish business and NGO community involvement in the African continent.

Aras (2013) further asserts that Turkey’s policy has three different tracks, which support each other and pave way for Turkey’s emerging role in Africa. The first track is the establishment of new ties through opening embassies, high-level state visits, and development assistance. The second is business community’s involvement, which has been a strong driving force behind official policy. The third is NGO interest, which operates in conformity with official and business tracks in the fields ranging from education to health.

In 2012, Turkey’s largest Sub-Saharan Africa trade partners were South Africa and Nigeria, followed by Ethiopia, Ghana, Angola and Sudan, South Sudan, and Zambia. Data from Turkish Statistical institute revealed that, bilateral trade volume between Turkey and Sub-Saharan Africa reached 6.62 billion dollars in 2013. When compared with the year 2000 figure of 742.42 million dollars, there was an increment of over 780%.

However, the difficulty Turkey still faces in its economic relationship with Sub-Saharan Africa in particular is Turkey’s trade policy which is guided by international trade regulations. Free trade which removes many barriers to international trade does not exist between Turkey and many Sub-Sahara African countries, therefore slowing down economic cooperation. Language and informational gap also makes it difficult for Turkey to trade with Sub-Saharan Africa.

COMPLEXITY IN INTERNATIONAL TRADE

Complexity is viewed in organizational studies, public health, education studies, and policy studies. Complexity theory offers the new ways of thinking about some of the classic dilemmas in the social sciences, in particular, engaging with the tension between the examination for general theory and the desire for contextual and specific understandings, which lies at the heart of the tension between realist approaches and postmodern approaches (Cilliers, 1998; De Landa, 2000).

The strength of this article is in exploration of the thorough literature on complexity theory in international trade and business operations. The extant literatures on complexity systems provide a contribution to practitioners and researchers by describing a comprehensive view of the functional applications of complexity systems to appeal to the different segments of complexity theory and complex adaptive systems in order to maximize the impact of complexity theory and complex adaptive systems on global business.

The major complexity in international trade arises as a result of barriers to bilateral trades (tariffs, taxes etc.) that arise as a result of international trade regulations. Individual countries trade policies are guided by international trade regulations.

Political atmosphere also creates complexity in international trade. Political instability may lead to monetary risk and loss of goods by exporting and importing countries.