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# Trading State and Reflections of Foreign Policy: Evidence from Turkish Foreign Policy

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#### **Abstract**

This study's main objective is making contribution to cover in methodical gap in literature arises from "trading state" perspective about transformation of Turkish foreign policy during last periods. The question about how much does this transformation make Turkish state structure similar to "trading state" model is answered by evaluating macro economical governance approach and transformations at foreign policy making area simultaneously. Firstly, theoretical introduction about "trading state" concept and its relations with foreign policy will be mentioned. Then, historical transformation line of Turkey's political economy after 1980's will be evaluated due to both economic growth and human-social development aspects particularly and opportunities and threats created by this historical background to "trading state" will be mentioned. After that, increase at interaction of macro and micro economic policy making and foreign policy process will be underlined and general evaluation of both policies during last years of AK Party government will be done. At the last chapter, four axis (from inflationary interventionism to sustainable growth; from macro-economic governance to micro economic governance, from extensive interventionism to strategically aiming; from welfare state to efficiency) mentioned at "trading state" literature and an extra axis added to theoretical frame – foreign policy axis (from geostrategic and security to economical competition) will be evaluated by its all details related with how much Turkey can be a "trading state" with global vision.

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#### 1. Introduction

There is a broad consensus in the literature that Turkish foreign policy's both main priorities and areas of execution and intellectual infrastructure and rhetoric have realized radical changes and transformations and gained multidimensional, proactive and order establisher characteristics during XXI century's first decade. Turkey's choice of "soft power" focusing on regional and global platforms as a strategically actor instead of characteristics based on military power and Cold War period like "warrior" "hard power" is one of the important points of analysis about Turkish foreign policy's different aspects. If we make general categorization of mainstream approach about change dynamics of Turkish Foreign Policy we can count "Europeanization" approach which comes from full membership negotiations and process to European Union (Öniş 2003,Aydın and Açıkçeşme 2007, Keyman and Aydın 2004)); Analysis based on redefinition of "identity policies" and "security perception" (Cizre 2003, Bozdağlıoğlu 2003, Dağı 2005, Rumeli 2007, Bilgin 2005); Approach which investigates developments at "domestic policy" and "transformation power of dominant actors" Duran 2009, Altunışık 2009); Studies focused on "security and geopolitical" dimensions(Sayarı 2000, Davutoğlu 2001, Karaosmanoğlu 2000) and approach about increase at Turkey's soft power( Oğuzlu 2007, Çandar 2009). Of course we cannot dismiss other approach and studies which are not at this categorization and synthesizing different approaches and have extraordinary analytical perspectives.

The main problem is there are not enough studies about foreign policy making process and execution steps and its real results and transitivity of international economic and political relations due to economic perspective and international economic organizations and their role on governance platforms, political effects of multinational companies and relations between economic governance and political legitimacy. It is serious methodical lack that economic factor and especially international competition strategies as one of the main factors of Turkey's soft power don't have a significant importance among international relations literature based on security dimension. Nowadays we can often see that Ministries of Economy and Foreign Affairs are closely coordinated and sometimes even united in some countries because international trade, international financial flow, direct foreign investment, relations with multinational companies and international economic organizations, industry/technology policies can affect foreign policy besides bilateral economic relations.

#### 2. Interaction Trading State and Foreign Policy

International trade and finance as two major elements of international economic relations. that are the principal determinants of foreign policy. "Trading State" is used by Rosecrance at "The Rise of the Trading State: Commerce and Conquest in the Modern World" (Rosecrance 1986) in 1986. This concept refers to giving priority to economic factors during foreign policy making, execution process and state mechanism which economic policies has main role on making decisions by rulers. Due to Rosecrance states are interdependent because of globalization and "trading state" prefers "soft power" instead of "hard power" and these states choose cooperation and try to increase their role at global economic markets and gain economic developments instead of occupying other states' areas (1986). In this situation war desire of states which have interdependence will be disappeared too.

Trading State concept is applied to Turkish Foreign Policy by Kemal Kirişçi (Kirişci 2009) Trading state means the state which cares about foreign policy and trade simultaneously, and shaping foreign policy with economic dynamics. States which identified as "Trading state" make reference to the importance of economic interdependence at foreign policy of the state instead of brute force and military capacity. For these countries national interest does not means Security concern; trade, economic priorities, such as the expansion of export markets and foreign direct investment are equally important. In addition, "trading state" means participation of wide range of actors that differ from traditional foreign policy makers with their interests and priorities in foreign policy making and diplomatic game process of Turkey's foreign policy. The rise of trading state has converted and converting traditional foreign policy makers due to Kirisçi (2009). New actors also cannot determine Turkey's national security as a narrow sense of national security, but at the same time determine it as importance of factors as commercial needs, the expansion of export markets and attracting foreign direct investments.

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