

THE WORLD AHEAD 2025

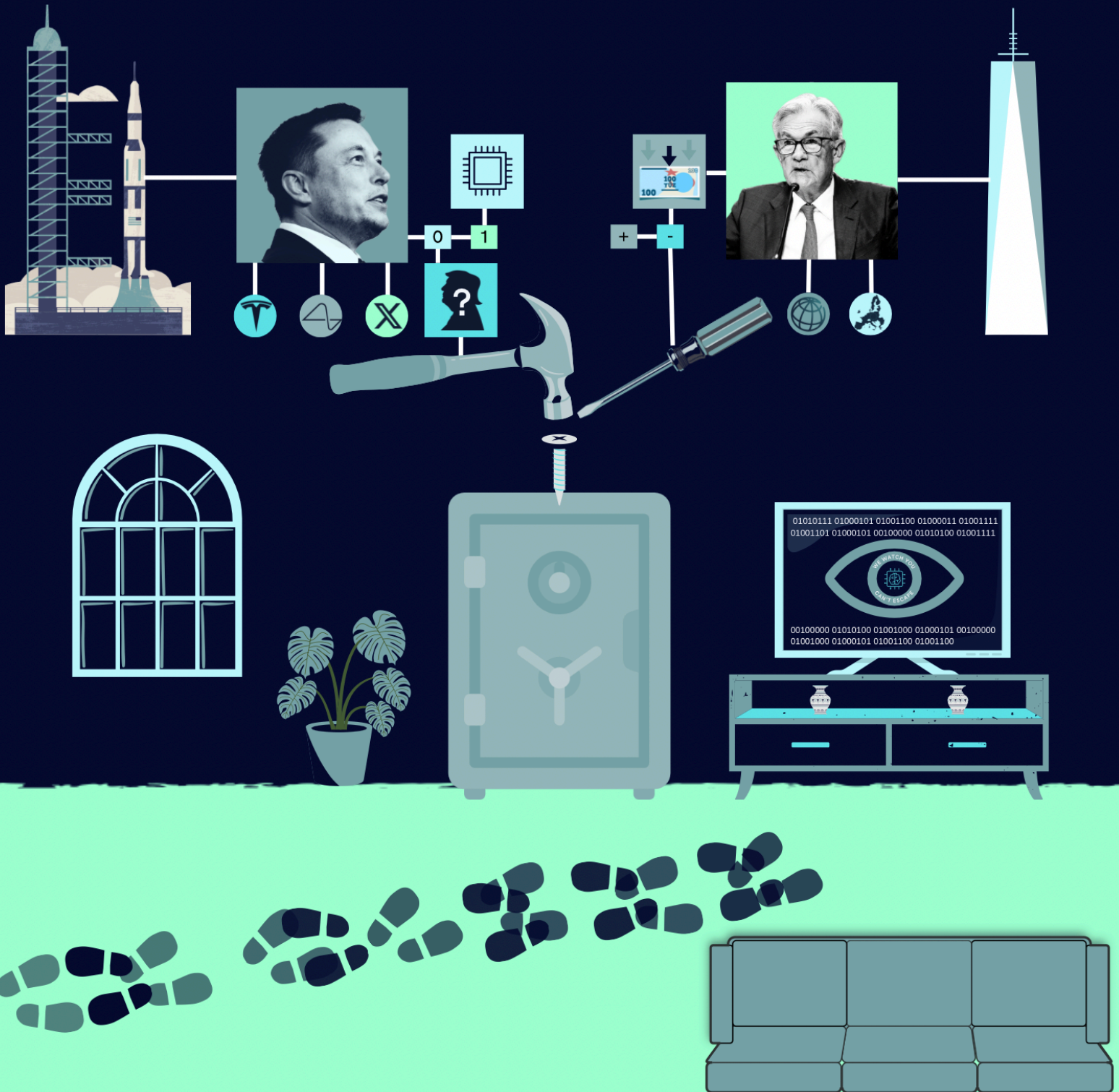


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i. Letter from Secretary-General

Dear Participants,

I welcome you all to the Model Organization of Turkic States 2025 conference.

For the second time, this conference will provide an opportunity to embody and simulate the roles of leaders, diplomats, and international decision-makers of the Turkic world. Throughout this experience, you will develop fundamental skills such as critical thinking, negotiation, and public speaking. Additionally, you will gain a deeper understanding of current global issues, become more familiar with the structure of the Turkic States Organization, and acquire knowledge that will serve you in your academic and professional endeavours through research on our shared history.

Our academic team is here to enhance and facilitate your experience in the beautifully selected committees by our Secretariat, ensuring an unforgettable conference. I hope that your valuable ideas presented at the conference will contribute to solving both present and future problems and provide you with new perspectives.

Thank you for being part of this journey.

Sincerely,

Muhammet Gökhan YILDIZ

Secretary General of the Model Organization of Turkic States

ii. Letter From Under-Secretary General

Dear Delegates,

My name is Burak Öztürk. I am a freshman computer engineering student at Mersin University. I have been in this society for more than six years. Therefore, I meet so many people around MUNs. In brief, I want to explain that; I had so many experiences, so many occasions, friendships and moreover notions to explain it. All of these notions that I explain are just for showing respect from you to MUNs and our committee. If you are not interested in politics, economics and international relationships, it is not recommended that delegates who are not interested in politics, economics, and international relations refrain from joining this committee. OTSDP is a well-planned committee by the secretariat.

I would like to express my pleasure to this conference Secretary-General Gökhan YILDIZ and Deputy-Secretary General Mehmet Emre KUŞ to make this committee great within obviously magnificent progress. Academically, this committee is clearly different from the other committees. Procedure and committee running are quite detailed and also for the committee's academic follow up requirements, every topic, every solution and every update need to be detailed from every angle because of the economic sciences' complex structure. In that case, all of the delegates from this committee should learn economics at least at a basic level before the debate atmosphere. That's the reason why we share our economics open courses and make examinations on your economic knowledge.

As advice to my delegates, please read the study guide and make plans for your position's benefits. Then, improve your benefit fiction from each scenario and each condition. Because MUNs are always full of surprises.

Best Regards,

Burak ÖZTÜRK

OTSDP Committee's Under-Secretary General

ii. Preparing for the Conference

This section mainly addresses delegates without prior Model Organization of Turkic States experience, however there is advice for delegates of every experience level.

1. Assess your Allocation

After you have received your allocation, please take your time to research the policies of the party you represent and the stance of it on the situation handled by your committee's agenda item. Looking up previous resolutions signed by your party, and speeches delivered by previous delegates on United Nations sources may be a remarkable place to start. Most of the time, certain parties of importance to the agenda item will be mentioned in the study guide. This tradition also applies to our study guide, and all parties of importance are expected to read their respective sections of the guide.

2. Read the Study Guide

Of course, as well as reading more about certain parties, reading the whole study guide is of uttermost importance because it introduces you to your committee, and your agenda item and the history behind the situation, the current events, and emphasizes those of concern while enabling your easier comprehension of how to proceed during the official meeting. Even if the delegate has priorly studied upon the topic, not reading the study guide renders the delegate completely unaware of what is expected by the Under-Secretary General, and ultimately the Secretariat who supervises the process of each committee and how this team has approached the topic, which can potentially prevent successful delivery, presence, and performance. It is possible for this to lead to a lack of active speech, which could result in the failure of the committee to run debate, and ultimately failure to provide a resolution paper.

3. Learn More about the Procedure

To prevent any confusion with the procedure, prior procedural reading may also be of help. As your Under-Secretary General, I have observed various cases of promising delegates underperforming due to insufficient comprehension of the procedure. Your time at Model United Nations should focus on the actual debate and solutions rather than being stuck on the many details of procedure, so grasping them without trouble could help a lot. Doing procedural reading, noting down certain details and points you may need some time to familiarize with will help you easily decide the course of action you will take during the conference, and understand what you are doing in the very likely case that you decide to proceed in a different direction than you may have estimated. Please keep in mind that small mistakes can always be made and the committee directors will always inform you about your mistakes so that you can correct them. There is also a ground for delegates to inform the committee directors about any procedural

mistakes that they have observed, the Point of Order.

4. Points and Motions

During moderated procedures, there are two ways to address the chairboard, and one way to address the committee (as well as the chairboard): through points, motions, and by recognition by the chairboard. Delegates raise points to address the board to inform them about their personal needs, observations and requests; and motions for their intentions regarding debate and document creation, the latter of which sets the direction of the committee.

Once it is time to accept points and motions, the board states that they are open for points and motions, and initially asks if there are any points, and then motions. If a delegate has a point or a motion, they raise their placard, acclaim “Point” or “Motion”, and state their point or motion if recognized by the board.

There are various possible motions, the most essential of which are:

a. Motion for a Moderated Caucus

This motion is used to enable debate on a certain topic with a certain total and individual time limit decided by the proposer.

b. Motion for an Unmoderated Caucus

This motion is used to enable working on a document with a certain total time limit decided by the proposer.

More information about points, motions, can be found in the respective documents released by the Secretariat (Refer to 6. Read Other Documents and Announcements).

5. Resolutions

A resolution is the main document that concludes committees of the Turkic Organization States, including OTSDP. The document has two sets of clauses: Preambulatory, and Operative clauses. Clauses, rather than sentences, are used so that the document’s contents are made into one sentence. These clauses are connected using commas and appropriate linking verb forms. Preambulatory clauses address main concerns that have been discussed, mentioned and emphasized, whereas Operative clauses notify the general public of future actions that have been discussed, then decided by the signatories and how they will be made possible.

There are two other documents that precede the resolution, namely the working paper and draft resolution. The working paper does not have a standard format, and is used to determine what or what not to include in the resolution. After the working paper, the draft resolution takes place.

Proposed draft resolutions are voted upon, and the one that passes is adopted by the committee as a resolution.

6. Read *Other Documents and Announcements*

Standardized rules regarding the procedure of the meeting are often needed for a professional environment. However, while there are many widely accepted standards, they may differ based on a wide variety of concerns and assessments, and certain points may need clarification. To prevent any action out of the appropriate Model Organization of Turkic States procedure, the Secretariat of each conference prepares a document on the Rules of Procedure (ROP). This document enables the chairboard to direct the committee entirely in order.

OTSDP
MTD '25

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WELCOME TO THE THE STUDY GUIDE

Do not hesitate for asking questions to us!

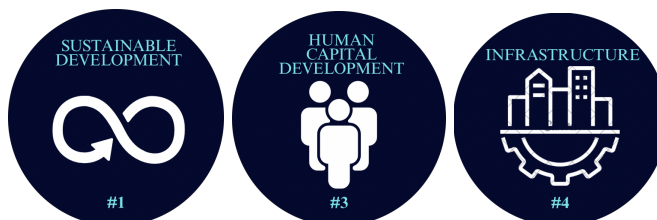
1. Introduction to the Committee

Organization of Turkic States, also called the Turkic Council, is an international organization which is established to deepen the cooperation among the Turkic-speaking countries. It was formed in 2009 with the signing of the Nakhchivan Agreement and currently it occupies a large part of the continent of Eurasia. The original basis for Turkic Council cultural connection and understanding dated back in culture, language, history and heritage of the Turkic states. It was with a view of cementing these relationships and in order to coordinate on some of the challenges that the formation of the organization was called for in the region. Subsequently through time and development the Council has been adding more and new members and observer status from other Turkic-speaking states and areas. - Hungary 2018, Uzbekistan 2019, Turkmenistan 2021, Turkish Republic of Northern Cyprus^[*] 2022, Economic Cooperation Organization 2023 - The Turkic Council promotes cooperation while strengthening bonds between its members and thus facilitates stability and development.

The Organization of Turkic States Development Program is a complex project, which is aimed at the vigorous development of the economy and society of the member countries. The program focuses on several key areas, including:

- i. Infrastructure:** Enhancing connectivity through investing in the transportation and electrical power infrastructure and information and communication technologies.
- ii. Human Capital Development:** Promoting and contributing to educational, training and capacity building initiatives.
- iii. Sustainable Development:** Education that enables the society to realize the importance of preserving the natural environment and economic stability.

The Development Program is a concept which is formulated with a view to identify and satisfy the needs of the individual member states apart from the goal of integration. This is evident by the Turkic Council with its development programme as a significant step in the realization of cooperation and development among the Turkic-speaking countries. In this way the Council is contributing to the process of forming the new region of economic integration, cultural exchange and sustainable development. As globalization advances, the Turkic Council has a role to play in fostering peace, stability, and development among the Eurasian states of the world.



a) Infrastructure Goals of OTSDP

Infrastructure development is the foundation to economic growth since it is a critical foundation of a country. Appreciating the importance of infrastructure in determining economic growth, and enhancing regional integration, the OTS Development programme has targeted infrastructure. Hence, the OTS has worked in a manner in which it has not only ensured establishment of various transport links but also energy and telecommunication links in the Turkic world through devising and signing of strategic relations partnerships.

Somewhere that has received considerable attention in the OTS Development Programme has been in transport systems. Today's infrastructure such as roads, rail transport and airports have enhanced transport of goods, people and ideas within the region. As a result of increasing access to better means of transport, the OTS has brought about conditions that promote trade and investment. For example, the Trans-Caspian International Route (TCIR), the multimodal transport with links to China and Central Asia, gravely increased the integration of the region within the global economy.

One of the already mentioned essential components of the OTS infrastructure development is energy cooperation. Generously the OTS has been advertising regional energy cooperation through partnerships and participation in energy facilities. In other words, the OTS is intending to diversify the energy sources and improve the energy security working in the interest of its member states and to free the countries from the hegemonic monopoly of the external energy supplies. It has created energy pipelines, power lines, renewable energy projects yielding positive effects on the regional economy and the environment.

Furthermore, as part of the OTS Development Programme, connectivity, particularly in such sectors as transport and energy, as well as digital connection has also been further developed. Broadband networks and data centers are critical modern telecommunication infrastructures which can positively impact the continued growth of the economy, innovation and growth of societies. Thus the OTS is using funds to build up digital infrastructure for its member states to make them better equipped to fully engage in the global digital economy, and to get better access to information and services.

The OTS Development Programme undertaking infrastructure agreements and investment has demonstrated great returns on both social and economic transformation of the member states of the OTS. Through increasing transport linkages, decreasing the cost of transportation, and securing the energy resources these measures have provided the conducive circumstances for trade, investment, and integration in the region. Also, the growth of the modern infrastructural facilities has also helped in the creation of employment opportunities, poverty alleviation, standard living and other social amenities for the inhabitants of the Turkic world.

Thus, It is clear to claim that with the assessment of the Organisation of Turkic States Development Programme that is oriented on signing and fulfilling the infrastructure agreements and investments, the economic development processes in the Turkic countries are stimulated, the regional integration is promoted and the States interconnection in the Turkic world is intensified.

The OTS has improved trade, investment and development by extending its support in transportation networks, energy infrastructure and digital communication facilities. Thus,

depending on the further development of the OTS's scope and the degree of its cooperation, further priority will focus on infrastructure investment to stimulate the eastern region's growth and stability.



The Logo of Trans-Caspian International Transport Route

i. Trans-Caspian International Transport Route (Middle Corridor)

The Middle Corridor (MC) is a multimodal transport corridor connecting China to Europe, which has been receiving elevated attention following Russia's invasion of Ukraine. The MC links China, and Kazakhstan by rail through Dostyk or Khorgos/Altynkol, crosses Kazakhstan by rail to the Aktau Port, crosses the Caspian Sea to the Port of Baku/Alyat, and Azerbaijan and Georgia by rail to then either continue by rail to Europe through Türkiye or crossing the Black Sea. The MC, with its numerous border crossings, transshipments between modes and operational inefficiencies, takes two times longer than the Northern route (via Russia) and is comparable in duration to the maritime route. As a result, it has consequently held a lower priority for long-distance trade. Due to these conditions and infrastructure gaps in Türkiye, the Black Sea route is currently preferred by operators.

The Middle Corridor (MC) places itself as an alternative to the NC, but also as a trade diversification tool for Kazakhstan, Azerbaijan and Georgia. The MC is not expected to fully replace the NC as a land connectivity option (unless crossing Russia and Belarus becomes even more difficult) but is to a limited extent already capturing part of the transcontinental land trade with a potential to attract more traffic but only if it improves its operational performance. The MC can thus represent an opportunity for Kazakhstan, Azerbaijan, and Georgia as they seek to reduce their trade dependency on limited and large export partners and on largely low complexity commodity export baskets.



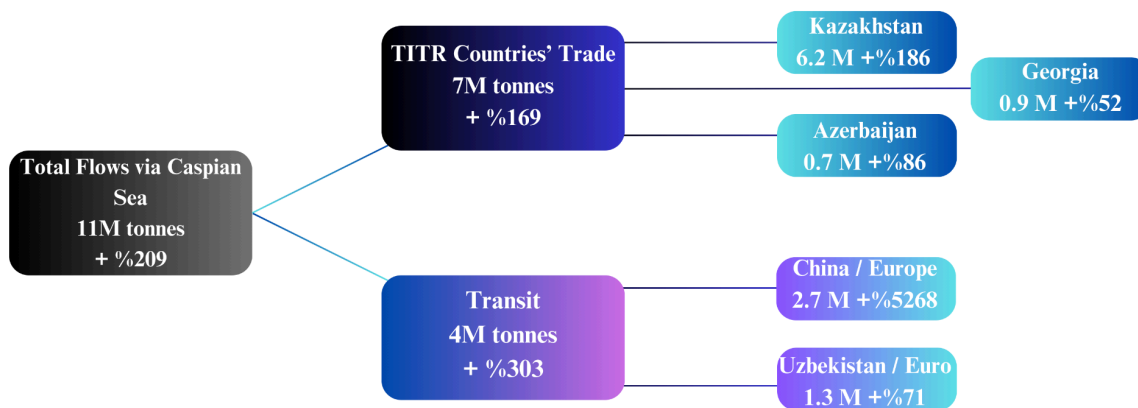
The Map of Northern, Middle and Southern Transport Routes

Since the Russo-Ukrainian war began in February 2014, cargo traffic in the Middle Corridor has grown to nearly 3.2 million tons in 2022 as goods shifted from the Northern Corridor. Turkiye positions itself as a key player between China and Europe through the Organization of Turkic States for the Middle Corridor, with cargo transportation increasing six-fold in the last decade. In 2022, the Middle Corridor's cargo doubled to 1.5 million tons, while the Northern Route's shipping volume declined by 34%. However, obstacles to the further use of the Middle Corridor include the limited capacities of seaports and railways, the absence of a unified tariff structure and single operator, and the alignment of geopolitics along the route.

The MC will remain a regional facility corridor for intercontinental trade, with various regions contributing less than 40 percent of its volumes as projected in 2030 even in the best of circumstances and the corridor being active. In a similar vein, the MC will continue to lag behind in pursuing higher foreign trade levels. This can be explained by the presence of various alternatives for intercontinental trade with deep-sea connection in between Asia and Europe as the strongest option. For instance, if the project MC were to be put into operation, it is estimated that its traffic through the Caspian region would grow from 1 million tonnes in 2021 to over 3 million tonnes in 2030. And for container traffic through the Caspian Sea, approximately, up to 1 million tonnes of the 2 million demanded would be due to growing needs of transport. In the case where certain changes to the MC are not made; then there would be a lack of demand for transport up to 35 percent than the anticipated levels.

The largest share of transit cargo transported along the MC will be the trade between Kazakhstan and Europe as well as between Europe and China that will consider the most substantial share. There would be enormous amounts of trade between Europe and China that will cause the volume of the communicated corridor to grow to its peak level by 2030 and thus

the interconnection between the two will be minimal. After putting it into action, it is anticipated that by the year 2030, the figure will rise to over 60 percent of the trade carried out among the MC states, which as of 2021 stood at 40 percent.



World Bank's calculations based on the simplified trade & transport modeling in InfraForecast software from 2021 to 2030.

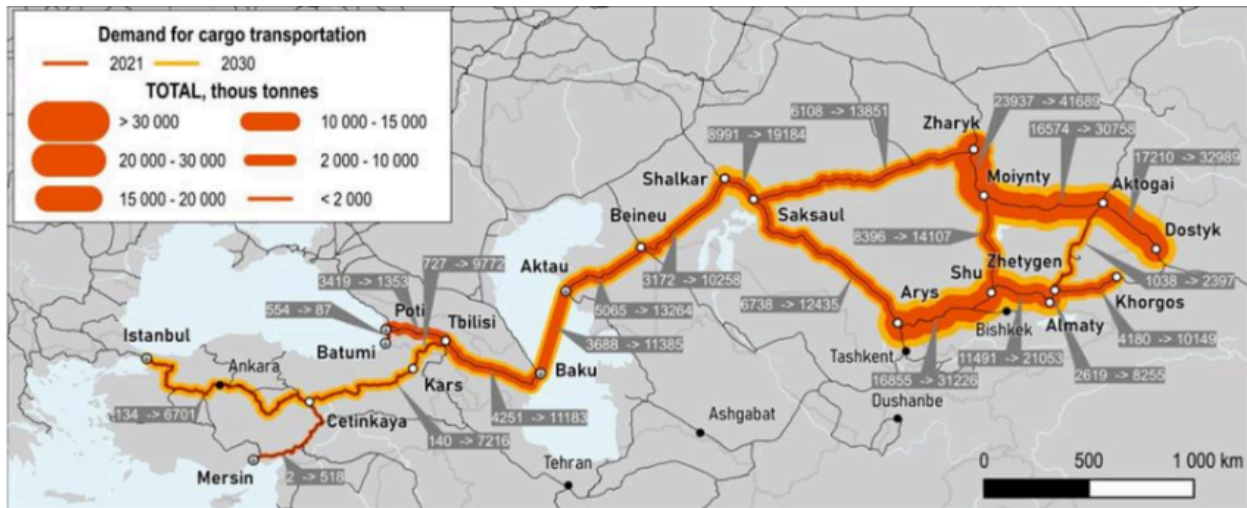
The MC regards itself as likely to assume an important function in the diversification of trade routes for Kazakhstan, Azerbaijan, and Georgia. The MC will assume responsibility for reorientation of supply from the countries, which will help increase the resilience of the countries' trade and lower reliance on the traditional neighboring trade blocs (Russia and China). Particularly through import substitution, and with higher share of exports directed to Europe, besides potential overseas in the Middle East, North Africa as well as South and South East Asia. By seeking out new foreign markets for their exports, these countries have the opportunity to expand their export base and thus move towards the export of more sophisticated goods.

Kazakhstan, Azerbaijan, and Georgia, if harnessing policy, can help increase export volumes and the share of value added to the product in view of agglomeration of production activities. The scale of increase of the cargo base of the three countries, in the forecast from 2021 to 2030, will be 90 million tonnes (%44). Out of which 70 million tonnes are additional exports from Kazakhstan. The largest trade potential opportunities are in increasing exports to new markets, which are virtually inaccessible to these countries because of poor transportation links and high trade expenses. The development of logistics clusters and concentration of specialized functions would facilitate among firms to provide comprehensive logistics services and enjoy the benefits of being in one place. Such agglomeration hubs would catalyze the creation of higher value added goods.

According to the feedback from relevant stakeholders, the current MC transport costs are still high and more importantly, they are unstable. While the cost fluctuates, it is closer to the fixed rate of the alternative Northern route but at the same time the period of transportation along the MC is two times longer than the journey along the North route. In 2022, on average, it took around 50-53 days to transport cargo from the ports of Dostyk or Khorgos to Constanta via the MC. Most of the time oversea crossings, even with the surplus of port capacity – both port works

and tariffs are important problems, other major problems mentioned were lack of vessels, and then mistakes in shipping documents and so on and so forth. Prices in abundance, time not guaranteed, no tracking systems, transshipment and last mile delivery problems, low rolling stock quality and poor logistics center quality are called as the most serious problems related to the railway transport along the MC.

The conclusions reached in the stakeholders' survey were validated by the evaluation conducted for this research. There are five categories of these factors that cause the MC's capacity limitations and operational bottlenecks considered in the given order from corridor time cost perspective: Corridor coordination and management, ports and maritime services bottlenecks, rail and border crossing points which all refer to data and information management bottlenecks.



Cargo Flows along the MC in 2021 and 2030

The current conundrums are:

i.1. The first one, and perhaps the most important is the absence of corridor coordination and planning. This is complicated even more with the number of bodies involved and the absence of single window service that would coordinate transport from one end to another without wasting time at all the interfaces and transshipment points. The recent pact on the establishment of a single window operator, if adhered to will mitigate such concerns and promote efficiency and trust among the shippers.

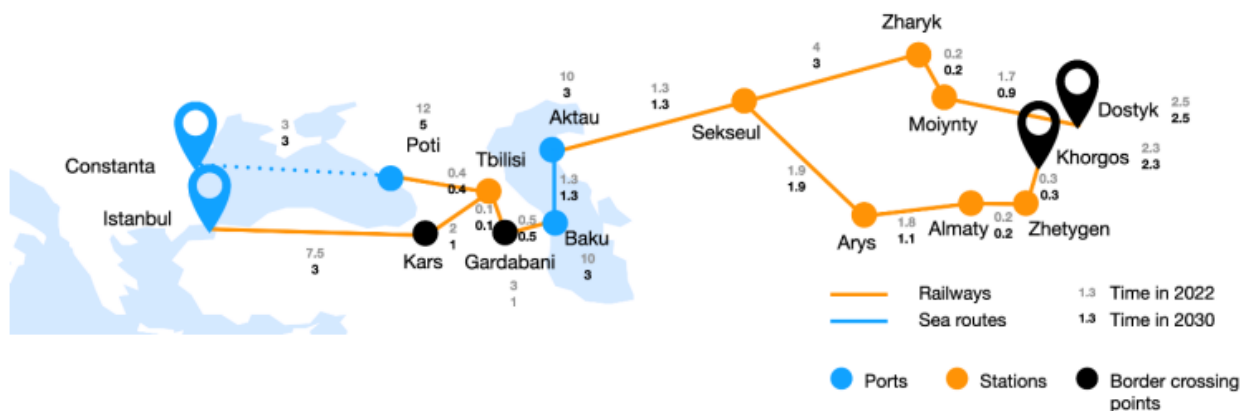
i.2. The next, and the last type of constraint is concerned with operational inefficiencies exhibited by ports along the entire route especially the Caspian and Black Sea, and also, shipping activities in the Caspian sea. Even though the ports have certain limits on capacity, they are all not equipped, and some do not have proper access to the railways. Furthermore, some are unavailable for a long period because of high wind conditions, which contributes to the overall cost due to increased dwell time of the cargo. Moreover, there are very few boats on offer to facilitate movement on the waters of the Caspian and the few that are there move very slowly. The cost of shipping services is also exceedingly high when taking into account the distances involved.

i.3. An additional limiting factor relates to the entire railway infrastructure network. In theory, rail transport has the upper hand on the MC owing to the length of the data corridors and given the nature of trade that is utilizing the transportation route. Still, the performance of railways is often hampered by certain local factors at the port-rail interface, particularly where there are inadequate facilities, poor linkages and substandard operation practices that lead to time and cost overruns.

i.4. The fourth category of constraints or bottlenecks is the delays that occur at the border crossing points, where railways or railway operators of the different countries interface. Partially such delays also result from the fifth and another main type of the bottleneck – that is the flow of information between services providers and regulatory agencies is an inefficiency.

i.5. Although the majority of the MC players adopt modern IT solutions, they do not employ the systems to the same extent, nor are they interfaces of the systems in the first place. This leads to old-fashioned document crossovers, absence of uniform data specifications and system inefficiencies at service providers’ and corridor countries’ interfaces.

Investing in efficiency improvements via improved coordination, logistics and digitalization in the short term, along with investing in the medium term to enhance the attractiveness of the MC, is what is required. In the coming ten years, the MC will need huge capital expenditures, which outline has basically been approved by the nations (signed Roadmap in November 2022). However, in the near term, considerable efficiencies can be done via better coordination, logistics, digitalization, and other means.

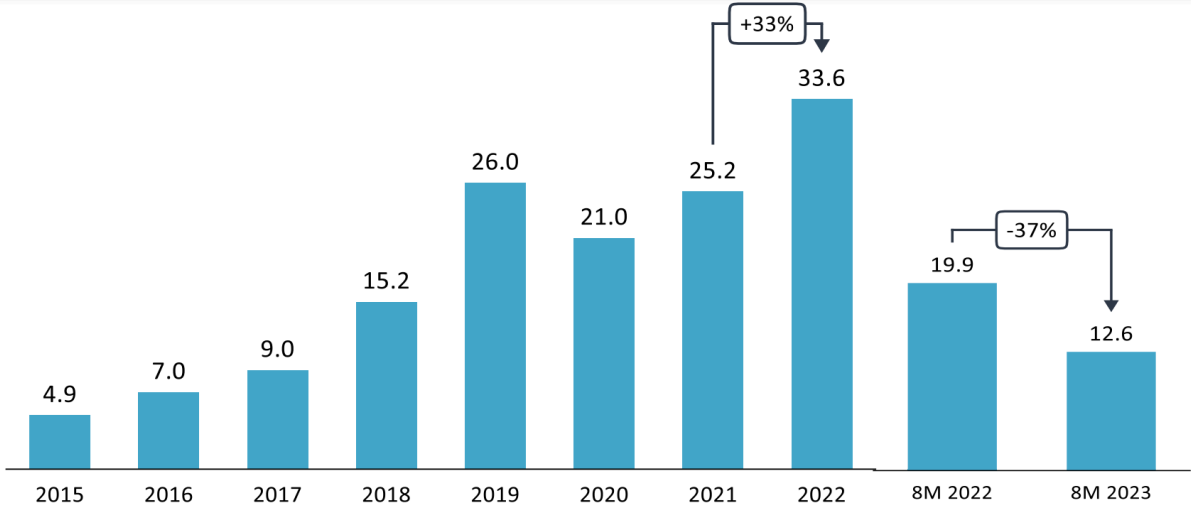


Time breakdown for MC route in 2022 and expected in 2030 if this report recommendations are followed (in days).

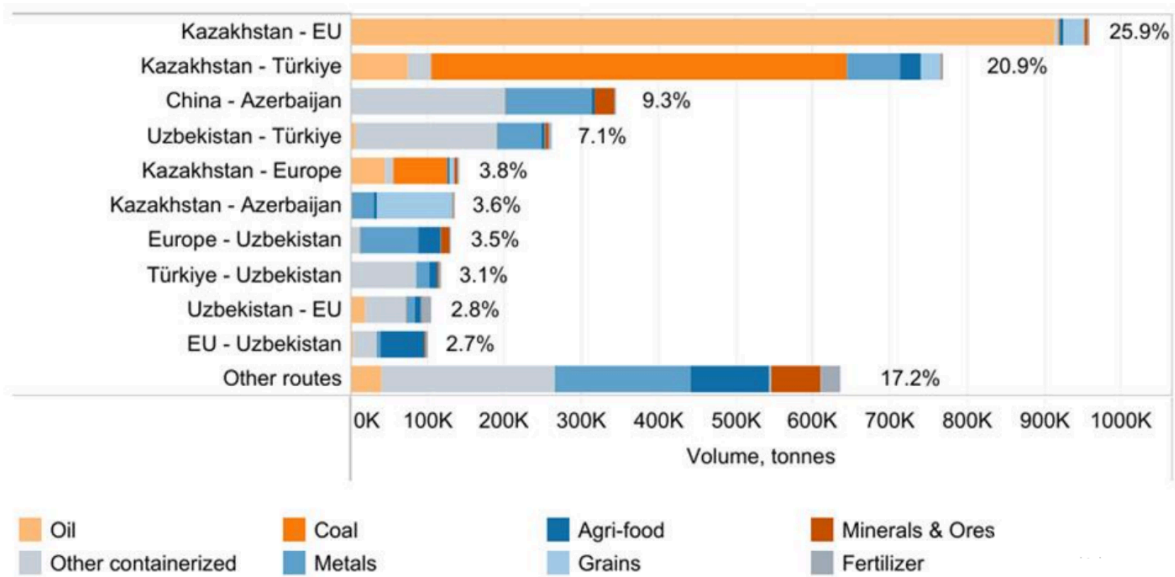
The war initiated by Russia against Ukraine has given a fresh stimulus to the MC as a number of European shippers and transport operators refused to either send or receive goods through the territory of Russia. Moreover, in order to decry the treatment by Russia and avoid competing with insurers of goods carried across Russia. Consequently, the possibility of transporting cargo through the Caspian Sea became quite appealing and received extensive attention starting from March of the year 2022. From March to October of the year 2022, the container traffic volumes

in the region and across the MC rose sharply recording an overall increase of %33 in 2022 as compared to the previous year 2021. However, between March 2022 and March 2023 due to operational inefficiencies and high cost along the corridor switching notably back to sea route, the majority of traffic that had been added previously was lost.

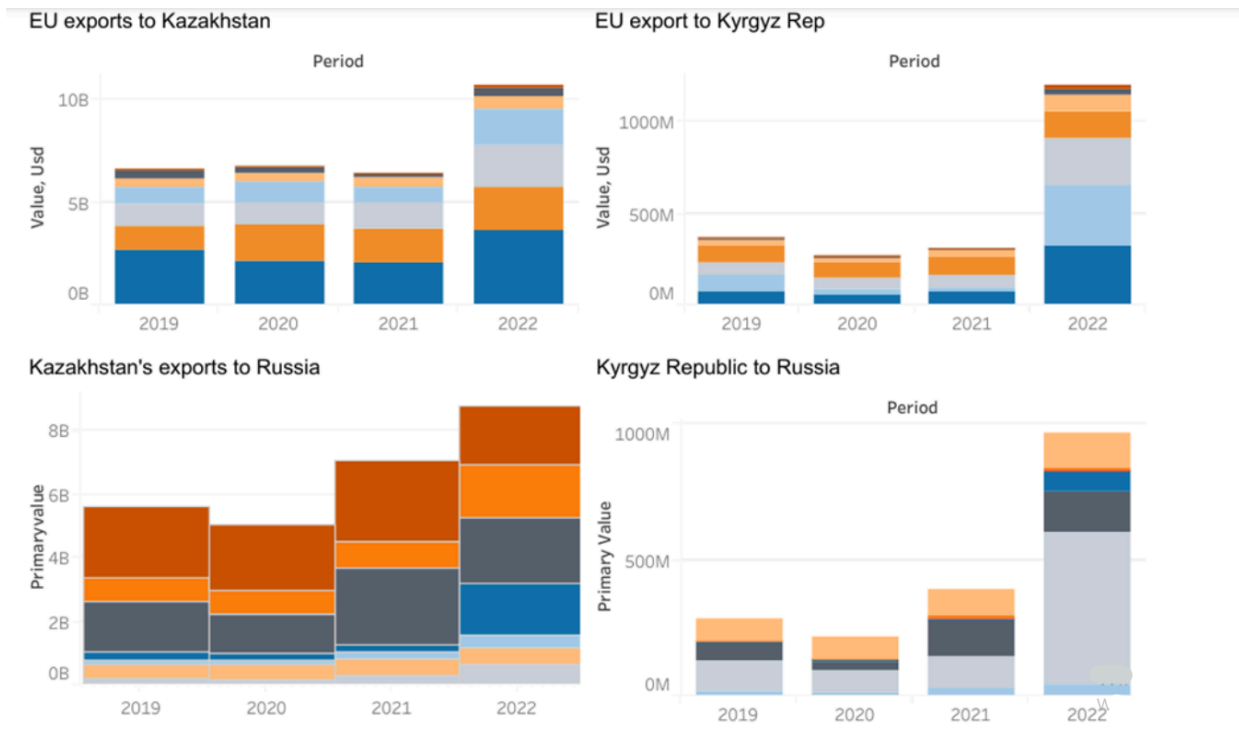
In the wake of the conflict between Russia and Ukraine, the MC gained momentum, partly with the support of the new transportation routes gained, but with a great part of the European shippers and transport services providers refusing to accept or send cargo across the route of Russia to protest against its regime. Shipping options through the Caspian Sea became, therefore, the region four radial land corridors has been historically the lowest market served and has received colossal attention since the beginning of march 2022. The increase, however, was not smooth year over year, the trend increasing throughout 2021 but also demonstrating weather related interruptions and the introduction of constraints as capacity suddenly expanded. In 2021, nearly 2/3 of the transit of the MC was provided by trade with Kazakhstan, Georgia, and Azerbaijan, whose trade turned out to be almost 2 times more in 2022. War in Ukraine began in Russia in 2022, and these countries started increasing trade volumes – especially in energy and technology – due to a shift in some of the trade because of the sanctions imposed on Russia: As a result, Economic activity (especially) shifted from the EU to Kazakhstan, Armenia, or Kyrgyzstan and then to Russia, facilitating the increased traffic that could be accommodated by the MC. The value of trade (both imports and exports) increased in 2022 in relation to the average for 2019-2021 by approximately 45% in Kazakhstan and Georgia and by 72% in Azerbaijan. Most of the growth in exports from the region came from the foreign trade of the European Union, while the non-mineral exports considerably increased towards the US (ex. metals), Russia (ex. machinery and electronics) and the EEU (ex. Machinery and Electronics, cars and food products)



Dynamics of container traffic along the Middle Corridor, thousand TEUs

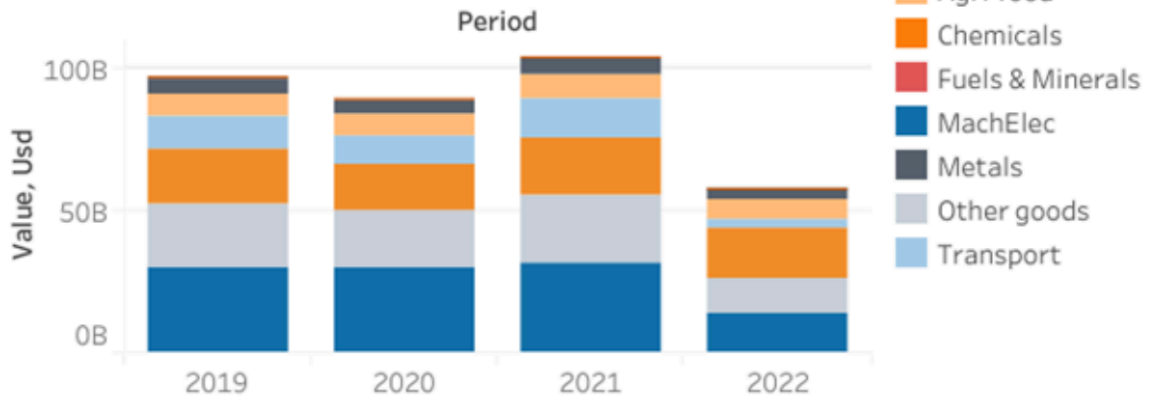


2021 trans-Caspian MC traffic was dominated by Kazakhstan's exports

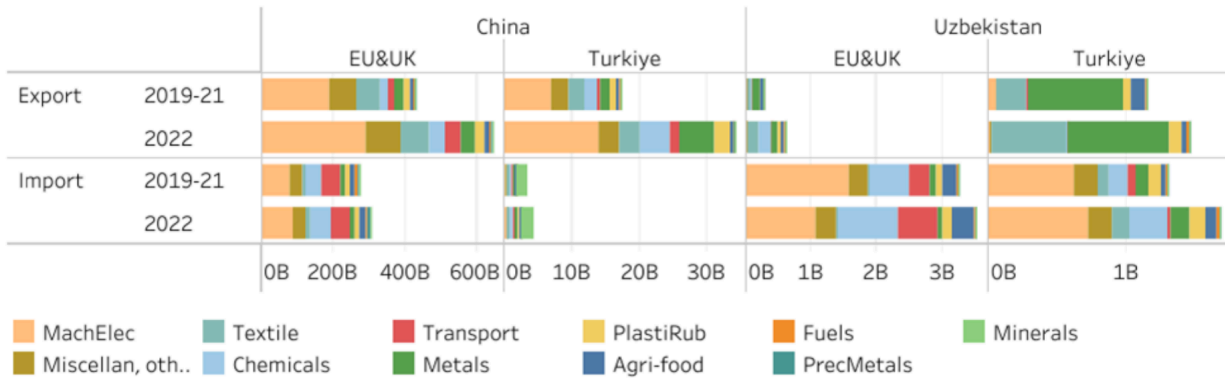


2022 marked by increased trade flows via MC countries

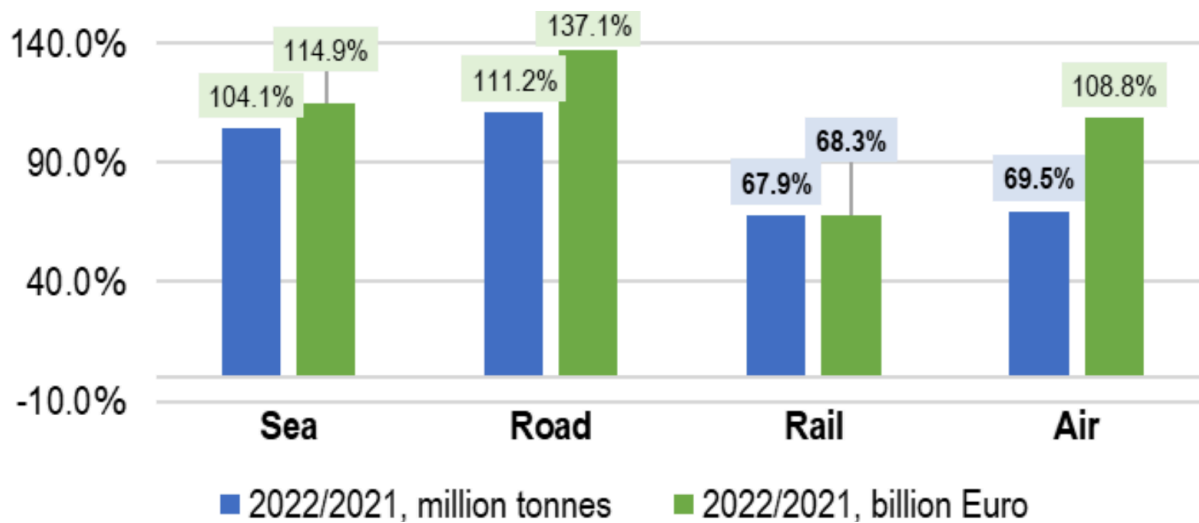
EU exports to Russia



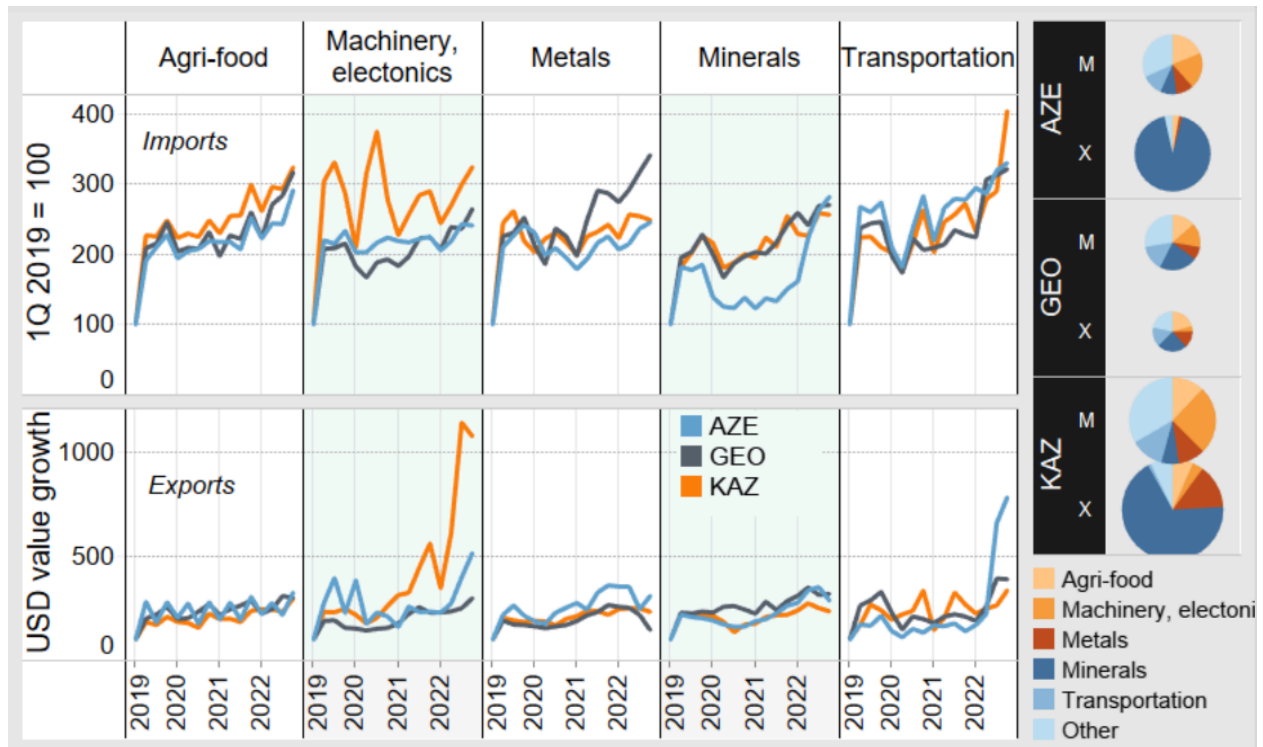
2022 marked by increased trade flows via MC countries



Main transit trade routes via Caspian Sea MC show increased trade in 2022



Changes on shares of modes of transport in China-EU-China trade in 2022 compared to 2021



Trade rose significantly as MC gains momentum

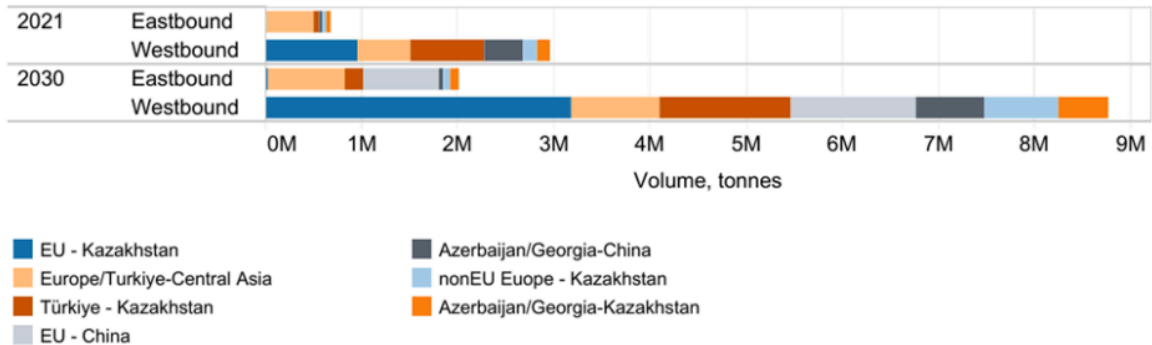
The actual development and improvement of a transport infrastructure have been directed at the Trans-Caspian International Transport Route (TITR), which is a significant transport link connecting China, Central Asia and Europe. Some of the OTS's strategic facilities and plans have proved enormously useful in enhancing the traditional/trade IFs, and connectivity along the TITR.

The OTS has focused on upgrading the transport facilities and structures which are associated with the MC. This comprises of the new construction of transport facilities, infrastructures and improvements of the existing facilities like the ports, railway and roads. For example, the OTS has contributed to developing the Aktau seaport in Kazakhstan as one of the most important points in the flow of goods of the MC. Thus, OTS's speakers have helped increase the capacity and efficiency of this particular port to help lower the time and costs of travel for goods along the given corridor.

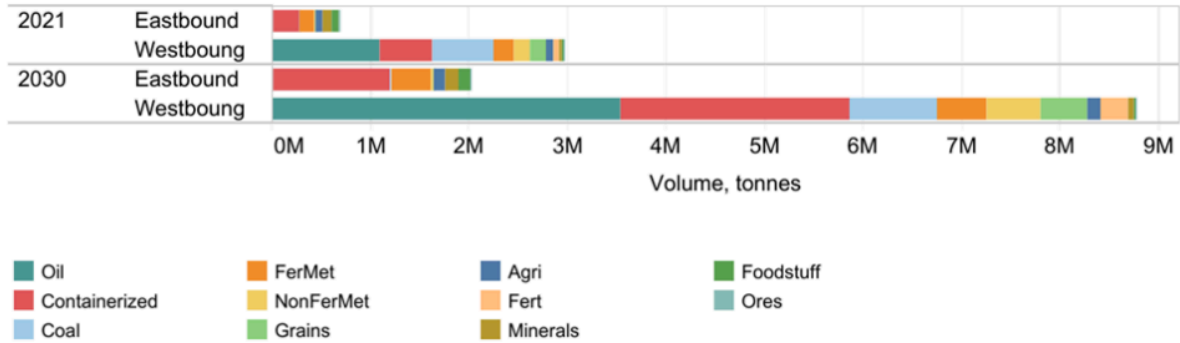
Also, the OTS has played a crucial role in the establishment of a rail and road transport system which gives accessibility of the MC to other transport networks in the region. This has helped to ease the transport of freight and passengers thus cutting down on time and the total cost of transport. For example, the OTS has contributed to the development of new railway line and the modernization of existing infrastructure for linking China, Central Asia and Europe.

Furthermore, the OTS has targeted enhancement of the customs formalities and border arrangements within the framework of the MC. These procedures have also been elaborated at OTS with the aim of minimizing bureaucratic complexities as well as easing the flow of goods. This has been particularly helpful in improving the competitive nature of the MC as compared with other transport options.

A. Routes



B. Cargo type

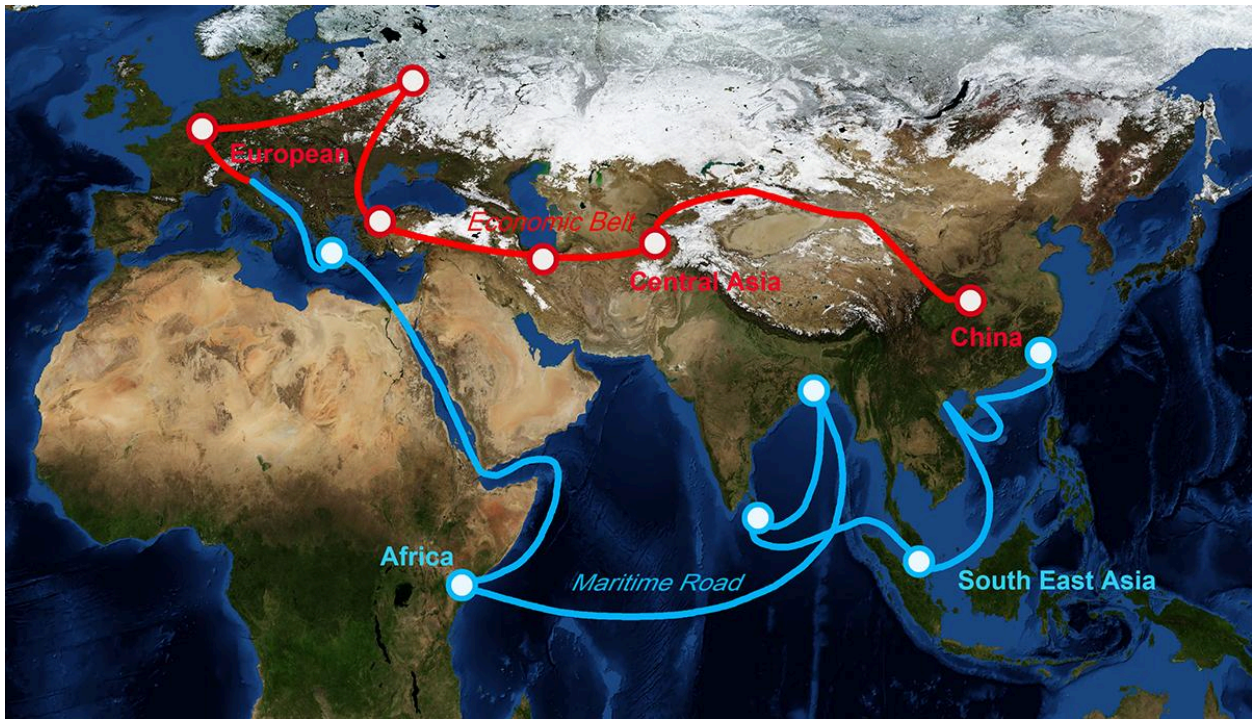


Westbound flows remain significantly larger mostly due Kazakhstan's energy exports

The efforts of OTS and available facilities and initiatives clearly played a great role with the MC development and economic prosperity area. It is noteworthy that for years this route has registered a high upsurge in the tonnage of traded commodities especially the textiles, electronics and machinery. The MC has helped the Chinese and Europe traders move goods totaling to billions of dollars, offering a belt and braces option as compared to maritime ways.

Also, it has been highly central in enhancing integration as well as cooperation of the region's economy. Due to the establishment of the route linking China, Central Asian, and Europe, regional economic cooperation has improved by bringing in new opportunities of investment and trade relations. The various facilities and programs which have been implemented by the OTS have played this very significant role.

Altogether, Turkic facilities and programs play a significant role in strengthening the development and achievement of the Trans-Caspian International Route. Through expenditure in transportation facilities, reconstruction of customs formalities, and fortification of organizational relations, the OTS has supported the trade, investment, and connectivity development of the route. The TITR has grown into Newly vital economic network weaving China, Central Asia and Europe, hence the OTS's continued support is paramount.



Geographic Map of BRI

ii. Belt and Road Initiative Project

Belt and Road Initiative (BRI), also known as Silk Road of the twenty-first century, was introduced by President Xi Jinping of the People's Republic of China on September 7, 2013, at Nazarbayev University in Astana, the capital of Kazakhstan. It is made up of two main parts: Maritime Silk Road and Silk Road Economic Belt. BRI aims to establish six main economic corridors. One of these corridors is China Central Asia West Asia Economic Corridor (CCWAEC), which begins in China's Xinjiang Uygur Autonomous Region and spans 17 West Asian nations, including Iran, Saudi Arabia, and Türkiye, and five Central Asian nations, namely Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan.

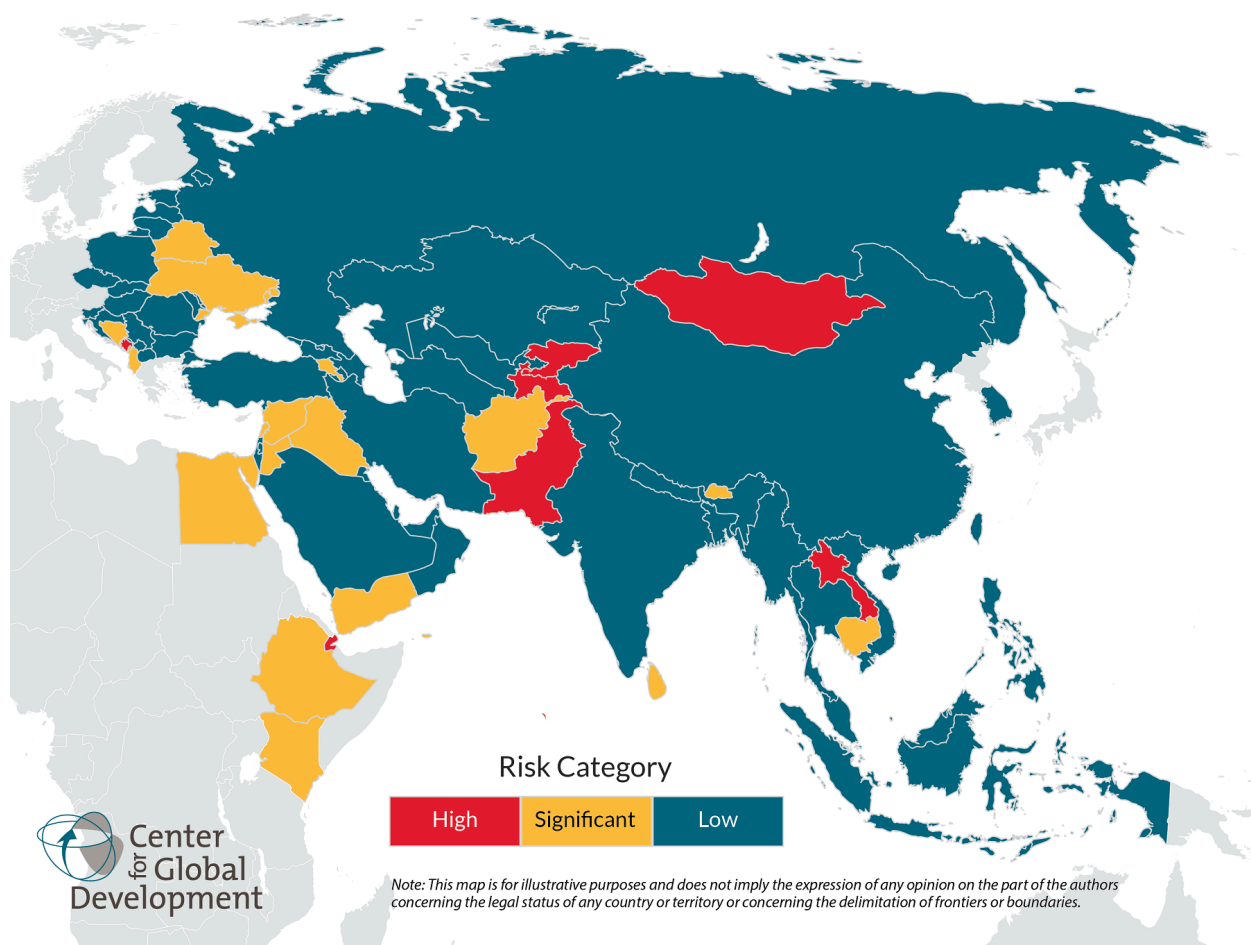
Under BRI, transportation and energy corridors will run across Turkic states in this region. In the framework of multilateral international cooperation shaped by the Belt and Road Initiative In the developing world, the Organization of Turkic States is regarded as a significant geostrategic and geopolitical platform. It is anticipated that the Organization of Turkic States and its members' potential collaboration and partnerships with other nations as active participants in BRI will bring about major changes in the international scene.

As the axis of power in the international order is shifting from West to East, Türkiye is geostrategically positioned at the very middle. Türkiye's location is thought to hold the key to opening up new formations and shifting equilibriums in the region. Türkiye and OTS, as the gateway of Asia to Europe, are considered to be of great importance for the success of the Belt and Road Initiative. In this regard, Türkiye is viewed as a possible member of the growing

BRICS and is a Dialogue Partner in Shanghai Cooperation Organization (SCO), which includes Russia, Iran, Pakistan, India, China, some of Central Asian Republics, and other countries.

On the other hand, the United States of America, having gained significant influence after the collapse of the Soviet Union, has been sidelined in the region by the catalyzed Russia China partnership that has been developing since the early 2000s. It is currently known that the US is concentrating on an Asia Pacific based strategy to counter China, which it regards as its primary adversary in both international politics and the economy. Plans for NATO's expansion towards the Asia Pacific region and formations such as QUAD and AUKUS have been put into practice as implementations of this strategy. Severing China's ties to Europe is regarded as a crucial component of USA policy. In this framework, preventing the development of BRI is also among USA objectives.

Belt and Road Initiative Investments and Debt Riskiness by Country



Debt Riskiness Map of BRI

The most recent studies have seen the BRI and its components become an interesting area of research. The BRI's very purpose is to enhance the connectivity, both at the region and the globe, and for this reason, there is a huge transport infrastructure development program that is meant to

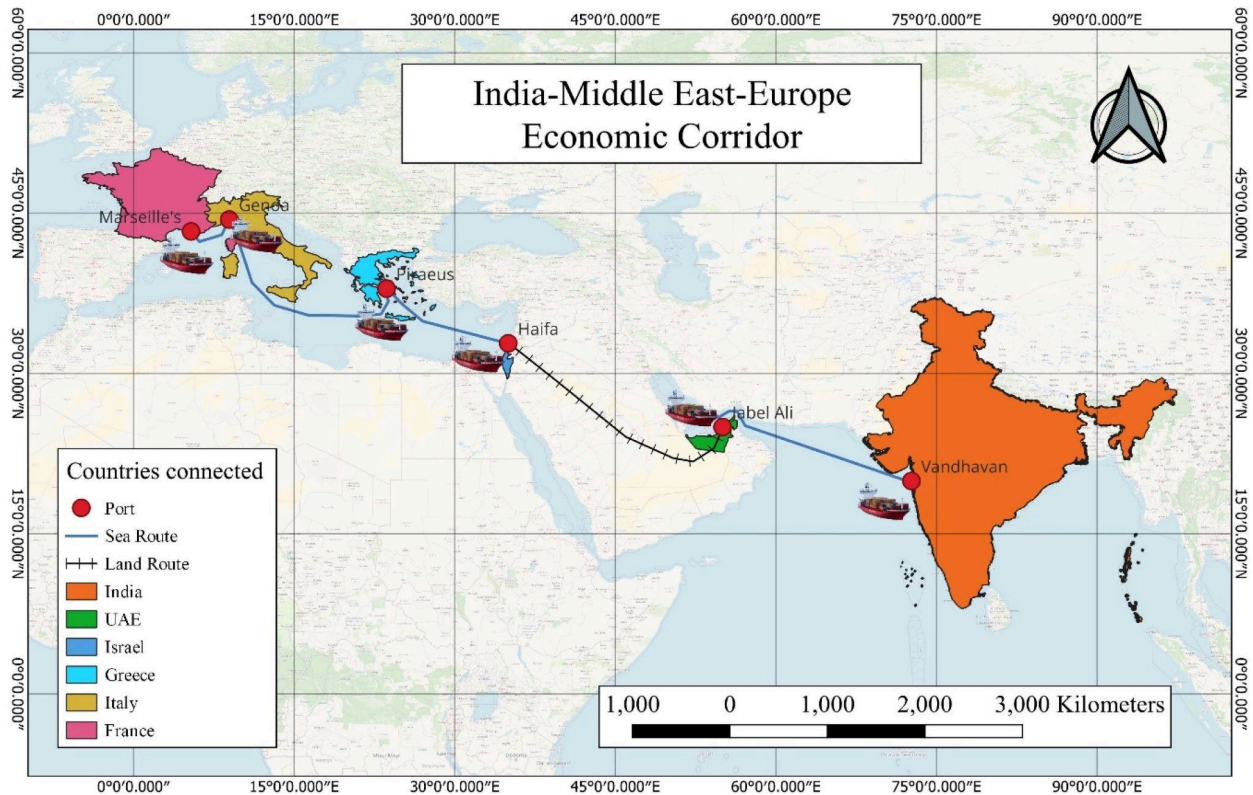
connect China and other parts of the world. Therefore, as this Initiative was one of the most worked on by many nations, scholars have worked to find the reasons, benefits, and difficulties faced by the initiative. In Asia, Europe, and Africa, the BRI is among the most significant proposals from China aimed at advancing regional development. However, there are also those who argue that the BRI is a destructive proposal which integrates transport networks within nations where it invests. The BRI as a Geography Strategy: “A Political Psychological Analysis of Macroeconomic Implications”. The outcomes of several researches indicated that the transport infrastructure e.g. rail and road in countries within the BRI helps in influencing growth in the economy rather positively. Most of the countries that are present along these routes manage to harness Chinese investments in infrastructural development and rank well in the table assessing the commercial maritime power. The commercial maritime powers in these states have improved, to an extent that they can be able to satisfy the basic needs and through them engage in business operations which will in turn promote economic development.

With an announcement made in 2013 containing ambitious expectations, the project started to be implemented on a large scale in 2018, which caused concerns in the US. These developments also contributed to the rise of the trade war between Washington and Beijing that intensified during Donald Trump’s presidency. By challenging NATO and the European Union allies’ obligations himself, Trump surrounded those nations with political stress. Thus, the periods of cooling off affected the political dynamics between the United States and a few countries that are part of the European Union.

2018 was an interesting year for geopolitics, as the internal causes of the propagandistic promotion of the China threat politics were adopted and transformed into the China threat theory. However, the world experienced radical changes in 2020, when the COVID-19 virus spread all over the world. In the course of the pandemic, economies were depressed, international involvements took a back seat and thus the trade hostility between the two most powerful countries clamoring for superiority eased temporarily as both states practiced looking inwards to resolve internal issues.

The 2020 U.S. elections were a turning point in this regard, with Joe Biden’s victory bringing a more nuanced albeit a more successful way of dealing with China in terms of economy. One case can be observed in Italy. In 2018, the populist Five Star Movement, took power and signed a Memorandum of Understanding, with China on the Belt and Road Initiative. Yet, in 2022, the newly elected Government of Italy under Giorgia Meloni promptly canceled this agreement, ensuring that no G7 member would be able to economically assist the given initiatives. This highlighted that even though trade wars in the conventional levels may have ended, activities of competition, and lobbying between the US, and China existed.

At the same time, the US has put forth the IMEC proposition which is meant to rival China’s Belt and Road Initiative. This trade connection was brought up through the corridors of the 2023 G20 summit and seeks to provide a cheaper and more dependable alternative. There are however concerns surrounding the implementation of the project including lack of a clear financing scheme, renewal of political instability in the United States, and the protracted conflict between Israel and the neighbors.



Administrative Map of IMEC

Considering the fact that no current member of the Organization of Turkic States (OTS) is a participant in the IMEC, the corridor may be viewed as a potential threat to these countries. Yet, this perception could change if political events allow for the OTS countries to join the project in the future, such changes could create structural advantages to IMEC.

The impact of changes in transportation infrastructure on the growth of the economy has been extensively covered in the previous research. From a theoretical aspect, the International Journal of Economic and Administrative Tajik Studies has argued that investment in transportation infrastructure had a greater impact on the growth output of the private sector within the US economy. The main factor behind this increase in productivity is that enhanced quality of services provided by transportation infrastructure, lowers time and transportation expenses. However, as noted by the firm, improvements in transportation infrastructure may lower the costs of factors of production, increase the market scope of firms as well as different regions, improve the supply and demand for labor, promote economic activities, and ease interaction between cities- all asserting that infrastructure investment aids in the index of GDP. In particular, the enhancement of transportation infrastructure is an essential factor for the entire economy's growth because such infrastructures promote the trade of goods and services as well as resources for production. Not only this, but also enhancements in transportation infrastructure add much value to the net geographical quality of the given area due to the fact that it provides people with a more pleasant and accessible region.

The backbone of BRI is enhancing the transportation system and intercontinental relation expansion. There are earmarked funds for the construction of the airport, creation of railway, building roads, and other infrastructural projects. At this time, there are opportunities for the

Turkic states to become the most important ally or partner to China due to their geographical location. For instance, in the context of land and air transportation as well as energy routes, Türkiye is at the core of BRI geographical positioning. The BRI corridor in Türkiye would benefit the Chinese exports by connecting them to other lands like the Balkans and the countries of the black sea basin easily. In addition, it would give rise to the fact that Türkiye might play an important role in the BRI energy distribution growth because it is surrounded by countries rich in oil and gas resources and it is comparatively a more peaceful and politically stable nation for investment unlike other prospects. Furthermore, Türkiye, Iran and Central Asian countries (the Central Eurasian countries interacting with West Asia) have a more strategic focus of late on the developments within the European market for China due to the Russian-Ukrainian conflict. However, the BRI initiative would bring connections developed by United Turkey Organization member and observer countries such as Kazakhstan, Turkmenistan, Kyrgyzstan, and Uzbekistan with Türkiye back to life. The geographical location of Azerbaijan reflects why it is a perfect country for implementing BRI construction as the Caspian sea region of located Azerbaijan is turning out to be a meeting point of economic activities of East Asia, Europe and Russia. Since Kazakhstan also sits in the Caspian sea region, it is the country used by Azerbaijan to transit into the Central Asia-China route while giving access to Türkiye and Europe through Kazakhstan.

VARIABLES	# OF OBS.	MEAN	STD. DEV.	MINIMUM	MAXIMUM
GDP per capita (GDPpc)					
AZ	30	8893.63	4770.50	2983.37	14876.97
CH	30	7597.41	3991.00	2689.54	14348.47
KA	30	17365.74	6530.58	8976.57	27642.66
KR	30	4665.94	1020.75	3002.68	6314.33
TU	30	17858.13	4955.67	11915.57	26991.43
UZ	30	6762.94	2563.50	4115.66	11992.23
Consumption per capita (CONpc)					
AZ	30	6809.50	3308.85	3004.48	12211.73
CH	30	3534.35	2361.84	852.59	8600.41
KA	30	12777.57	4879.42	6691.02	20971.02
KR	30	4848.72	1342.61	2935.80	8724.91
TU	30	12790.32	3149.94	8967.44	18471.95
UZ	30	6062.44	1921.99	4134.06	10428.98

Note: AZ: Azerbaijan, CH: China, KA: Kazakhstan, KR: Kyrgyzstan, TU: Turkey, UZ: Uzbekistan

Descriptive GDP and Consumption Data of OTS Member States

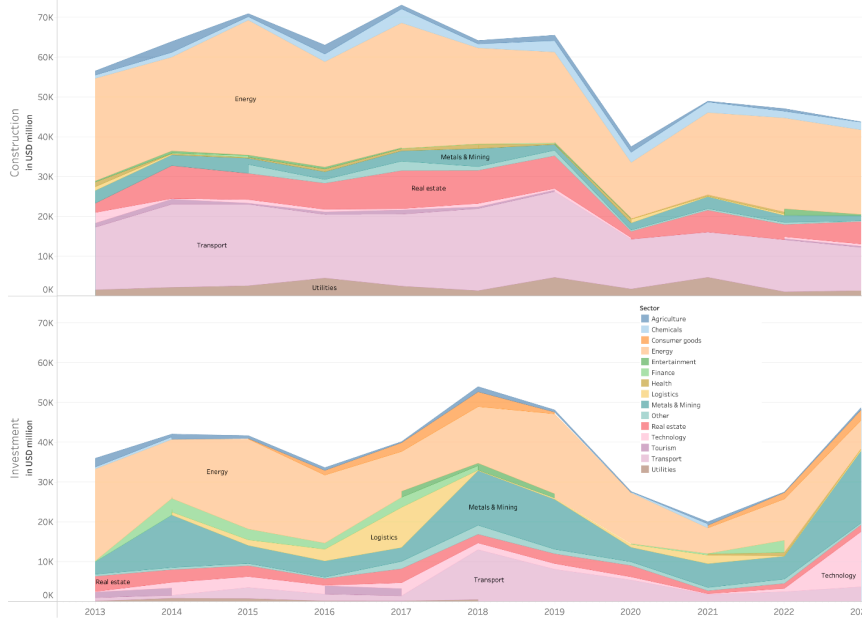
¹[*] The Northern Cyprus Turkish Republic is not officially recognized by the UN and OTS. The UN considers it a territory of the Republic of Cyprus under Turkish occupation.

	AZ	KA	KR	TU	UZ	FROM
AZ	36.72	19.84	20.31	0.76	22.36	63.28
KA	29.60	30.37	20.93	1.32	17.78	69.63
KR	24.93	17.96	31.85	3.34	21.92	68.15
TU	5.38	6.59	6.22	77.02	4.80	22.98
UZ	27.92	16.80	21.68	1.20	32.40	67.60
TO	87.83	61.18	69.13	6.62	66.86	TCI
NET	24.55	-8.44	0.98	-16.36	-0.73	58.33

Note: TCI is the Total Connectedness Index, TO is the contribution of a variable to others, FROM is the contribution of a variable from others, and NET is the net connectedness (TO-FROM). AZ: Azerbaijan, CH: China, KA: Kazakhstan, KR: Kyrgyzstan, TU: Turkey, UZ: Uzbekistan.

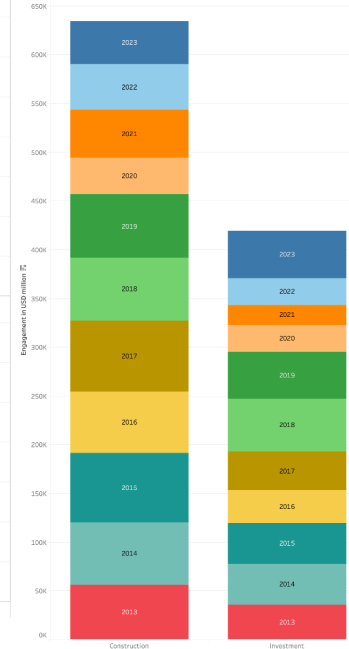
GDP Per Capita Connectedness Data within the Turkic States

Chinese engagement in the Belt and Road Initiative since 2013



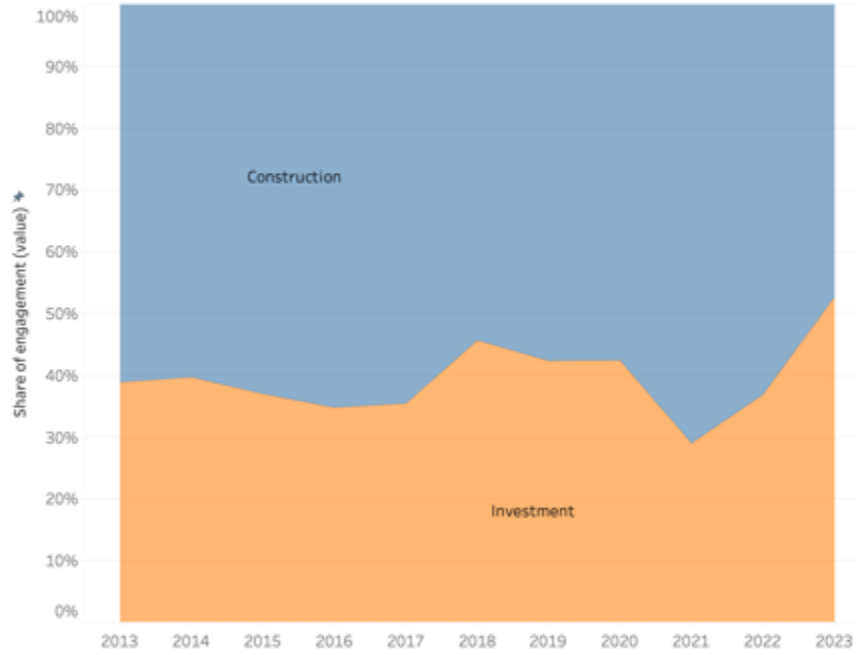
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Chinese cumulative BRI engagement since 2013



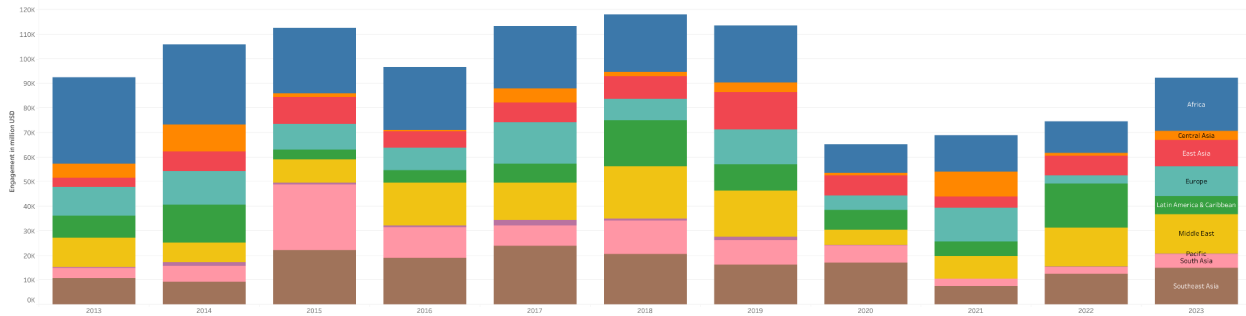
China's BRI construction engagement (top) and investments (bottom) 2013-2023, cumulative (right)

Chinese engagement in the Belt and Road Initiative since 2013



Share of construction and investment engagement in the BRI 2013-2023

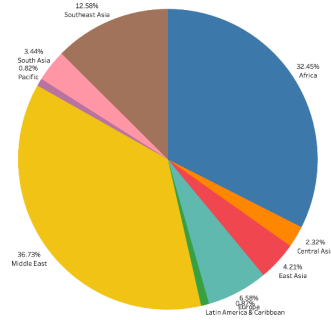
Chinese BRI engagement in different regions since 2013



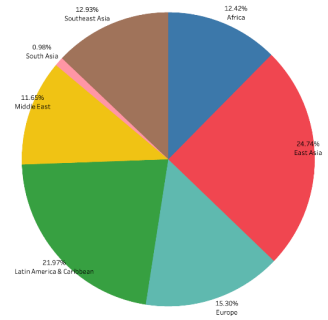
Growth/decline of BRI engagement in different regions

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Construction									
Africa	-9%	-7%	9%	-26%	3%	-46%	-16%	8%	47%
Central Asia	-89%	-62%	1,409%	-70%	48%	-54%	764%	-99%	368%
East Asia	-18%	24%	25%	5%	7%	26%	45%	42%	43%
Europe	-33%	-23%	267%	-59%	79%	-37%	160%	-74%	-15%
Latin America & Caribbean	39%	25%	172%	25%	52%	20%	60%	423%	95%
Middle East	19%	65%	-22%	55%	-19%	-93%	36%	14%	35%
Pacific	5%	18%	272%	60%	17%	56%	-100%	-43%	
South Asia	294%	58%	39%	45%	-9%	64%	-7%	25%	171%
Southeast Asia	103%	28%	-18%	1%	39%	-25%	-42%	16%	6%
Investment									
Africa	-48%	12%	-49%	170%	-7%	-64%	234%	-39%	114%
Central Asia	-74%	-76%	211%	-36%	342%	-100%	-48%	53%	
East Asia	83%	-66%	95%	22%	92%	-68%	43%	228%	94%
Europe	-17%	-7%	7%	-33%	56%	-80%	35%	-100%	
Latin America & Caribbean	-92%	227%	38%	749%	-42%	25%	51%	4%	108%
Middle East	0%	70%	32%	-8%	24%	-92%	322%	341%	-43%
Pacific	-50%	-64%	117%	-56%	252%	-100%			
South Asia	309%	-32%	29%	102%	-62%	103%	-93%	197%	-42%
Southeast Asia	170%	-38%	61%	-20%	53%	52%	49%	143%	27%

Chinese BRI construction engagement in different regions 2023



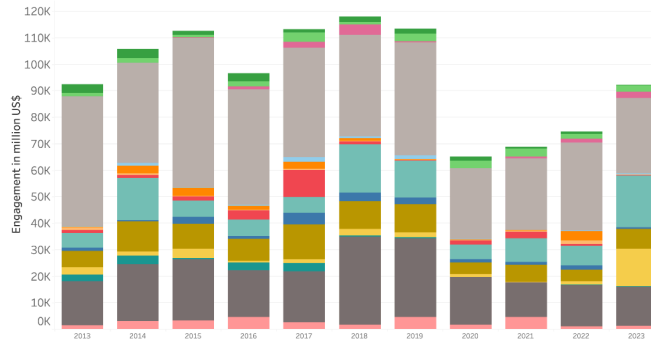
Chinese BRI investment in different regions 2023



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BRI investments in different sectors 2013-2023

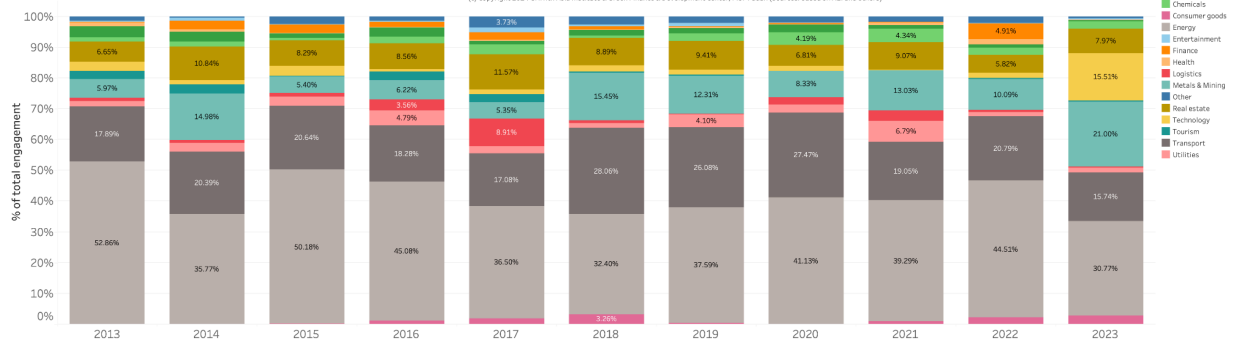
Chinese BRI engagement in different sectors since 2013



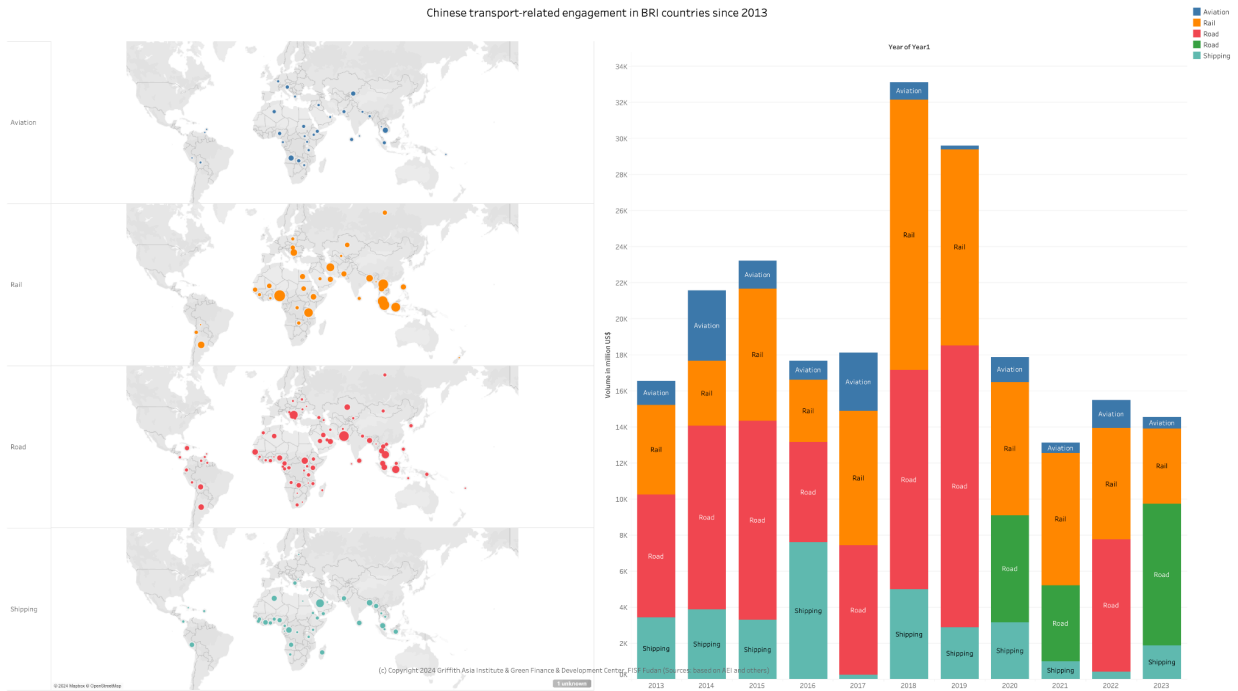
Growth/decline of BRI engagement in different sectors

	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture	95%	-5%	73%	-21%	-20%	-50%	8%	-51%
Chemicals	325%	83%	-75%	239%	-5%	10%	-44%	32%
Energy	-2%	-5%	-7%	12%	-37%	1%	23%	-14%
Entertainment	400%	230%	-62%	100%	-8%	-100%		63%
Finance	-6%	71%	-6%	-83%	32%	-46%	1,560%	-100%
Health	-1%	160%	-79%	136%	-50%	423%	91%	-92%
Logistics	144%	193%	-89%	-80%	630%	35%	-77%	-18%
Metals & Mining	-1%	1%	201%	-22%	-61%	66%	-16%	158%
Real estate	-1%	56%	-20%	9%	-59%	41%	-1%	70%
Technology	-81%	146%	45%	-29%	-37%	-88%	73%	1,046%
Transport	-24%	9%	71%	-11%	-40%	-27%	18%	-6%
Tourism	820%	6%	65%	-13%	-100%			3%
Utilities	41%	-44%	-31%	160%	-63%	169%	-79%	27%
Other	-54%	230%	24%	-22%	49%	-7%	36%	-61%
Consumer goods	800%	90%	73%	-89%	-100%		147%	60%

Sector share of BRI engagement since 2013



BRI investments in different sectors 2013-2023



Chinese engagement in BRI transport infrastructure 2013-2023

Largest Chinese investors in the BRI in 2023 (parent companies)

	% of total
Contemporary Amperex Tech	15.2%
Zijin Mining	10.8%
Southern Power Grid	9.3%
Zhejiang Huayou Cobalt	8.8%
China Molybdenum	5.4%
Minmetals	5.1%
Alibaba	4.0%
China Communications Construction	3.5%
China Petroleum and Chemical (Sinopec)	3.5%
Shandong Xinhai, BaoWu Steel (Baosteel)	3.4%
GEM	3.3%
Hailiang	2.3%
Bytedance	2.3%
China National Nuclear	2.1%
West China Cement	2.1%
Shenzhen Xingyuan	1.9%
Aviation Industry Corp. (AVIC)-led consortium	1.8%
Hefei Xinmei Materials	1.7%
China Communications Construction, Guangxi Beibu	1.6%
China Railway Construction	1.6%
Inventronics	1.6%
Hunan Zhongwei	1.6%
Zhonghuan International Group	1.4%
BYD	1.4%
China National Petroleum Corp. (CNPC)	1.4%
China Energy Engineering	1.4%
China National Geological & Mining Corp	1.4%

Largest Chinese construction companies in the BRI in 2023 (parent companies)

	% of total
Power Construction Corp. (PowerChina)	20.1%
China Petroleum and Chemical (Sinopec)	16.8%
China National Petroleum Corp. (CNPC)	10.1%
China Railway Construction	9.8%
China Energy Engineering	8.0%
China Communications Construction	7.8%
China National Building Material	5.7%
China National Machinery Industry (Sinomach)	5.5%
State Construction Engineering	4.7%
Power Construction Corp. (PowerChina), Dongfang Electric	3.0%
China Energy Construction Corporation	2.5%
China Railway Engineering	1.6%
Minmetals	1.6%
China National Chemical Engineering	1.5%
China Three Gorges	1.3%

Major Players in BRI investments in 2023 (parent companies)

b) OTS Human Capital Development Goals

Human capital development carries four fundamental elements. Firstly, it involves increasing people's purchasing power. Secondly, it entails implementing decisions made by international constitutional courts to instill confidence in investors. Thirdly, it is about facilitating production and consumption habits for members of society. In this context, foreign investors make decisions about investing in a particular country. This is significant for capital owners because their investments, from which they expect a return in the future, are subject to various risk factors such as restrictions imposed by existing governments, expropriation of assets, or support for policies that could lead to unfair competition. This is because in a scenario where a government fails to uphold international law, a company that has been wronged will be left without recourse on the international stage. Moreover, if the purchasing power of the people declines, investments made in that country will not have much significance for the population, leading to the dispersal of investments to other countries at significant logistical costs.

Governments often find it most logical and convenient to market their countries to investors by promoting strong consumer purchasing power. To achieve economic prosperity, nations must create an environment where interest rates are low, and citizens can consume freely. When these

criteria are met, economic growth occurs. This type of growth is known as 'consumption-driven economic growth'. The soaring, yet often overlooked, debt levels in powerful nations like the United States, China, Germany, and Russia are a direct result of this approach.

However, consumer-driven growth alone is insufficient to sustain a nation's economy. Uncontrolled consumption, disproportionate to a country's international standing and scale, can lead to economic crises. The 1998-2002 Argentine economic crisis and the 2018-2025 Turkish economic crisis serve as prime examples. These countries, having lost the confidence of international investors due to economic instability and legal issues, turned to blaming 'foreign powers' for the lobbying of international capital. They stubbornly persisted in pursuing consumption-driven growth.

Despite fantasizing about a completely independent economic system immune to international events, emerging economies must realize that a 'do as I please' attitude is unacceptable to the international economic community and investors. When investors withdraw their capital from a shrinking market, continuing to promote consumption leads to severe inflation. This inflation erodes the purchasing power of the people, making it counterproductive to human-centered growth.

High inflation erodes investor confidence as the value of assets fluctuates unpredictably. Even if investors and producers make more money, the declining value of currency makes it difficult to plan for the future. This forces investors to choose between reducing investment and leaving the country — a common choice for big foreign businesses — or raising prices to weather the economic storm. Both scenarios exacerbate inflation, creating an uncontrollable cycle. Türkiye from 2018 to 2025 is a good example.

To prevent investors from fleeing, governments often resort to raising interest rates. This serves as a penalty for a nation's misguided policies, allowing the central bank to control the rate at which the public's purchasing power decreases. While interest rates encourage investors to park their money in interest-bearing accounts, they also lead to higher credit card and loan rates, reducing consumer spending. This helps balance supply and demand. Essentially, raising interest rates is an admission of policy failure.

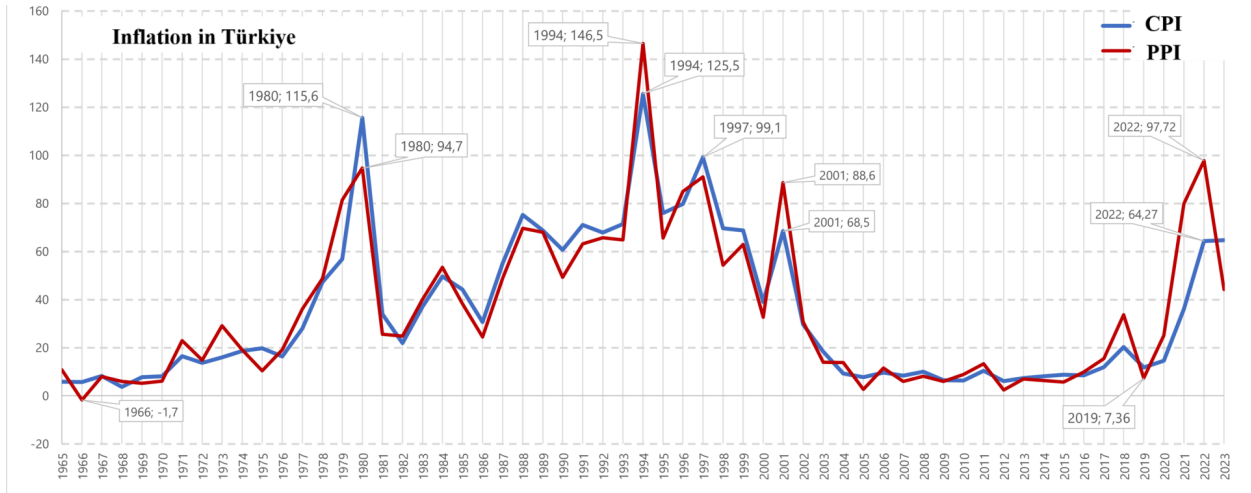
Erdogan's failed "Pastor Brunson-Fethullah Gülen exchange" and subsequent sanctions from the U.S. and EU led to economic hardship in Türkiye. Despite this, Erdoğan blamed "foreign powers" and an "interest rate lobby" rather than acknowledging his own mistakes. His insistence on a consumption-driven economy, coupled with the denial of the link between interest rates and inflation, plunged Türkiye into a deep economic crisis.

Recognizing the error of his ways, Erdoğan appointed Mehmet Simsek as Finance Minister after the 2023 elections. Simsek, who views interest rates as an economic tool, has been working to stabilize the economy by raising interest rates. The Turkish experience demonstrates that interest rates are a necessary policy tool to prevent economic crises and attract foreign investment. It also highlights the impossibility of achieving complete economic independence without adhering to international market norms.

Therefore, in this section, the policy interest rates, inflation data, rankings in international law, and listings in the Financial Action Task Force (FATF) - an indicator of money laundering and

other illicit financial flows - of the central banks of two members of OTS have been shared as a sample.

i. Türkiye



CPI and PPI Inflation Data of Türkiye



Policy Interest Rate Data of Türkiye

FACTOR	GLOBAL RANK	REGIONAL RANK*	INCOME RANK**
Constraints on Government Powers	137/142	14/15	39/41
Absence of Corruption	77/142	8/15	25/41
Open Government	107/142	13/15	35/41
Fundamental Rights	133/142	15/15	39/41
Order and Security	75/142	13/15	23/41
Regulatory Enforcement	116/142	14/15	38/41
Civil Justice	119/142	15/15	36/41
Criminal Justice	107/142	13/15	31/41

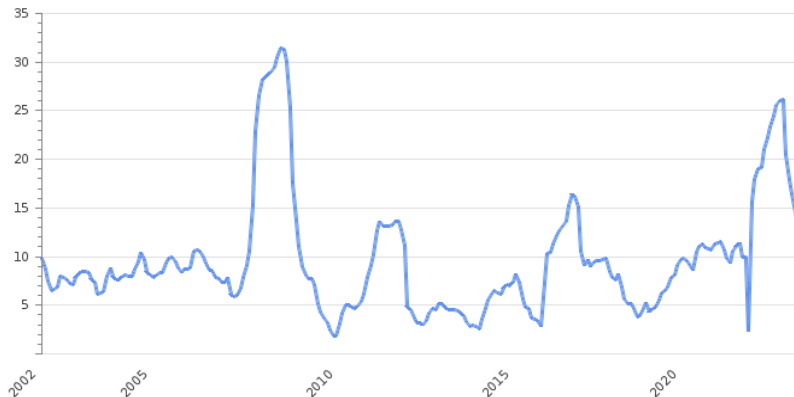
Türkiye's WJP Rankings

R.1 - Assessing risk & applying risk-based approach	R.2 - National cooperation and coordination	R.3 - Money laundering offence	R.4 - Confiscation and provisional measures	R.5 - Terrorist financing offence	R.6 - Targeted financial sanctions related to terrorism & terrorist financing	R.7 - Targeted financial sanctions related to proliferation	R.8 - Non-profit organisations
LC	LC	LC	C	LC	LC	LC	LC
R.9 - Financial institution secrecy laws	R.10 - Customer due diligence	R.11 - Record keeping	R.12 - Politically exposed persons	R.13 - Correspondent banking	R.14 - Money or value transfer services	R.15 - New technologies	R.16 - Wire transfers
C	LC	C	C	LC	LC	PC	LC
R.17 - Reliance on third parties	R.18 - Internal controls and foreign branches and subsidiaries	R.19 - Higher-risk countries	R.20 - Reporting of suspicious transactions	R.21 - Tipping-off and confidentiality	R.22 - DNFBPs: Customer due diligence	R.23 - DNFBPs: Other measures	R.24 - Transparency and beneficial ownership of legal persons
C	LC	LC	C	C	LC	C	LC
R.25 - Transparency and beneficial ownership of legal arrangements	R.26 - Regulation and supervision of financial institutions	R.27 - Powers of supervisors	R.28 - Regulation and supervision of DNFBPs	R.29 - Financial intelligence units	R.30 - Responsibilities of law enforcement and investigative authorities	R.31 - Powers of law enforcement and investigative authorities	R.32 - Cash couriers
LC	C	LC	LC	C	C	LC	LC
R.33 - Statistics	R.34 - Guidance and feedback	R.35 - Sanctions	R.36 - International instruments	R.37 - Mutual legal assistance	R.38 - Mutual legal assistance: freezing and confiscation	R.39 - Extradition	R.40 - Other forms of international cooperation
LC	LC	LC	LC	C	C	C	LC

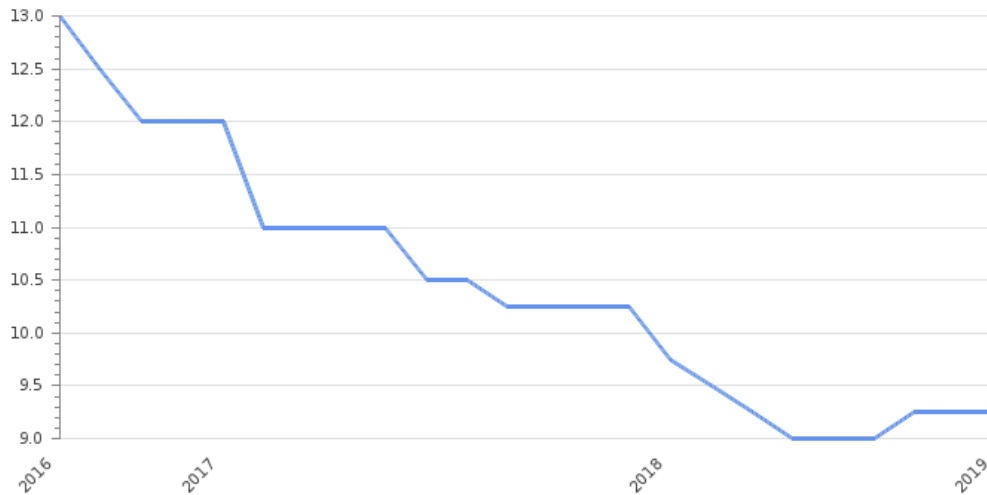
C = compliant | LC = largely compliant | PC = partially compliant | NC = non-compliant

Türkiye's FATF Report

ii. Kazakhstan



Inflation Data of Kazakhstan



Policy Interest Rates of Kazakhstan

FACTOR	GLOBAL RANK	REGIONAL RANK*	INCOME RANK**
Constraints on Government Powers	103/142	8/15	32/41
Absence of Corruption	63/142	4/15	16/41
Open Government	84/142	10/15	28/41
Fundamental Rights	100/142	11/15	33/41
Order and Security	44/142	7/15	7/41
Regulatory Enforcement	61/142	2/15	15/41
Civil Justice	36/142	1/15	4/41
Criminal Justice	61/142	3/15	16/41

Kazakhstan's WJP Report

c) OTS Sustainable Development Goals

Sustainable Development plays a significant role of OTS member states in order to keep importance of organization and also their member states political power. Inflation, interest rates are particular tool of SDGs. These tools have efficiency on member states' GDP. Even, the West European countries are having difficulties with long-term macroeconomic doubts because of low birth rates, these countries generally do not have any kind of problems related with investments. Because, sustainable development have a complex structure to detailed analysis. Analysis can be relatable with sociocultural, ecological, economic, politic events and occasions. In contrast, so many economists DEĞERLİNDİRMEK to sustainable development goals from economic perspective generally.

In the 21st century, having manpower gets lower economic effectiveness to countries. These dynamic changings also relatable with technology developments in enterprises' work systems, such as: improvement of AIs, computer systems and systematic grand machines. All of these elements, started to hold the places from people. Many big sized companies have started to integrate these tools to rebuild their work systems. As known as, machine powers and AI can do human missions, these elements are getting more importance and having more key role in

working systems day by day.

As being a part of human based development, sustainable development goals are an essential part of economy management. The countries, which were in financial crises, can be great funding choices. The main reason to that situation comes from economically predictable scalas. Through economic forecasting, investors and capital owners can anticipate the potential results of their investments and simultaneously identify promising, nascent investment opportunities. Similar to a car requiring clear windshields for a safe journey, a nation's economy depends on transparency for its efficient operation. Multiple factors contribute to establishing this transparency:

- i. Transparent Tenders
- ii. Changes in the Central Bank's gold, foreign exchange deposits, and reserves
- iii. Political Mediation Performances
- iv. Inflation and Interest Rate Data

In this section, the definitions, functions, and impacts of the first and second elements of articles will be examined.

i. Transparent Tenders:

Tenders are the most fundamental elements that directly concern investors, either attracting them to a country or driving them away. Governments, public institutions, and their affiliated organizations may award contracts to firms for a certain amount of money to manage a project or provide a service, such as building hospitals, bridges, or cyber infrastructure. These tenders can be categorized into four types: open tenders, tenders among specific bidders, negotiated tenders, and direct procurement.

Tenders can also be classified based on their validity period, such as short-term tenders—for example, determining and storing the type of liquid soap to be used in government offices that year—or long-term tenders. A prime example of a long-term tender is the Build-Operate-Transfer (BOT) model initiated by Recep Tayyip Erdoğan in Turkey in 2018. To prevent the Turkish treasury from incurring costs for high-cost projects like city hospitals and bridges, Erdoğan established a business model where these projects were tendered to private firms, allowing them to operate the projects for a certain period until they reached a level of profitability. The companies financed these projects with their own budgets and were granted a certain period of operation after the completion of the financing process.

To ensure that firms did not incur losses and to provide them with security, Turkey made certain official commitments such as road traffic guarantees for bridges and patient guarantees for hospitals. If these guaranteed numbers were not reached, the government would pay these firms from its own treasury under the guarantee. Although this business model was profitable for the state treasury, due to Turkey's lack of sustainable economic balances, the contracts made in the tenders were denominated in US dollars, causing a large portion of the country's projects to be tied to dollarization. As a fundamental consequence of dollarization, the country's economy became more fragile in the event of potential international political tensions. Moreover, due to

the inability to meet the vehicle and patient conditions stipulated within the guarantees after the financing process, the government was forced to pay the guaranteed amounts in dollars, which appreciated against the Turkish lira over the years. During this period, companies that could not obtain short term capital flow and could only receive a return on their investment after construction were affected by the exchange rate hikes and inflation caused by international political tensions. The tax debts of these companies were also waived.

Due to such examples, the investment profiles and reputations of countries are damaged in the international arena, and international firms have been reluctant to adopt this business model for the financing of such risky investments without a short term capital flow. This is because the waiver of corporate tax debt is not common in many countries. Due to the difficulties of this model, domestic firms rather than international firms have been more inclined to participate in public tenders in Turkey, and in some cases, it has been observed that tenders are directly awarded to certain firms without informing the public. As the number of firms participating in tenders decreases in cases like Turkey, the monopolization of firms increases, competition decreases, and the country's investment profile is harmed. A similar situation exists in Azerbaijan. The country's natural gas and gold services have been managed by the Aliyev family for years without any public announcement. Therefore, member states of the Turkic Council need to make their tenders more transparent and their economies more stable in order to find international support and attract investors.

ii. Central Bank Facilities

While central banks wield concrete power over people's lives and investments through tools like interest rates and inflation data, their fundamental role is to instill economic confidence. For a country to be economically stable, its central bank must be agile and adaptable, capable of responding flexibly to economic shifts and changes. To achieve this, a central bank needs a robust deposit base and, most importantly, healthy foreign exchange reserves. Given their significance, central banks must make decisions that prioritize the long-term interests of the nation, independent of the government's political agenda. When central banks prioritize political objectives over objective economic assessments of their policy actions, the importance of their reserves diminishes. This is because as a country loses investment and inflation rises, central banks are forced to sell their reserves to stabilize the exchange rate.

Since the amount of reserves reaches billions of dollars and these reserves are a tool to be used in swap agreements and various commercial agreements, their value is quite significant. It takes time to regain economic confidence and balance after any loss of reserves. That's why the central bank's reserve status determines the economic situation of that country in the next 5 to 10 years.

Building upon the previous points, the effective management of reserves is crucial for a country's long-term economic health and stability. Reserves act as a buffer against external shocks, such as financial crises or sudden capital outflows. They provide the necessary liquidity to intervene in foreign exchange markets, maintain currency stability, and support the domestic financial system during times of stress. Moreover, strong reserves enhance a country's creditworthiness and attract foreign investment, fostering economic growth and development.

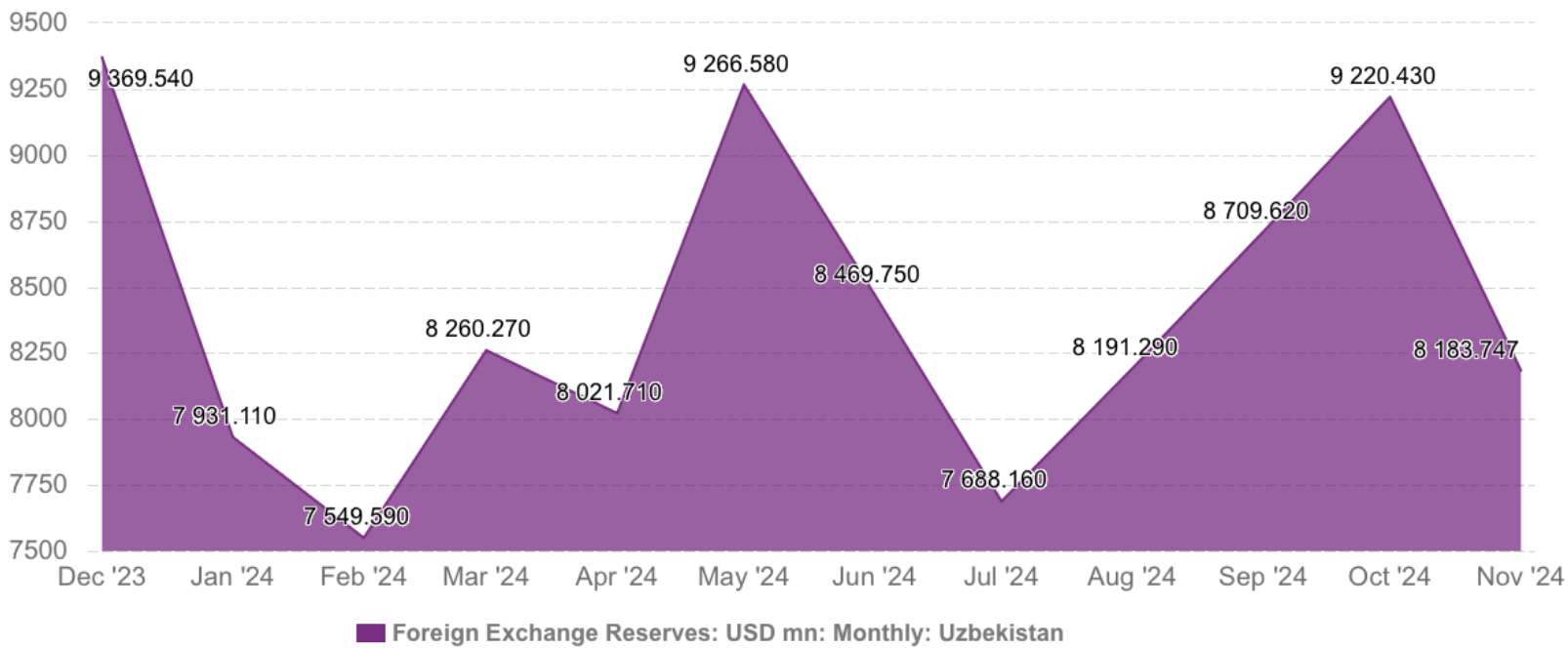
In the face of growing global interconnectedness and increasing economic complexity, the role of central banks is evolving. They are increasingly tasked with addressing systemic risks, promoting financial inclusion, and mitigating the impact of climate change on the economy. This requires a proactive and forward-looking approach, with a focus on innovation and adaptability. Central banks must continuously assess and adapt their policies to navigate the challenges of the 21st century, including technological advancements, demographic shifts, and the rise of new economic and financial models.

Looking ahead, the effectiveness of central banks will depend on several factors. These include:

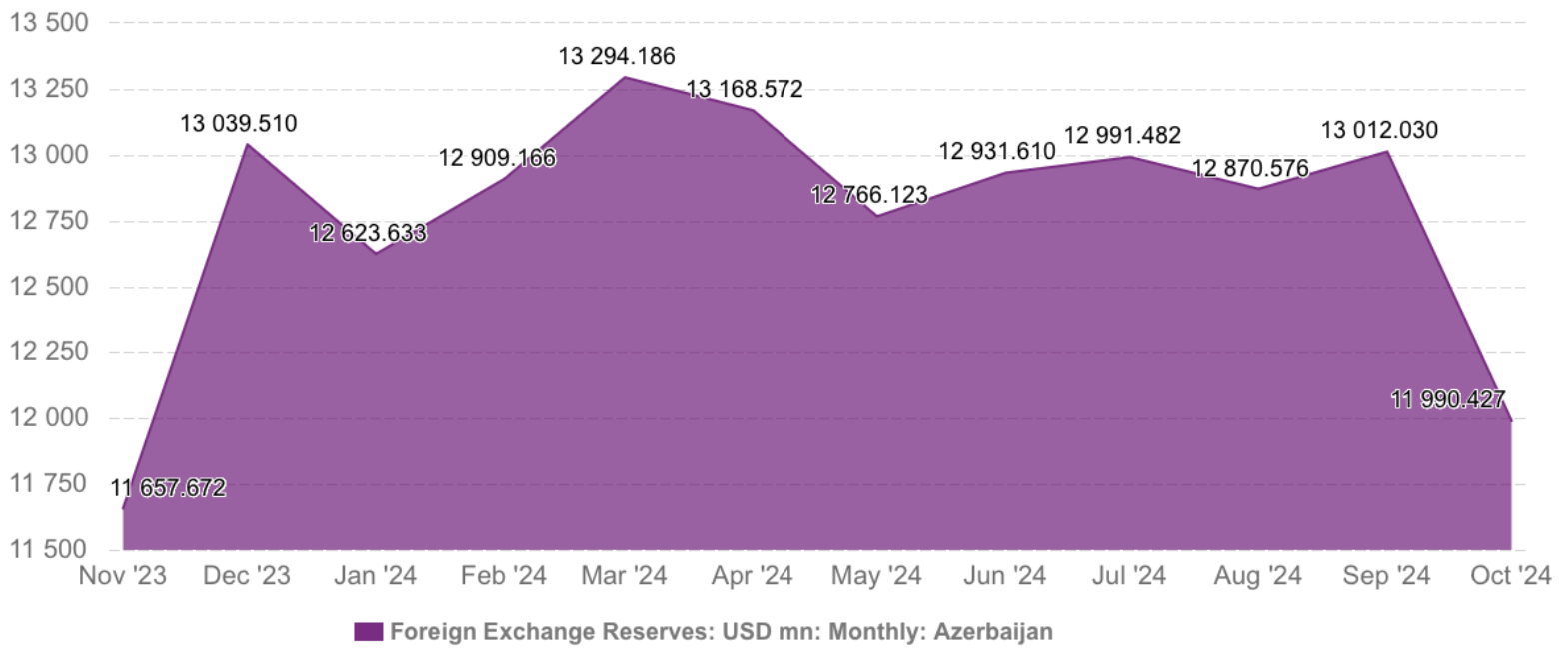
- Maintaining independence from political influence: Ensuring that monetary policy decisions are based on sound economic principles and not on short-term political considerations.
- Building trust and credibility: Establishing and maintaining public trust in the central bank's ability to manage the economy effectively.
- Adapting to technological advancements: Utilizing technology to improve the efficiency and effectiveness of monetary policy implementation.
- Strengthening international cooperation: Collaborating with other central banks and international institutions to address global economic challenges.

By addressing these challenges and embracing their evolving role, central banks can continue to play a vital role in fostering economic stability and promoting sustainable growth in the 21st century.

Therefore, in this section, the central bank reserves of two members of OTS have been shared as a sample.



SOURCE: WWW.CEICDATA.COM | CEIC Data



SOURCE: WWW.CEICDATA.COM | CEIC Data

2. Overview of the 2000-2025 Economic Period in the World

The period from 2000 to 2025 has been a tumultuous one for the global economy, marked by significant challenges and transformative shifts. The 21st century began with the dot-com bubble, a period of exuberant growth in the technology sector followed by a dramatic crash. This was quickly followed by the 9/11 attacks in USA, which shook global confidence and triggered economic uncertainty. The ensuing years saw the rise of globalization, with increased trade and interconnectedness across borders. However, this interconnectedness also amplified the impact of global shocks, such as the 2008 financial crisis, which originated in the United States but quickly spread across the globe, plunging the world into a deep recession. The recovery from this crisis was slow and uneven, characterized by high unemployment, stagnant wages, and growing income inequality in many developed economies. The period also witnessed the emergence of new economic powers, particularly in Asia, while traditional economic centers faced challenges in maintaining their dominance. Technological advancements, such as the rise of the internet and artificial intelligence, have revolutionized industries and created new opportunities, but also raised concerns about job displacement and social disruption. The COVID-19 pandemic, a global health crisis unprecedented in recent history, dealt a severe blow to the global economy, causing widespread economic disruption and exacerbating existing inequalities. As the world navigates the ongoing consequences of the pandemic and grapples with geopolitical tensions, the next decade promises to be a period of continued uncertainty and transformation.

Looking ahead to the 2025-2050 period, several key challenges and opportunities are likely to shape the global economic landscape. The ongoing technological revolution, particularly the rise of artificial intelligence, automation, and biotechnology, will continue to disrupt traditional industries and create new economic opportunities. The transition to a low-carbon economy will require significant investments and policy changes, presenting both challenges and opportunities for innovation and growth. Geopolitical tensions and the rise of populism pose significant risks to global economic cooperation and stability. Addressing climate change, managing technological disruption, and ensuring equitable growth will be critical challenges for policymakers and businesses in the coming decades.

Furthermore, the role of large enterprises will be increasingly crucial in shaping economic policies and outcomes. These companies wield significant economic and political power, influencing innovation, employment, and global trade flows. Their decisions regarding investment, research and development, and environmental sustainability can have profound impacts on the global economy. Therefore, fostering responsible corporate behavior and ensuring that large enterprises contribute to sustainable and equitable growth will be essential for navigating the challenges of the 21st century.

A comprehensive evaluation suggests that nations will prioritize economic growth between 2025 and 2050 as a means of preserving or augmenting their political standing. To accomplish this, countries will need to adopt innovative economic policies and make significant investments. Critically, the success of these efforts will hinge on securing unprecedented levels of financing from large enterprises.

3. **Further Readings**

<https://dergipark.org.tr/tr/download/article-file/2559514>

https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/12/realising-the-potential-of-the-middle-corridor_c458041c/635ad854-en.pdf

<https://www.weforum.org/stories/2023/11/china-belt-road-initiative-trade-bri-silk-road/>

<https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/a-new-look-at-how-corporations-impact-the-economy-and-households>

<https://www.imf.org/en/About/Factsheets/Sheets/2023/monetary-policy-and-central-banking>

<https://data.bis.org/topics/CBPOL/data>

<https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2023/01/The-global-growth-story-of-the-21st-century-driven-by-investment-in-green-technologies-and-AI.pdf>

<https://www.forbes.com/sites/emilsayegh/2024/12/27/tech-investment-predictions-for-2025-transformation-and-realignment/>

<https://www.startus-insights.com/innovators-guide/new-technology-to-invest-in/>

4. Questions to be Addressed

- 1. In OTS countries, what technological investments will be made in which areas, within what timeframe, and with what financing, given the country's conditions?*

- 2. What economic policies have the potential to encourage increased technological investment within OTS countries?*

- 3. What active or under-development trade routes are expected to be used for potential technology imports and exports?*

- 4. How will the financing, control, and logistics management of active or planned trade routes be carried out?*

- 5. What economic policies will be implemented in OTS countries to ensure confidence in the international market and enable people to live in economic prosperity?*

- 6. How can the physical and virtual integration of OTS countries be increased in terms of trade?*

- 7. Assuming that OTS countries are developing countries, what kind of technological projects can these countries undertake, and what investment instruments can be used to finance them?*