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Analysis of today
Assessment of tomorrow

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The miracle of Atatürk: economy empowered by freewill

We can see that foreigners and the younger generations find it difficult to understand why Mustafa Kemal Atatürk, the founder of the Republic of Turkey, who appeared twice on the cover of TIME magazine and was praised with a single word—"VISION"—is held in such high regard.

Every year, on the exact date and time of his death, 10 November at 09:05, life comes to a halt in Turkey. Schools, workplaces, and sports facilities all stop their activities, and everyone stands in silence with respect.

Drivers safely pull to the side of the road, step out of their vehicles, and stand at attention. Aeroplanes wait on the runway until they can take off. Many foreign guests watch these ceremonies in amazement.

I will try to explain the reason for this ongoing tradition, which has continued for 87 years, from an economic perspective.

A time of growth, stability, and reform

Our foreign friends often ask how the Turkish Miracle, which took place at the beginning of the last century, was achieved. Of course, what they are asking about is not the only military victory won against imperialism in world history.

If we start explaining it, it could be heart-breaking primarily for Greek, British, and French friends and for the United States, which recognised the Republic of Turkey four years after its founding. It is a defeat that is hard to accept.

However, it is worth emphasising that the Republic of Turkey, which granted women the right to vote and be elected before many Western countries, achieved enormous economic revolutions, especially in the context of this section.

Behind the major changes introduced by Atatürk—from clothing reform to alphabetisation—were planning efforts that had begun even before the Republic was established

Between 1923 and 1938, the year of Atatürk's passing, it was a miracle-like period during which 46 factories were established, thousands of kilometres of highways and railways were built, and an average growth rate of 5% to 7% was maintained.

During this time, inflation remained single-digit, and both the budget and foreign trade surplus were achieved, culminating in the creation of a solid banking and financial market.

I also want to remind you that education was free during this period, and many successful students were sent abroad for higher education.

Frankly, behind the major changes introduced by Atatürk—from clothing reform to alphabetisation—were planning efforts that had begun even before the Republic was established.

The educational council he held while the war was still ongoing is still always remembered with gratitude.

Even before the Republic was established and before the Lausanne Treaty was signed, Atatürk held an economic congress in Izmir. Everyone was curious, especially foreigners.

Some believed that the new Turkish State, having received arms aid from the Soviets during the War of Independence, would adopt a collectivist approach.

A vision far ahead of its time

Meanwhile, due to the financial support

received from Muslim groups during the war, others thought Turkey would be governed in a religion-based manner. However, Atatürk took the stage and delivered a speech that no one expected.

I believe that sharing part of this speech with you will witness a vision far ahead of its time. I leave you with Atatürk's words, spoken 102 years ago, which stated that democracy could only be strengthened through free will.

"...Private interest generally stands in opposition to public interest. Additionally, private interests ultimately rely on competition. However, economic order cannot be established solely through this mechanism. Those who hold this misconception are akin to being deceived by a mirage.

Individuals and corporations are weaker compared to the state institutions. There are also social disadvantages to free competition, such as pitting the weak against the strong. Ultimately, individuals cannot satisfy some major collective interests.

It is therefore acceptable in principle to recognise the state's control over certain economic matters, just as it does in political and ideological issues. The key question then becomes: how to delineate the scope of activities between the state and the individual.

The task of defining the boundaries of state activity in this regard and establishing the principles upon which it relies, without restricting citizens' freedom of individual enterprise and activity, are matters that those authorised to govern must consider and determine.

In principle, the state should not replace the individual. However, it must consider the general conditions necessary for the development of the individual. Moreover, personal activity of the individual should remain the primary source of economic progress.

Our favoured principle, moderate statism, is not a system like collectivism or communism rooted in socialism

Ensuring that the development of individuals is not hindered and that the state does not create obstacles in terms of freedom and enterprise—particularly in the economic field—is a fundamental principle of democracy.

Thus, we can say that the limit of state activity is where individual development begins to face obstacles. Typically, the state may assume an economic role in specific cases that demonstrate a permanent private character in terms of time and place. For example, when a task requires large and orderly management or risks monopolisation by private individuals, or when it addresses a public necessity, the state can undertake this task.

Management of natural resources like minerals and forests, infrastructure such as canals and railways, and nationalisation of banks that issue currency, as well as local administration of water and electricity services, are examples of such state-led initiatives.

In this perspective, statism is especially social, moral, and national. A fairer distribution of national wealth and higher welfare for those working hard are necessary for maintaining national unity. Continually keeping this requirement in mind is a vital duty of the state, as a representative of national unity.

Considering the increase of all kinds of monopolies in the country, it is crucial to mention that the state must be essential for individual enterprise. We must emphasise that the state and the individual are not opponents but complement each other.

Our favoured principle, moderate statism, is not a system like collectivism or communism rooted in socialism, which aims to organise society by taking all means of production and distribution from individuals and prevents private and individual economic initiatives. Instead, it seeks to organise society based on high ideals of welfare by nationalising key sectors while respecting individual enterprise.

In summary, our approach to statism is based on individual effort and activity, aiming to bring national prosperity and the development of the country within the shortest possible time by involving the state in matters of high national importance, especially in the economic domain…"

The fundamental approach for any country in economic problems

Exactly. Whenever the principles mentioned above are deviated from, Turkey's economy starts to face trouble. Therefore, I believe there is no need to search for the root of problems in different places.

No economic programme or plan can be designed in a way that reduces the welfare, hope, expectations, and confidence of citizens - Emre Alkin

There is no need to look for the cause of Turkey's record-high inflation and interest rates in technical aspects. As Atatürk emphasised countless times, those responsible for managing the state can never prioritise a chosen goal above the welfare of the nation.

Therefore, the duty is to create outcomes that increase prosperity. The duty is to support the activities of honest and rule-abiding individuals, not to aid rentier interests, but to support those who strive to uphold the homeland, the nation, and the flag.

In light of all this information: no economic programme or plan can be designed in a way that reduces the welfare, hope, expectations, and confidence of citizens.

Even if such a goal is not deliberately set, if the outcome results in this way, an immediate change is necessary.

I believe this philosophy is the fundamental approach not only for Turkey but for any country when dealing with economic problems.