

GLOBAL TURKEY IN EUROPE III

Democracy, Trade, and the Kurdish Question in Turkey-EU Relations

IAI RESEARCH PAPERS

Edited by
Senem Aydın-Düzgit
Daniela Huber
Meltem Müftüler-Baç
E. Fuat Keyman
Michael Schwarz
Nathalie Tocci



Edizioni Nuova Cultura



IAI

Istituto Affari Internazionali

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In cooperation with

**STIFTUNG
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IPC

ISTANBUL POLICY CENTER
SABANCI UNIVERSITY
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Natalino Ronzitti

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List of Contributors

SEDEM AYDIN-DÜZGİT is Assistant Professor at Istanbul Bilgi University and Senior Research Affiliate of the Istanbul Policy Centre (IPC).

ADAM BALCER is the Programme Director at the Annual Conference “Polish Eastern Policy”, hosted by the Jan Nowak-Jeziorański College of Eastern Europe, Wrocław.

DIMITAR BECHEV is visiting Senior Fellow at the London School of Economics and Political Science (LSE).

ALİ ÇARKOĞLU is Professor of International Relations at Koç University, Istanbul.

ANTOANETA L. DIMITROVA is Associate Professor at the Institute of Public Administration, Leiden University.

SINAN EKİM is Research Assistant at the Istanbul Policy Center (IPC).

DANIELA HUBER is Senior Fellow in the Mediterranean and Middle East Programme at the Istituto Affari Internazionali (IAI) in Rome.

ERSİN KALAYCIOĞLU is Professor at Sabancı University’s Faculty of Arts and Social Sciences, Istanbul.

EMİN FUAT KEYMAN is Director of the Istanbul Policy Center (IPC) and Professor at Sabancı University.

KEMAL KIRIŞCI is TÜSİAD Senior Fellow and Director of the Center on the United States and Europe’s Turkey Project at Brookings Institution, Washington.

MUSTAFA KUTLAY is Assistant Professor of International Political Economy at TOBB University of Economics and Technology, Department of International Relations, Ankara.

MELTEM MÜFTÜLER-BAÇ is Professor of International Relations and Jean Monnet Chair at Sabancı University, Istanbul.

ERGUN ÖZBUDUN is Professor of Political Science and Constitutional Law at Istanbul Şehir University.

IŞIK ÖZEL is Associate Professor at the Sabancı University, Istanbul.

HUGH POPE is the Crisis Group's Europe and Central Asia Deputy Director.

MICHAEL SCHWARZ is Executive Director of Stiftung Mercator and heads the International Affairs Division.

ÖMER TAŞPINAR is non-resident Senior Fellow at Brookings Institution, professor at the National War College, and Adjunct Professor at Johns Hopkins University's School of Advanced International Studies.

NATHALIE TOCCI is Deputy Director of the Istituto Affari Internazionali (IAI), Rome and Special Advisor to the EU High Representative.

KIVANÇ ULUSOY is Associate Professor of Political Science at the Faculty of Social Sciences, Istanbul University.

IPEK VELIOĞLU is Research Assistant at the Istituto Affari Internazionali (IAI), Rome.

BEN WAGNER is Director of the Centre for Internet & Human Rights (CIHR) at European University Viadrina.

MESUT YEĞEN is a faculty member at the Department of Sociology, Istanbul Şehir University.

KAMIL YILMAZ is Professor of Economics at Koç University, Istanbul.

PIOTR ZALEWSKI is an Istanbul-based freelance writer for Time, Foreign Policy and The Financial Times, amongst others.

List of Abbreviations

AKP	Justice and Development Party (Adalet ve Kalkınma Partisi)
APEC	Asia-Pacific Economic Cooperation
BDP	Peace and Democracy Party (Barış ve Demokrasi Partisi)
BRIC	Brasil, Russia, India and China
BRICS	Brasil, Russia, India, China and South Africa
CB	Central Bank
CEE	Central and Eastern European
CHP	Republican People's Party (Cumhuriyet Halk Partisi)
CIA	Central Intelligence Agency
CPI	Corruption Perceptions Index
CPJ	Committee to Protect Journalists
CU	Customs Union
CVM	Cooperation and Verification Mechanism
DP	Democrat Party (Demokrat Parti)
DTP	Democratic Society Party (Demokratik Toplum Partisi)
EC	European Commission
ECHR	European Court of Human Rights
ECJ	European Court of Justice
ECU	Eurasian Customs Union
EEC	European Economic Community
EEZ	Exclusive Economic Zone
EU	European Union
FDI	Foreign Direct Investment
FSA	Free Syrian Army
FSB	Federal Security Service (Russia)
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GRECO	Group of States Against Corruption
GRU	Main Intelligence Directorate (Russia)
HADEP	People's Democracy Party (Halkın Demokrasi Partisi)

HDP	People's Democratic Party (Halkların Demokratik Partisi)
HEP	People's Labour Party (Halkın Emek Partisi)
HLC	High Level Committee
HPG	People's Defence Force (Hêzên Parastina Gel)
HSYK	High Council of Judges and Prosecutors (Hâkimler ve Savcılar Yüksek Kurulu)
IMF	International Monetary Fund
IRA	Independent Regulatory Agency
IS	Islamic State
ISDS	Investor-State Dispute Settlement
ISIS	Islamic State of Iraq and Syria
ISP	Internet Service Provider
KCK	Kurdish Communities Union (Koma Civakên Kurdistan)
KRG	Kurdistan Regional Government
KRI	Kurdistan Region of Iraq
LGBT	Lesbian, Gay, Bisexual and Transgender
MASAK	Financial Crimes Investigation Board (Mali Suçları Araştırma Kurulu)
MENA	Middle East and North Africa
MHP	Nationalist Movement Party (Milliyetçi Hareket Partisi)
MIT	National Intelligence Organisation (Millî İstihbarat Teşkilatı)
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental Organisation
NSC	National Security Council
NTB	Non-tariff Barrier
OECD	Organisation for Economic Co-operation and Development
OIC	Organisation of Islamic Cooperation
OSCE	Organisation for Security and Co-operation in Europe
PISA	Programme for International Student Assessment
PKK	Kurdistan Workers' Party (Partiya Karkerên Kurdistan)
PTA	Preferential Trade Agreement
PYD	Democratic Union Party (Partiya Yekîtiya Demokrat, Syria)
R&D	Research and Development

LIST OF ABBREVIATIONS

RTÜK	Radio Televizyon Üst Kurulu (Radio and Television Supreme Council)
SHP	Social Democratic People's Party (Sosyal Demokrat Halkçı Parti)
SOCAR	State Oil Company of Azerbaijan Republic
SP	Felicity Party (Saadet Partisi)
TBMM	Grand National Assembly of Turkey (Türkiye Büyük Millet Meclisi)
TOBB	Union of Chambers and Commodity Exchanges of Turkey (Türkiye Odalar ve Borsalar Birliği)
TOKİ	Housing Development Administration (Toplu Konut İdaresi)
TPA	Trade Promotion Authority
TPP	Trans-Pacific Partnership
TRT	Turkish Radio and Television Corporation (Türkiye Radyo ve Televizyon Kurumu)
TTIP	Trans-Atlantic Trade and Investment Partnership
TÜSIAD	Turkish Industry and Business Association (Türk Sanayicileri ve İşadamları Derneği)
UNDP	United Nations Development Programme
US	United States
USCC	United States Chamber of Commerce
WTO	World Trade Organisation
YBP	Platform for Unity in the Judiciary (Yargıda Birlik Platformu)
YÖK	Council of Higher Education (Yüksek öğretim Kurulu)
YPG	People's Protection Units (Yekîneyên Parastina Gel)

Foreword

When Stiftung Mercator and our partners launched the *Global Turkey in Europe* series in 2012, we aimed to establish a platform to discuss and analyse the rapid transformation of Turkey in a European and global context. The goal was to explore and advocate new pathways of cooperation between Turkey and the EU. Now, in the third year of the series, the initial goal seems to be more valid than ever.

Turkey and the EU share a long list of challenges. The implosion of the political order in the Middle East threatens national security interests in both Turkey and the EU. Meanwhile, the refugee crisis in Turkey emanating from the wars in Syria and Iraq requires additional EU commitment. Economic crisis puts prosperity and social peace in Europe and Turkey at risk and calls for a joint political strategy. Finally, it must be realised that the close connection between Turkish and European societies necessitates a shared interest in democratisation and a new understanding of diversity and concepts of living together.

Global Turkey in Europe has contributed to the analysis of these issues and significantly enhanced our understanding of Turkey and its role in an increasingly multipolar and complex world. To date, the series has produced an impressive body of more than 50 commentaries, policy briefs, and working papers and several high-level events in Istanbul, Rome, Brussels, London, Warsaw, Paris, and Berlin.

Just as in the previous volumes, this book sheds light on a variety of issues reaching from foreign policy to democratisation, and from the Kurdish question to the economy. Despite this wide range of topics, the contributions to this volume share the same premise: the need for close cooperation between Turkey and the EU.

We at Stiftung Mercator are of the opinion that Turkey is part of Europe. Regardless of the question of EU accession and the obvious political challenges, we need to focus on our joint future as Europeans in order to fully use our potentials and find solutions to meet the challenges of the 21st century. With this volume, we have come a step closer to this aim.

In the name of Stiftung Mercator and our staff, I want to thank the authors and co-editors of this volume, and also our partners. In particular, I want to thank Nathalie Tocci and Daniela Huber at Istituto Affari Interna-

zionali and Fuat Keyman, Meltem Müftüler-Baç, and Senem Aydın-Düzgit at Istanbul Policy Center, who have made this fruitful cooperation possible.

Michael Schwarz

Introduction

Daniela Huber, Nathalie Tocci and Ipek Velioglu

The years 2014-15 have been marked by elections in both Turkey and the EU. In August 2014, Recep Tayyip Erdoğan became Turkey's first directly elected President of the Republic, with Ahmet Davutoğlu taking over the seat of Prime Minister. Despite some contradictory signals regarding the EU, the new Turkish government has confirmed its commitment to EU accession, notably through *Turkey's European Union Strategy* adopted by the Ministry of EU Affairs. In the EU, following the European Parliament elections in May 2014, Jean-Claude Juncker became President of the EU Commission, and Federica Mogherini the new EU High Representative and Vice President of the Commission. The two have different positions regarding Turkey's European future, with the former being more explicitly sceptical than the latter.

In the past year, EU-Turkey relations have persisted in their ups and downs. In foreign affairs, given the upheaval in the neighbourhood, security cooperation and coordination are essential. This applies to Syria first and foremost. Turkey's humanitarian assistance to close to two million Syrian refugees has been welcomed and supported by the EU. Furthermore, after a period of ambiguity during the Kobane conflict, Turkey's commitment to the fight against the Islamic State (IS) has become clearer, although ambiguities remain. Turkey has adopted stricter controls at the border, especially as regards the movement of "foreign fighters." To the east, following the outbreak of the conflict over Ukraine, the EU imposed economic sanctions on Russia. Turkey refused to follow suit, and in fact has been strengthening its energy cooperation with Russia, with a "Turkish Stream" expected to replace the abandoned "Southstream" gas pipeline project. Tensions have also persisted over the Cyprus question, where Turkey has continued to challenge the Republic of Cyprus's right to exploit hydrocarbon resources. Yet a positive sign emerged with the election of the pro-solution Turkish Cypriot president, Mustafa Akinci, in the spring of 2015. Finally, tensions resurfaced between the EU and Turkey over the Armenian question, in light of the 100th anniversary of the events of 1915. In commemoration of the anniversary, the European Parliament passed a resolution calling on Turkey to recognise the Armenian

genocide, soliciting strong Turkish condemnation.

Within Turkey, 2014-15 was marked by key developments regarding democratisation and the peace process. Under the judicial reform packages and democratisation package passed in the fall of 2014, several reforms were adopted and implemented. In particular, the adoption of the Action Plan on Prevention of European Court of Human Rights Violations was an important step. Regarding the peace process, the Turkish parliament adopted a crucial law to reintegrate Kurdish fighters. However, a number of factors have continued to hamper Turkey's democratisation and accession process. In particular, the EU has expressed great concern regarding the independence of the judiciary and the rule of law, including on the reaction of the Turkish government to the allegations of corruption targeting high-level personalities. Furthermore, the freedom of expression in Turkey is a key area that remains under threat. The amendments to the Internet law and the blanket bans on YouTube and Twitter have restricted the freedom of expression on the Internet. Besides, the Turkish media sector suffers from systematic pressure and self-censorship, exemplified also by regular resignations and dismissal of journalists.

In light of these developments, *Global Turkey in Europe's third volume* aims at shedding light on four key areas in EU-Turkey relations: *foreign relations, democracy, the Kurdish question, and trade and economy* issues. In *Global Turkey in Europe's third cycle*, all these issues have been presented and discussed with academics, experts, policy makers, and civil society representatives from the EU and Turkey in various lunch talks and conferences in Warsaw, Brussels, Paris, and Berlin. Collecting the main studies published in the third cycle of the project, this collective volume – *Global Turkey in Europe III* – intends to contribute to a comprehensive discussion on shaping a common Turkish-European future with an eye to key domestic, regional, and global challenges and opportunities facing both the EU and Turkey.

Executive Summary

This study is comprised of four main parts, with section I focusing on **foreign relations**. In *Dances with the Bear: Turkey and Russia After Crimea*, Adam Balcer examines the complex set of economic, identity and geopolitical factors that shape the Turkish-Russian relationship, particularly within the context of bilateral contacts that have substantially decreased the possibility of open confrontation between Ankara and Moscow. Balcer is careful not to describe this recent “rapprochement” as a strategic partnership, as present geopolitical realities, security alliances, the difficult legacy of history and the changing economic environment seriously constrain the possibility for the establishment of that kind of partnership in the medium term. As the author suggests, the continuation of Russia’s aggressive policy in the post-Soviet space can at the same time alienate Turkey, since Ankara will not stand idly by to the possibility of Russian domination over this part of the world. While the mayhem in Syria and Iraq may fix Turkey’s focus upon the Middle East in the upcoming years, Balcer maintains that Turkish economic interests could party shift to the post-Soviet space; diversification of Turkey’s energy balance, furthermore, will decrease Ankara’s dependency on Russia – which will, in turn, substantially alter the nature of Turkish-Russian cooperation in the energy sector. Balcer argues that Turkey’s policy towards Russia will hinge upon the future of Russian-Western relations, with Turkey likely to maintain its Western orientation in the event of increased tensions between the West and Russia.

Antoaneta L. Dimitrova’s *Dealing with Turkey After Ukraine: Why the EU Should Let the Enlargement Approach Go* advances the view that the events in Ukraine at the end of 2013 might be a sign that the EU has reached the end of its monopoly on transformative power. The author shows that not only President Putin, but also other leaders of important EU neighbors are playing a different geopolitical game than the EU – which signals that the time has come to reassess the EU’s approach vis-à-vis its neighbours and partners. Dimitrova’s chapter asserts that accession negotiations no longer provide the most suitable framework for EU-Turkey relations for three main reasons: the dynamics of accession process, the character and content of the *acquis*, and the larger geopolitical picture in Europe.

Adam Balcer in *Between Appeasement and Rivalry: Turkey and Russia*

and their Neighborhoods comments that, contrary to common knowledge, Turkey does not refrain from challenging Russia in its neighborhood. A substantial difference exists between Turkey's policy towards Russia in the Black Sea region and in the Middle East and Eastern Mediterranean. In the case of the latter, Turkey is much more assertive. However, Turkey seems not to realise that its self-constraint in the Black Sea region is only encouraging Russia to be more of a bully in the Middle East. If Turkey wants to more efficiently counterbalance Russia in the Middle East, it should align its foreign policy more substantially with the West in the Black Sea region.

Nathalie Tocci argues in *Making (Non)Sense of Turkey's Policy on Kobane* that Turkey is pursuing three goals in Syria: eliminating Bashar al-Assad, weakening the Kurdish Workers Party (PKK) and defeating the Islamic State of Iraq and Syria (ISIS). According to Tocci, the snag is that these three goals are incompatible, at least in the short term; however, whereas the latter two goals are genuinely linked to Turkish national security interests, the first is not. Approaching the Syrian regime and Iran with pragmatism does not mean hurrying into ironclad alliances with unpalatable partners, nor does it mean abandoning principles. The author therefore puts forward that diversifying from Sunni-only alliances can represent value added in a sectarianised Middle East.

Sinan Ekim's *Turkish Boots Will Remain on Turkish Ground: Why is Turkey Reluctant to "Do What It Takes" at Kobane?* investigates the reason why Erdoğan, despite the overwhelming pressure on both domestic and international fronts, has refused to come onboard the US-led military coalition against the extremists. His chapter asserts that the conflict at Kobane presents an unconventional opportunity for Erdoğan to settle the issue of Kurdish independence in his favour. Furthermore, Ekim argues that Turkey is concerned about the aftermath of the military intervention in the Levant, and therefore prefers the formation of a no-fly zone over Syria and the creation of a humanitarian corridor along the Turkish-Syrian border.

The second part deals with the issue of **democratic practice** in Turkey. It starts with Dimitar Bechev's article on *Can the EU Clean Politics in Enlargement Countries?*, which examines the role that could be played by the EU in bringing about reforms within Turkey's domestic setting. His chapter looks at the "lessons learned" in Bulgaria and Romania, and reflects on their meaning for Turkey's accession process. He maintains that, while many regard the Union as capable of overhauling bad habits in member states as well as in countries that have embarked on the acces-

sion journey, the rule of law should also be understood as a precondition rather than a “deliverable.”

Kıvanç Ulusoy’s *Turkey’s Fight Against Corruption: A Critical Assessment* then examines Turkey’s efforts to combat corruption within the context of the country’s integration with the European Union. The analytical lens of the article is focused on the corruption scandal of December 2013; it assesses Turkey’s current anti-corruption framework, identifies its inadequacies and discusses how they could be remedied to better equip Turkey in its fight against corruption. Ulusoy underlines that, despite the improvement of the legal framework through the issuance of a series of administrative measures, there has been little or no implementation.

Ben Wagner’s article on *Internet Freedom and Freedom of Expression in Turkey*, sheds light upon Turkey’s fight against corruption from another perspective, advancing the view that the depressing reaction of the Turkish authorities to the Taksim and Gezi park protests bears strong authoritarian hallmarks and reflects the Turkish government’s fear of open displays of criticism and, more generally, any form of dissent. Although Turkey was never a vigorous promoter of human rights, the author notes that there were certainly hopeful signs of progress over the past decades; up until 2011, for instance, the internet was only moderately restricted, aside from numerous national blockages of YouTube as a result of decisions by Turkish courts and the filtering of Kurdish websites. In this respect, Wagner’s chapter looks at the deteriorating state of freedom of expression and Internet freedom in Turkey, highlighting that in many instances it is European companies that are supplying Turkey with these capabilities.

The rest of the contributions in this section discuss the effective consolidation of the AKP’s electoral predominance, and what it foreshadows for Turkey’s democratic evolution. Ali Çarkoğlu’s essay *Electoral Constellations Towards the August 2014 Presidential Elections in Turkey* looks at the electoral strategies of Turkey’s governing and opposition parties in the lead-up to the presidential elections on 10 August 2014, the first popular election of the Turkish President in Turkish history, and the general elections in 2015. He claims that these results pose a puzzle with important implications for the way the presidential election campaigns could unfold; according to Çarkoğlu, this conundrum is due to unrealised expectations and the apparent ineffectiveness of two major developments that many thought would have a considerable impact on AKP’s performance in the local elections: the mass demonstrations against the AKP govern-

ment as part of the Gezi Park protest movement, and the graft allegations implicating prominent cabinet members.

In *The 2014 Presidential Elections in Turkey: A Post-Election Analysis*, Ergun Özbudun addresses the significance of Erdoğan's victory at the ballot-box with 51.79 percent of the votes for Turkish politics and Turkey's democratic system. Highlighting the growing social and political polarisation in the country, the author analyses the results of the elections and the regional distribution of votes for the AKP and contending candidates through a comparison with previous electoral results in the country.

In this respect, Ersin Kalaycıoğlu's *The Challenge of à la Turca Presidentialism in Turkey* then argues what confronts Turkey is not a choice between presidential versus parliamentary democracy, but an electoral authoritarianism of *à la Turca* presidentialism versus some form of parliamentary democracy. The author asserts that the future of democracy, liberal capitalism and the efficacious functioning of the rule of law in Turkey currently hangs in the balance, and will be determined at the next national legislative elections. He concludes that the answer to whether Turkey becomes an authoritarian presidential regime, albeit with a popularly elected government, lies in whether the AKP wins enough seats in 2015.

In his *The Conflict within Turkey's Islamic Camp*, Ömer Taşpınar explores the roots of the rift in Turkey's Islamic camp and its implications for Turkey's democracy. He observes that over the last 10 years Erdoğan's chief accomplishment has been to establish the supremacy of civilian rule in Turkey; indeed, after 40 years in which the military ousted four governments, Turkish democracy no longer operates at gunpoint. Yet, Taşpınar argues that the current rift between the AKP and the Gülen movement may lead to the return of the military tutelage system, as an embattled Erdoğan now seems increasingly willing to forge an unholy alliance with the Turkish army against the Gülen movement. It is no longer possible to rule out a scenario in which the generals would make their presence felt. He asserts that the generals would probably do so not only by exploiting the division within the Islamic camp, but also by raising their voice on issues related to the Kurdish question in the country.

Meltem Müftüler-Baç and E. Fuat Keyman in *Turkey's Unconsolidated Democracy: The Nexus between Democratisation and Majoritarianism in Turkey* point out that a new era in Turkish politics seemed to have launched in 2002 when the Justice and Development Party (AKP) first came to power and has since then steadily increased its electoral support becoming the dominant party in Turkish politics. While multiple political

and legal reforms were adopted under its rule, the systemic deficiencies in Turkish politics have, nonetheless, slowly crept up. The authors argue that the Turkish democratic consolidation process is impacted by the systemic tendencies of “dominant party” politics, a democratic disconnect within the Turkish society, a weak system of checks and balances, and, most importantly, an inherent intolerance of diversity and plurality. It is in light of these systemic deficiencies that the process of Turkish democratic consolidation is turning into a majoritarian authoritarianism.

In *Pending Challenges in Turkey’s Judiciary*, Ergun Özbudun deals with the status of the judiciary in Turkey, specifically the composition and powers of the Constitutional Court and of the High Council of Judges and Public Prosecutors (HSYK) and the measures pursued by the AKP government in changing these since the December 2013 crisis. He argues that the AKP government’s establishment of its control over the judiciary will certainly lead to a wider use of a selective application of the law. Turkey now stands on the borderline between illiberal (or electoral) democracies and “competitive authoritarian” regimes. If the AKP obtains a constitutional amendment majority in the forthcoming general parliamentary elections, it will certainly attempt to change the system of government to a super-presidential one and to restructure the Constitutional Court.

The third section brings the **Kurdish issue** under an analytical lens. In *Erdoğan, the Kurds and Turkey’s Presidential Elections*, Piotr Zalewski analyzes Turkey’s shift to a presidential system within the context of its decades long “problem” with its Kurdish minority. Having endured a series of anti-government protests, a spectacular falling out with the Gülen community and a bruising corruption scandal – all of which prompted some commentators to begin drafting his political obituary - Erdoğan is not only alive and kicking, but also arguably stronger than ever; following his victory at the polls on 10 August 2014 and his election as the President of the Republic, he is now pledging to transform the largely symbolic office into the strongest arm of the executive. The author discusses, not how the Kurds will affect the fate of Erdoğan’s presidency, but how an Erdoğan presidency will affect the Kurdish peace process.

Hugh Pope’s essay *Turkey, Syria and Saving the PKK Peace Process* looks at how the dangers of a Syrian spillover have underlined how many shared interests Turkey and Turkey’s Kurds have in overcoming inertia in peace talks, although the Turkey-PKK peace process is still a rare spot of hope in the region. His article that there are three separate tracks to a settlement, which influence each other but should be kept well apart. The

first track is the actual negotiations with the PKK; the second track should consist of the long-discussed reforms to give equal rights to all citizens and remove the root causes of the Kurdish problem; and the third track is the overall regional context and process. Pope writes that peace will release a longstanding brake on Turkey's economy as well as on its democratisation efforts; the government should recognise that the end goal is not just disarmament in Turkey, but to get to a point where Turkey's Kurds no longer feel any need for the PKK.

Mesut Yeğen's article on *The Kurdish Peace Process in Turkey: Genesis, Evolution and Prospects* examines the resolution process in Turkey since its inception until today. After an assessment of three distinct phases of the process, it seeks to explain what stimulated the Turkish state and the PKK to launch the resolution process and explains why both sides remained loyal to it despite serious problems and disagreements. It concludes with four possible scenarios for the resolution process in view of the general elections in June 2015.

The fourth chapter deals with the issue of **trade and economics**. In *TTIP and the EU-Turkish Economic Relations: Deepening the Customs Union*, Kamil Yılmaz focuses on the future of Turkish-EU economic relations in face of the initiation of US-EU negotiations on TTIP. Even though the Turkish government declared its willingness to be part of the negotiation process, Turkey's best policy action at the moment is to negotiate a Free Trade Agreement with the US. At the same time, both Turkey and the EU have substantial interest in deepening and widening the existing Customs Union rather than abandoning it, with both sides having invested so much into it for almost two decades. While there is economic rationale for the US and EU to be more sympathetic towards Turkish demands, the increasingly authoritarian rule of the AKP government and the existing political tensions between Turkey and its close allies so far have proved to be formidable obstacles to mutually beneficial deals on the economic front.

In *Turkey's Trade in Search of an External Anchor: The Neighbourhood, the Customs Union or TTIP?* Kemal Kirişçi and Sinan Ekim advance the view that in the course of the last three decades, the Turkish economy experienced a dramatic boom: not only were Turkey's foreign exports on high demand across the EU and in its immediate neighborhood, but Turkey also attracted high volumes of foreign direct investment. Although the signing of the Customs Union with the EU played a critical role in developing Turkey into a major economic power, this period also witnessed a

decrease in the percentage of trade with Europe, while trade with the rest of the world picked up. Against the backdrop of the violence in the Middle East and the Ukrainian crisis, however, this picture is quickly changing: whereas Turkish exports to the Middle East have dropped significantly, its trade with the EU is expanding. Meanwhile, Turkey has become stuck in a “middle income trap,” and the ruling AKP’s promise to transform the Turkish economy into one of the world’s ten largest economies by 2023 now seems unlikely. Accordingly, this chapter deals with what Turkey could do to set itself on the right track again. It will argue that Turkey needs an external anchor that serves the function fulfilled by the Customs Union during the last two decades. These external anchors could be an upgraded Customs Union, Turkey “docking” to the Transatlantic Trade and Investment Partnership (TTIP), and the conclusion of a free trade agreement between the US and Turkey.

Mustafa Kutlay’s *The Turkish Economy at a Crossroads: Unpacking Turkey’s Current Account Challenge* aims to discuss Turkey’s economic challenges, their causes, and the government strategies to overcome them, with particular reference to the current account deficit. The Turkish economy has achieved important progress over the last decade thanks to respectable growth rates. However, high current account deficit has also become one of the pronounced structural weaknesses in the post-2002 period. The author argues that Turkey’s current account deficit is mainly a structural phenomenon. Accordingly, chronic trade deficit lies at the root of the problem. In order to address the current account deficit challenge and overcome the middle-income trap, high-technology content of the export sector must be increased. This requires a proactive state in the industrial policy realm and consolidation of inclusive political and economic institutions that foster creative thinking and high value-added production.

In *Reverting Structural Reforms in Turkey: Towards an Illiberal Economic Governance?*, Işık Özel argues that following a major reform process that started in 2001, the Turkish economy not only recovered from a severe crisis, but also resurged more or less resilient to the global financial crisis. Structural reforms played a particularly important role in setting the new rules for the economic governance, which helped guard the market from external shocks. This chapter suggests that some of these structural reforms have been short-lived, rendering the Turkish economy prone to fundamental risks. It elucidates some of the political dynamics that bring about such a process of reversion.

1.

Dances with the Bear: Turkey and Russia After Crimea

Adam Balcer

The Ukrainian crisis has confirmed the complexity of the Turkish-Russian relationship. Turkey generally supports the West's position on the Ukrainian crisis, but at the same time Ankara describes Russia as a strategic partner. This depiction of Turkish-Russian ties, however, is exaggerated, and no such partnership seems likely in the medium term. Robust political and economic ties certainly have improved in the last years, but the economic pillar in the relationship tends to be overestimated and is likely to further weaken in the years ahead. Moreover, it is important to note that the partnership lacks a solid social base, and more recently the two countries have witnessed serious divergences on a number of important geopolitical issues.

Turkey's stance during the Ukrainian crisis is a classic example of a delicate balancing act between antagonistic sides: Russia and the West (though it is internally divided). Ankara pursues policies that are definitely closer to the Western stance, which was in support of the Ukrainian protest opposition from the very beginning, but it does not entirely align with the US and the EU because of the importance accorded to its relationship with Russia. Turkey's reaction to the revolution in Ukraine clearly differed from the actions of Russia, which decisively supported President Viktor Janukovych – including his brutal crackdown against the protestors. Ankara did not take sides and instead called for a peaceful, democratic solution to the crisis, while also condemning the use of force by Janukovych's regime that resulted in more than 100 deaths. After Janukovych's fall, Turkey recognised the new Ukrainian authorities, and Ahmet Davutoğlu became the first foreign minister to visit Ukraine after the Maidan revolution.¹ Moreover, Turkey did not recognise the results

¹ Turkish Ministry of Foreign Affairs, *Foreign Minister Davutoğlu "Turkey is ready to contribute to decrease the tension and to settle the problems in Crimea."*, 1 March 2014, http://www.mfa.gov.tr/foreign-minister-davutoglu-_turkey-is-ready-to-contribute-to-decrease-the-tension-and-to-settle-the-problems-in-crimea.en.mfa.

of the Russian referendum in Crimea, declaring it dangerous and illegal. Turkey rejected the idea of Ukraine's federalisation that was promoted by Moscow, condemned the rebellion launched by pro-Russian separatists in Eastern Ukraine and declared that Ukrainians' themselves should decide on their country's future.² Turkey decisively recognised the victory of Petro Poroshenko in the presidential elections and Ankara also endorsed NATO's decisions against Russia (i.e. the suspension of all cooperation) while voting in favor of the UN General Assembly resolution supporting Crimea as an integral part of Ukraine and condemning Russian aggression.³ Turkish representatives also voted for the suspension of Russia from the Council of Europe. Turkey, moreover, frequently declared its special responsibility for the fate of their "brothers" – the Crimean Tatars that make up almost 15 percent of the Crimea's population – and President Abdullah Gül and Prime Minister Recep Tayyip Erdoğan both expressed their concern about the well-being of Tatars, urging Russia to respect their rights. The Turkish Ministry of Foreign Affairs also condemned cases of their discrimination by the local Russian Crimean authorities.⁴

In response to Turkey's policy towards Ukraine and Crimea, Russia accused Turkey of violating the Montreux Convention regulating the movement of warships through the Straits because US warships remained in the Black Sea for longer than is allowed, a claim strongly rejected by Turkey. Russia also tested Turkey's capabilities in the security sphere, with Ankara having on numerous occasions to scramble its jets after Russian surveillance planes flew parallel to the Turkish Black Sea coast. Also, following the annexation of Crimea, President Vladimir Putin declared that the issue of Crimean Tatars is a completely internal affair of Russia and should not be a matter of negotiations with any other state.

These disagreements did not lead to a fully-fledged confrontation with Russia, and Turkey clearly refrained from heightening tensions further. Unthinkable as it may seem, the word "Russia" has not once been mentio-

²The Turkish MFA stated that "It is imperative to put an end to acts contravening the law, occupations and all kinds of illegal violence disturb public order". See *Press Release Regarding the Presidential Election in Ukraine*, No. 169, 26 May 2014, http://www.mfa.gov.tr/no_-169_-26-may-2014_-press-release-regarding-the-presidential-election-in-ukraine.en.mfa.

³ UN News, *General Assembly adopts resolution calling upon states not to recognize changes in status of Crimea region (GA/11493)*, 27 March 2014, <http://www.un.org/News/Press/docs/2014/ga11493.doc.htm>.

⁴ Moreover, Turkish President Abdullah Gül conferred Mustafa Jemilev, Crimean Tatar leader, with the Order of the Republic Medal of Turkey, the highest Turkish award.

ned directly in the numerous official statements by the Turkish Foreign Ministry on the topic of Ukraine and Crimea. Furthermore, Turkey, which officially defines both Russia and Ukraine as strategic partners, suggested that Ankara would be ready to play a mediating role between them. Indeed, and in contrast to Japan, Australia, Switzerland, Norway and Canada, Turkey did not apply any bilateral sanctions against Russia.

The cautious Turkish stance can be explained by virtue of Ankara's multidimensional ties with Moscow. While these have indeed deepened in recent years, they still do not allow for the Turkish-Russian relationship to be described as a strategic partnership. The second reason relates to Turkey's disappointment with the West's performance in 2013 in the Syrian crisis, when Turkey and France were left alone in supporting NATO air strikes against the Assad regime in retaliation for its use of chemical weapons. Indeed, Turkish foreign minister Ahmet Davutoğlu declared that Russia's aggressive policy against Ukraine was encouraged by its veto power in the United Nations Security Council over the Syrian crisis.⁵ Overall, therefore, in order to understand the complexity of the Turkish approach to the Ukrainian crisis, Turkish-Russian relations must first be placed in a wider international and regional context and described according to different spheres: geopolitics, economics and history.

WE AGREED TO DISAGREE ...

Turkish-Russian political relations have improved decisively over the last decade as a result of the realisation that permanent rivalry is mutually disadvantageous. The gradual emancipation of Turkish foreign policy from US tutelage also facilitated the process. Moreover, since 2003 both countries have experienced worsening relations with the EU and tensions with the US, although in Turkey's case these have been less pronounced compared to Russia. Different geopolitical priority areas – the Middle East in the case of Turkey and the post-Soviet space in the case of Russia – also facilitated the improvement in ties. The establishment of the High Level of Strategic Cooperation between Turkey and Russia (i.e. common government meetings) in May 2010 confirmed the beginnings of a new era in Turkish-Russian relations, and indeed one of the most important indicators of this rapprochement is the frequency of high-level bilateral

⁵“Davutoğlu'dan Ukrayna uyarısı” (Davutoğlu' Ukraine alert), *Sabah*, 2 March 2014, <http://www.sabah.com.tr/Gundem/2014/03/02/davutoglundan-ukrayna-uyarisi>.

contacts. Since becoming Prime Minister of Turkey in 2003, Erdoğan has met with President Putin or spoke with him over the telephone around 35 times, an impressive number given that Putin rarely meets with world leaders that often. In this respect, the authoritarian inclinations of both leaders have probably created a good chemistry, and in contrast to the EU and the US, Turkey has refrained from openly criticising authoritarian trends in Russia.

These similarities, however, should not be overestimated, and indeed in some respects the good personal relations between the two leaders are astonishing given that Erdoğan often portrays himself on the world stage as a defender of innocent Muslims and Putin is a politician responsible for death of many thousands of Muslim civilians. Moreover, Putin is a divorced womaniser, ex-KGB officer and cool-headed politician while Erdoğan is a family-oriented, charismatic and populist leader whose highly emotional governance style has made his policies somewhat unpredictable.

Closer cooperation between Turkey and Russia does not, therefore, mean that some kind of strategic partnership has been established and that a synergy of geopolitical interests has emerged. On the contrary, both countries hold contrasting positions on some key international issues such as Cyprus, Kosovo, Bosnia, and the possible transit of gas from Iran or Central Asia through Turkey to Europe. In 2011 and 2012, the radical divergence of opinions between Russia and Turkey on the Arab Spring and especially the war in Syria caused a significant cooling of relations. In 2013, both countries differed radically on the coup d'état in Egypt, with Turkey supporting the ousted Muslim Brotherhood leader and Russia the military junta. At the same time Russia established a close relationship with far-right parties in the EU that definitely have a very negative attitude towards Turkey. In the post-Soviet space Turkey avoids challenging Russia openly, but at the same time Ankara does not give up on its own geopolitical ambitions, which in the long term are incompatible with Russia's strategic goal of establishing exclusive influence over the area. Turkey is instead interested in creating a "multipolar" post-Soviet space in which it will achieve the status of major stakeholder together with other countries in the area. Politically, Turkey has become closer to Russia in the post-Soviet space mainly as a result of Ankara's cautious attitude towards NATO's eastward expansion and Turkish objections towards an increased US military presence in the Black Sea basin. Turkey's position stems from its growing independence in the foreign policy realm (playing several pianos) and Ankara's conviction that the West is not ready for an open geopolitical confrontation with Russia. The Turkish leadership has

therefore reached the conclusion that a tougher stance against Russia would be counterproductive, as it would not receive sufficient support from the West.

Nevertheless, Turkey has not aligned with Russia within an alleged “axis of the excluded” as certain experts have claimed. Ankara has a more positive view regarding EU activities in the post-Soviet area than Russia, and Turkey supports the EU’s Eastern Partnership and the integration process of Moldova, Georgia and Ukraine. Turkey is also not an opponent of NATO expansion *per se*. Ankara is certainly not a promoter of human rights as is the case with certain EU member states, but in this domain Turkey should not be compared to Russia – a country that *a priori* views a genuine democratisation with suspicion. Furthermore, without Turkey’s acceptance and economic involvement in Georgia, which resulted in the decrease of Russian influence there, the success of that country’s transformation after the Rose Revolution would have been more difficult to achieve. Turkey was also one of the sharpest critics of the crimes committed by the regime in Uzbekistan in 2005 during anti-government protests there. In recent years, Ankara has had much better relations than Russia with several post-Soviet countries (Azerbaijan, Georgia, Moldova, Ukraine, Turkmenistan), while Russia enjoys closer ties with Uzbekistan and Armenia than Turkey. Finally, in the Azerbaijani-Armenian conflict, both Turkey and Russia are on opposing sides: Ankara is an ally of Baku, while Moscow is close to Yerevan.⁶

The modest progress achieved in fostering cooperation in the education sector shows the limits of Turkish-Russian rapprochement, confirming the deficit of trust that exists between both societies. Turkey has a very large and untapped potential to influence Russia in the cultural sphere, as approximately 15 percent of Russia’s population are Sunni Muslims, mainly Hanafi Muslims of Turkic and Caucasian ethnic stock. However, very few Russian students study in Turkey.⁷ The presence of Turkish

⁶It should be noted that 1.2 million Russian citizens are Armenians, and that nearly half a million Armenian citizens work and live in Russia. This constitutes the biggest Armenian diaspora in the world after the community in America. To compare, the population of Armenia is less than 3 million. Sergey Lavrov, the Russian Minister of Foreign Affairs, is of Armenian descent.

⁷In the 2012/2013 academic year, there were just over 700 Russian students studying in Turkey. See table 21 (Number of Foreign Students by Nationality) in Assessment Selection and Placement Centre (ÖSYM), *2012-2013 Öğretim Yılı Yükseköğretim İstatistikleri* (2012-2013 Academic Year Higher Education Statistics), July 2013, <http://osym.gov.tr/belge/1-19213/2012-2013-ogretim-yili-yuksekogretim-istatistikleri.html>.

educational institutions in Russia is also extremely limited. This situation is due to the Russian authorities' disinterest in strengthening Turkish cultural influence over these communities. Before the conflict that broke out in 2013 between Fethullah Gulen, a Turkish Islamic opinion leader, and Prime Minister Erdoğan, the latter tried to convince Vladimir Putin to increase the number of Gulenist schools in Russia, to no avail. On the contrary, all those schools operating in Russia were closed, and numerous books by the ideologue were placed on the federal list of extremist literature through Russian court decisions.

Another example that highlights the lack of trust between Ankara and Moscow is the rather negligible cooperation in the security field. Turkey established cooperation with Russia in the military sphere within the framework of multilateral Black Sea initiatives such as Blackseafor or Black Sea Harmony. However, bilateral military cooperation has remained modest. Despite Russian efforts, imports of Russian military equipment to Turkey are minimal. Kurdish organisations related to the Kurdistan Workers' Party (PKK) that has been fighting with Turkey for more than 30 years still operate in Russia, though on a substantially smaller scale than in the 1990s. Despite Turkey's insistence, Russia did not place the PKK on its list of terrorist organisations. Conversely, Turkey has decisively limited, but did not eliminate, the activities of anti-Russian circles from the Caucasus on its territory. For instance, in February 2014, a Turkish prosecutor accused three murder suspects who assassinated four Chechen members of the Caucasus Emirate in İstanbul in 2009 and 2011 of being Russian secret service agents. On the other hand, during the conflict in Syria, Turkey provided particular support to units of jihadi fighters from the Northern Caucasus.⁸

GAS PIPELINES, CONSTRUCTION CONTRACTS AND CHARTER FLIGHTS

Economic interests are often cited as the primary pillar of the Turkish-Russian relationship, and within this context energy constitutes the main foundation of Turkish-Russian economic cooperation. However, if

⁸ Amberin Zaman, "İŞİD'e destek 'hâlâ sürüyor'" (Support to ISIS 'still in progress'), *Taraf*, 14 June 2014, <http://www.taraf.com.tr/yazilar/amberinzaman/iside-destek-hala-suruyor/30031>. Amberin Zaman, "Syrian Kurds continue to blame Turkey for backing ISIS militants", in *Al-Monitor*, 10 June 2014, <http://almon.co/23tw>.

we scratch the surface we would see that the scale of economic cooperation is often exaggerated by both sides and is already facing serious challenges. On the one hand, the economies of Turkey and Russia are complementary because the former is one of the most important energy importers in Europe and the latter among the main energy exporters in the world. However, such interdependency also creates tensions relating to divergent interests concerning the price of energy and asymmetric relations based on the exporter's advantage over the importer.

As part of the Turkish energy balance, gas occupies first place with approximately 33 percent of the share, coal is in second place with 30 percent and oil is in third place with nearly 20 percent. Turkey imports nearly 100 percent of its gas, 90 percent of its oil and approximately half of its coal. Russia's role is especially big in the gas sector. In 2013 imports from Russia covered over 55 percent of Turkey's gas needs.⁹ The price of gas for Turkey is substantially higher than for other European countries. After the Crimea crisis Turkey has tried to exacerbate Russia's problems with the transit of gas to Europe through Ukraine and a postponement of the South Stream pipeline project in order to gain price reductions. In 2013, Russia's share in Turkey's coal consumption accounted for approximately 15 percent, while in the case of oil it totalled around 10 percent. Turkey also imports around 30 percent of oil products from Russia, but almost half of the imports are used for re-export or stocked in international aviation and marine bunkers.¹⁰

Summing up, Russia's share in Turkey's energy balance therefore totals around 25 percent. However, Russia's importance is decreasing and this trend will deepen, excluding the nuclear sector. The Russian share in Turkish import of gas decreased from around 70 percent at the end of the 90's to around 57 percent in 2013. Meanwhile, Russia's share in the Turkish oil import fell from 40 percent in 2007 to around 10 percent in 2013 as Turkey signed agreements concerning new gas and oil pipelines from Azerbaijan and Northern Iraq. In coming years Turkey will substantially increase domestic production of coal, decreasing its import from abroad. Negotiations are ongoing with Saudi Arabian, Qatari and Japanese companies for the privatisation of two big coal sites in Anatolia. On the other hand, the construction of a large refinery in Izmir by Azerbaijan's SOCAR, which began in 2011 (completion planned in 2016), will significantly de-

⁹US Energy Information Administration (EIA), *Turkey*, updated 17 April 2014, <http://www.eia.gov/countries/cab.cfm?fips=tu>.

¹⁰Ibid.

crease Turkey's dependency on imported petroleum products.¹¹

A recent new area of cooperation between Turkey and Russia in the energy field relates to the nuclear sector. According to an agreement from 2010, Rosatom will build a nuclear power plant near Mersin in Turkey with a value of 20 billion dollar (with 51 percent Russian ownership). Construction is planned to begin in 2014 and last until 2022. Paradoxically, the construction of this nuclear plant may result in a substantial decrease in the supply of gas from Russia.¹²

Turkey is important to Russia in terms of energy not only as a client but also in the context of the transit of oil. Tankers transport a significant part of Russian oil through the Turkish Straits, which are transited by approximately 10,000 tankers each year – almost 4 percent of worldwide transit. Moreover, the South Stream gas pipeline promoted by Russia, if completed, will pass through Turkey's territorial waters. However, one cannot exclude that Turkey will make its further support for this project conditional upon Russian concessions regarding political and economic issues that are of key significance to Ankara (i.e. transit of oil through Anatolia and the price of gas).

Turkey has also become an important trading partner for Russia. Its share in the Russian trade balance approximates 4 percent, while before the crisis in 2008 it was almost 5 percent. To compare, in 2000, Turkey accounted for only 2.5 percent of Russian foreign trade. Turkey has become one of the most important markets for Russian exports (approximately 6 percent), but despite this the Russian share of Turkish trade has not increased significantly in the 21st century. In 2002 when the AKP came to power, the share of Russia in the Turkish trade turnover approached 6 percent. In 2013 Russia accounted for 8 percent of Turkish trade volume. In 2013 Russia was the fourth most important export market for Turkey (4.5 percent share in exports) and the second in terms of imports (approximately 10 percent). In consequence, Turkey has the greatest trade deficit with Russia after China (less than 30 percent of imports are covered by exports).¹³

¹¹ Zehra Aydoğan, "Azeris, Spaniards ink \$4.8 billion Turkish refinery deal", in *Hürriyet Daily News*, 21 May 2013, <http://www.hurriyetdailynews.com/Default.aspx?pageID=238&nid=47258>.

¹² This investment has already been delayed because of bureaucratic obstacles, and further delays due to the financial difficulties of Rosatom, a public company hit hard by the recession of Russia's economy, should not be excluded.

¹³ Turkish Statistical Institute, *Foreign Trade Statistics*, http://www.turkstat.gov.tr/PreTablo.do?alt_id=1046.

This imbalance, which is likely to further increase in 2014, stems from the model of Turkish-Russian economic cooperation based on the import of energy. In 2013, Russia's share in the Turkish export lagged behind Iraq's, with Turkish exports to Russia approaching 7 billion dollar compared with 12 billion dollar to Iraq. In light of this fact, the depiction of Russia as a promised land for Turkish exporters appears particularly out of touch with reality. While it is true that in 2013 Turkish exports to Russia slightly surpassed the value of products exported by Turkey to Italy and France, according to data for the first quarter of 2014, Russia's share of Turkish exports seems likely to decrease substantially, with Russia again falling behind France, Italy, the US and Switzerland (a special case related to the recent surge of Turkish gold exports). Moreover, due to the Russian economy's stagnation and prospective recession, the decreasing importance of Russia's market for Turkish exporters seems likely to remain a medium-term trend. Indeed, Turkish export to Russia has stagnated since the crisis in 2008. By comparison, in the same period, Turkish exports to Iraq exploded, witnessing a threefold increase. Even within the framework of the post-Soviet space, the importance of the Russian market for Turkish exporters should not be overestimated. For instance, in 2013, Turkish exports to Azerbaijan, Turkmenistan and Ukraine were bigger than Turkish exports to Russia, despite the fact that the economies of these countries taken together are radically smaller than that of Russia.

As far as Russian imports to Turkey are concerned, the data also does not look very impressive. In contrast to other main Turkish trade partners, Russian imports to Turkey decreased around 20 percent between 2008 and 2013. By comparison, in the same period Russian exports to Poland, which is more or less on an equal footing with Turkey regarding its share in Russian trade albeit with a politically more tense relationship with Moscow, expanded significantly.

Russia occupies the first position in terms of the cumulative value of construction contracts undertaken by Turkish companies, which possess a 3.5 percent share in the world construction sector. Here again, however, cumulative data tends to obscure more than it reveals.¹⁴ The value of contracts realised in Russia until 2013 approached almost 50 billion dollar, and they accounted for almost 20 percent of all construction contracts realised by Turkish companies abroad. However, in the last few years,

¹⁴Russia ranked the first position from 1972 to 2012. See Turkish Ministry of Economy, *Overseas Contracting and Consultancy Services. General Note*, August 2012, http://www.economy.gov.tr/upload/4CEB1B6E-ADFA-968E-93769440DA5B988D/Not_ingilizce.pdf.

Russia has begun to lose its importance as a key market for Turkish construction companies. Between 2010 and 2013 Turkish construction companies undertook projects worth 15.6 billion dollar in Russia. By comparison, in the same period, the value of construction contracts realised by Turkey in Turkmenistan exceeded 19 billion dollar. Moreover, in 2013 the value of contracts undertaken by Turkish companies in Turkmenistan was almost two times higher than those implemented in Russia.¹⁵

Tourism, another highly important sector for the Turkish economy, is also worth analysing. According to the World Tourism Organisation, it indirectly and directly accounts for 10 percent of the Turkish GDP, and Russians constitute the second most numerous group of foreigners that visit Turkey (almost 4,3 million visits, more than 12 percent of the total).¹⁶ However, the Russian occupation of Crimea and the deteriorating economic situation in Russia will probably result in a decrease of Russian tourists visiting Turkey as Moscow tries to shift their flow towards Crimea. Russia announced that the number of flights between Russia and Crimea in the summer of 2014 will increase almost four times, and these flights are going to be cheaper than charters to Turkey because of public subsidies.

Turning to foreign direct investment (FDI) flows, the AKP government is known to have brought an unprecedented inflow of investments to Turkey. Russia, however, accounted for only 3 percent of FDI inflows between 2003 and 2013.¹⁷ Russian capital does sometimes invest indirectly in Turkey by purchasing assets of Turkish companies from foreign firms. In 2012, for instance, Russia's Sberbank bought a majority of the shares worth 3.6 billion dollar in Turkey's Denizbank from the Belgian-French bank Dexia. The share of Russian investors in Turkey's investment balance will most likely increase in the next years due to the construction of the above-mentioned nuclear plant by Rosatom.

¹⁵ Turkish Ministry of Economy, *Yurtdışı Müteahhitlik ve Teknik Müşavirlik Hizmetleri 2013 Yılı Değerlendirmesi*, (Overseas Contracting and Technical Consultancy Services. 2013 Year in Review), January 2014, <http://www.ekonomi.gov.tr/upload/1716ACC7-984B-A-973A04F725D556CEF47/Bilgi%20Notu%20-%20C4%B0statistik%20De%20C4%9Ferlendirmesi-yeni.pdf>.

¹⁶ Turkish Ministry of Culture and Tourism, *Tourism Statistics*, <http://www.kultur.gov.tr/EN,36570/statistics.html>.

¹⁷ Turkish International Investors Association (YASED), *FDI Statistics for Turkey*, <http://www.yased.org.tr/webportal/English/istatistikler/tudyi/Pages/FDistatisticsfor-Turkey.aspx>.

IDENTITY AND HISTORY: THE LEGACY OF EMPIRES

Ultimately, a strategic partnership between Turkey and Russia cannot be sustainable in the long term without a solid social base. Moreover, because of their opposing historical memories, imperial legacies and antagonistic ethnic-religious kinships, Turkish-Russian relations remain prone to crises and disagreements. Despite a huge increase in people-to-people contacts, negative perceptions have persisted, deeply rooted as they are in centuries of rivalry and wars. A substantial rise of xenophobia in Russia (Russia for Russians) and a particularly negative approach towards Muslims from the Northern Caucasus by Russian society constitute the main challenges.¹⁸

While Turkic and Caucasian Muslims have come to represent “the other” for Russian nationalism, in Turkey these are doubtlessly among the most liked ethnic groups. According to the Turkish official discourse, one Pan-Turkic nation exists that covers different Turkic ethnic communities, which in Turkey are called the external Turks. Crimean Tatars, for example, are defined as Crimean Tatar Turks. Moreover, Caucasus Muslims are perceived as brother nations of Turks, given that a substantial part of Turks originate from the Caucasus and Crimea where their ancestors experienced ethnic cleansing, massacres and even genocide committed by Tsarist Russia.¹⁹ The descendants of migrants and refugees (*muhacirler*) from Tsarist Russia are to this day over-represented among Turkish elites.²⁰ In Turkey, the last few years have witnessed the rebirth

¹⁸ An ambiguity in the Russian state ideology favours to a certain degree the rise of Russian nationalism. On the one hand, Russia is presented in the official discourse as a multi-religious and multi-ethnic state. On the other, Russians are defined as the backbone of the state, and according to the Kremlin the Russian identity is based on Orthodox Christianity. See Vladimir Putin, “Russia: The Ethnicity Issue”, in *Nezavisimaya Gazieta*, 23 January 2012, <http://archive.premier.gov.ru/eng/events/news/17831>. On the other hand, the concept of *Ruski Mir* promoted currently by the Kremlin in the international arena assumes the national unity of Russians, Belarusians, and Ukrainians based on Eastern Slavdom. Christian Orthodoxy and the common state traditions of Kiev Russia, Muscovy, Imperial Russia and the Soviet Union has also *implicite* the anti-Muslim dimension in its historical narrative. Indeed, the tradition of wars against Ottomans, Tatars and Caucasus Muslims in the Balkans and the Black Sea region forms one of its pillars.

¹⁹ The historical memory of suffering from ethnic cleansing and massacres is more widespread in Turkish society. It also concerns Turks originating from the Balkans and inhabitants of those parts of Anatolia which were occupied several times by Russia in the 19th and 20th centuries and by Greece after the First World War (1914-1918).

²⁰ For instance, the family of Turkish Prime Minister Recep Erdoğan is of Georgian descent (Adjaria in Georgia). Adnan Menderes, the first and long-serving democratic Prime

of awareness about ethnic roots, which can be seen in cultural and social activities as well as in foreign policy (i.e. support for their fellow countrymen fighting for independence as well as the international campaign for the massacres and expulsions of the Circassian people by Tsarist Russia to be deemed genocide²¹). The Crimean Tatars were former subjects of the Ottoman Empire with special status (the Crimean Khanate was a vassal state ruled by the Gerey dynasty, which would have succeeded the Ottoman dynasty if the latter had become extinct). They are Turkic Sunni Hanafi Muslims that had been expelled or migrated to Turkey after the Russian conquest of Crimea and subsequently suffered terribly during the deportation from Crimea organised by the Soviet Union just 70 years ago. It should therefore come as no surprise that these communities have gained widespread sympathy and empathy within Turkish society.

As a result, the Tatar issue has gained the status of an internal political issue in Turkey, although it has occupied a secondary position in the Turkish public debate compared with issues such as the Kurdish question, the war in Syria and Iraq, Turkey's presidential elections, graft probe, economic slowdown and the government's authoritarian slide. The Crimean Tatar diaspora in Turkey organised demonstrations of solidarity with their co-nationals that attracted tens of thousands of people. The Turkish leadership, accused of passivity towards the Tatar issue by the opposition, met several times with representatives of the Tatar diaspora living in Turkey.²² At the beginning of the Crimean crisis, Devlet Bahçeli, the leader of the Nationalist Movement Party (MHP), a Pan-Turkic opposition party, declared that

Crimean Turks have become the target of cruel and brutal provocation. It is a depressing and saddening development of Russia's one-sided, cruel, lawless and immoral attack targeting the Crimean peninsula, which has a special and privileged place in our history [...] the Prime Minister and the government should closely follow this extraordinary situation

Minister of Turkey in the 1950's, had Tatar roots. Orhan Pamuk, winner of the Nobel Prize in Literature, has Circassian roots.

²¹ This campaign is strictly related to the fact that the Olympics in Sochi in 2014 took place on the 150th anniversary of the genocide. The last location of Circassian resistance was located exactly where Sochi was built.

²² The Turkish public TV stations broadcasted documentaries many times on Tatar history that focused on their martyrdom and suffering. Special prayers commemorating the Tatar deportation were organized by the Directorate of Religious Affairs in all Turkish mosques.

without ignoring it and should defend our Crimean cognates' rights and laws.²³

It is worth remembering that in the next twelve months presidential and parliamentary elections will be held in Turkey, and the MHP constitutes the most serious rival for the ruling AKP party's electoral base, namely the conservative nationalist constituencies in Central Anatolia.

As the heir of the Ottoman Empire and the largest Turkic nation, Turkey ultimately does aspire to the position of protector of Muslims of the former Ottoman lands and Turkic communities. Russia, on the other hand, presents itself as a protector of Eastern Christians – particularly Slavs – in the post-Soviet space, the Middle East and the Balkans. In effect, Turkey and Russia have been supporting antagonistic communities in conflicts taking place in the Balkans and the Caucasus (i.e. Bosniaks and Albanians vs. Serbs, Armenians vs. Azeris). Currently a fully-fledged ethnic conflict in Crimea between Tatars and Russians seems unlikely, but it cannot be entirely ruled out in the future. In the event of such a confrontation, the Turkish government would find itself under pressure from Turkish society, which would demand a more assertive stance in support of their Tatar co-nationals. However, the bloody war in Syria decreased decisively the eagerness of Turkish society for military engagement.

Ultimately, the different approaches to the issue of the Armenian and Circassian genocides shows the divergence of Turkish and Russian historical memories. Both genocides occupy a prominent place in the agenda of both countries because 2014 marks the 150th anniversary of the Circassian genocide and 2015 will mark the 100th anniversary of the Armenian genocide. Russia definitely has a negative attitude towards the recognition of the Circassian genocide and avoids a serious discussion on that issue. At the same time, Turkey rejects the recognition of the Armenian genocide. On the other hand, in 2005 the Russian parliament accepted for the second time a resolution defining the Armenian massacres as a genocide and most probably will endorse it again next year. Meanwhile, in May 2014, within the framework of commemorations of the Circassian genocide, Turkish politicians, including Prime Minister Erdoğan, declared that Circassians experienced in Tsarist Russia one of the largest tragedies in the history of humankind that resulted in millions of victims.²⁴

²³ "Turkey's MHP leader says Crimea on brink of becoming new Ossetia", in *Today's Zaman*, 3 March 2014, <http://www.todayszaman.com/news-341065-mhp-leader-says-crimea-on-brink-of-becoming-new-ossetia.html>.

²⁴ "Obrashcheniye Redzhepa Erdogana k cherkesskoy diaspore Turtsii" (Erdoğan's

Erdoğan, however, refrained from directly mentioning Russia and, despite the Circassian requests for a boycott in February 2014, participated in the opening ceremony of the Sochi Olympics, where in 1864 the Russians committed one of the largest massacres of Circassians.

Last but not least, the political leaders of both countries do not enjoy huge support in the partner country. Indeed, President Putin has become a symbol of authoritarianism for the majority of Turkish society. In the Turkish opposition media Prime Minister Erdoğan is often compared, because of his authoritarian tendencies, to the president of Russia. On the other hand, the religious and conservative Turks, who make up the backbone of the ruling elite's constituency, perceive Putin as a supporter of hostile Shia and Christian neighbours (Assad's regime, Armenia, Cyprus and Iran).

WHAT NEXT?

The Turkish-Russian relationship is a complex set of economic, identity and geopolitical factors, and the recent increase in bilateral contacts has substantially decreased the possibility of open confrontation between Ankara and Moscow. However, this relationship cannot be called a strategic partnership, at least not in its present form. Moreover, present geopolitical realities, security alliances, the difficult legacy of history and the changing economic environment seriously constrain the possibility for the establishment of that kind of partnership. Certainly, a furthering of Turkey's authoritarian slide could result in a rapprochement between a Turkey drifting away from the West and Russia. However, the continuation of Russia's aggressive policy in the post Soviet space can at the same time alienate Turkey, a country sensitive of its status as an independent and relevant actor in the global arena. Ankara will most probably not stand idly by to the possibility of a complete Russian domination over

appeal to the Circassian diaspora in Turkey), *Adyge Kheku*, 26 May 2014, <http://www.aheku.org/news/society/5823>. Sadik Yakut, deputy chairman of the Turkish Parliament, from the ruling party was more outspoken than Prime Minister Erdoğan in his statements on the Circassian genocide. "Zayavleniye Zamestitelya predsdatelya Turetskogo Velikogo Natsional'nogo Sobraniya Sadyk: Yakut o trebovaniyakh cherkesov o priznanii genotsida i deportatsii cherkesov Rossiyskoy imperiyey" (Statement by the Deputy-Chairman of the Turkish Grand National Assembly Sadik Yakut: Requirements for recognition of the Circassian genocide and deportations of Circassians by the Russian Empire), *Adyge Kheku*, 26 May 2014, <http://www.aheku.org/news/society/5822>.

this part of the world.

The general framework of Turkish-Russian relations is unlikely to change substantially in coming years. Taking into consideration the mayhem in Syria and Iraq and the sharp internal polarisation, Turkey will be very much preoccupied with the Middle East and itself. However, for the same reasons, Turkish economic interests could partly shift to the post-Soviet space. In the medium term, Turkish-Russian cooperation in the energy sector will undergo a substantial shift due to the diversification of Turkey's energy balance, which will decrease Ankara's dependency on Russia.

At the end of the day, Turkey's policy towards Russia will strongly depend on the character of Russian-Western relations. What is sometimes neglected is that the EU and the US are radically more important partners for Turkey in the economic, social and security fields than Russia. In case of the new cold war between the US and the EU and Russia, Turkey – perhaps without strong conviction – will most probably align its policy with the West.

2.

Dealing with Turkey After Ukraine: Why the EU Should Let the Enlargement Approach Go

Antoaneta L. Dimitrova

The European Union's confidence in its reach and attractiveness for its neighbours will never be the same after the events in Ukraine at the end of 2013. Even if there are few explicit signs yet that the years of inertia when the EU happily followed the tried and tested enlargement method are coming to an end, the realisation must be dawning on European leaders that not only President Putin, but also other leaders of important EU neighbours are playing a different geopolitical game than the EU's neighbourhood policy envisaged. Using enlargement as the most successful foreign policy tool the EU has had in the past decade may be dangerously inadequate in the current situation. The question is whether relations with Turkey, the largest and most geopolitically important of the countries currently negotiating for membership, should be reconsidered in the light of the dramatically changed global environment.

When former Ukrainian President Yanukovich refused to sign the long-negotiated Association agreement with the EU in Vilnius in November 2013, he appeared to EU leaders as someone who had been living in another world. And so he had. His power base was rooted in a personalised network, in a regime that had been increasingly turning from a formal democracy to an openly neo-patrimonial oligarchy. Confronted with Ukraine's domestic elites and institutions, the European Union's conditionality approach had a negligible impact in driving reforms.¹ The fact that Ukrainian elites, including the ones linked to previous President Yushchenko, were not in a hurry to implement the reforms the EU required, should have served as a wake up call for the European Union even before the Vilnius summit.

¹ Antoaneta Dimitrova and Rilka Dragneva, "Shaping Convergence with the EU in Foreign Policy and State Aid in Post Orange Ukraine: Weak External Incentives, Powerful Veto Players", in *Europe-Asia Studies*, Vol. 65, No. 4 (June 2013), p. 658-681.

For all the differences between the EU's Neighbourhood policy and enlargement, conditionality – trading domestic reforms for progress in negotiations – remains the cornerstone of the EU's approach. But can it still work as it did in the past? During the Eastern enlargement of 2004-2007, there were several mechanisms underlying conditionality's success. Next to a fairly credible accession promise on the EU's side, domestically, both rational factors and socialisation mechanisms worked to support EU demands for reform. As Central and Eastern European (CEE) politicians assured their electorates that they were working to “return to Europe,” rational cost-benefit calculations were strengthened by pre-existing socialisation. The success of EU conditionality in Eastern Europe in the past was ultimately ensured by the fact that domestic leaders derived their own legitimisation from following a path of Euro-Atlantic integration. This pre-existing socialisation and the domestic institutional structure of the CEE states worked to complement EU demands and kept the process going. Such pre-existing socialisation and favourable global context no longer exist for any accession candidate, with the possible exception of Serbia.

Despite the increasing resistance of candidate countries to reforming their domestic political institutions and policies, the EU's enlargement strategy as it has evolved since 2011, includes even more “strict but fair” conditionality rather than a reconsideration of it. Adding more steps in the process of accession and benchmarks for difficult chapters works when a country is well on its way to membership, as Croatia was. Despite the clear normative logic behind it, a similar approach has not worked in the negotiations of the Association agreement with Ukraine and it will most likely continue to be problematic for Turkey. Looking back at the last quarter century of enlargement, Heather Grabbe noted the EU's gravitational pull has been remarkable, but that we have reached the end of the EU's monopoly on transformative power.² It is time to reassess the EU's approach vis-à-vis its neighbours and partners.

What are the implications of this reassessment for relations between the EU and Turkey? As Maniokas and Žeruolis have recently argued,³ enlargement is not a recipe for a successful foreign policy in general. Nowhere is this truer than for the EU and Turkey. Turkey's negotiation process has been stuck in a stalemate since 2008. Even though formal

² Heather Grabbe, “Six Lessons of Enlargement Ten Years On: The EU's Transformative Power in Retrospect and Prospect”, in *The JCMS Annual Review of the European Union in 2013*, p. 40-56.

³ Klaudijus Maniokas and Darius Žeruolis, “EU: Enlargement: How Wrong Blueprint Spoils Good Policy”, in *Europe's World*, 20 March 2014, <http://europesworld.org/?p=6754>.

negotiations have restarted in 2012 with a “positive agenda” approach intended by the EU “to bring fresh dynamics” into Turkey-EU relations⁴ and chapter 22 on regional policy has been opened,⁵ there has been no solution for the problems that led to this stalemate in the first place. More importantly, the accession method is not suited as a response to the changed strategic context in Europe and the challenges in Syria and Ukraine which the EU and Turkey need to address together.

The European Commission stressed Turkey’s role as a strategic partner in its latest progress report, yet at the same time, it stated that the Positive Agenda adopted in 2012 is not a substitute for negotiations.⁶ In contrast to the Commission’s view, I would argue the accession negotiations no longer provide the most suitable framework for EU-Turkey relations.

There are three main reasons for this: first, the dynamics of the accession process, second, the character and content of the *acquis* and third, the larger geopolitical picture in Europe and the expansion of Russian interests through, among others, the Eurasian Customs Union.

The dynamics of EU-Turkey negotiations have become largely negative, by the sheer virtue of being blocked for such a long time. Furthermore, if we accept that domestic elites and their socialisation matter more than we previously realised, we need to ask ourselves whether Turkey’s new elites, led by Prime Minister, now President Recep Tayyip Erdoğan, are interested in going along with EU conditions. Until a few weeks ago, this question would have been answered in the negative, based on Turkish reactions to EU criticism of the Turkish government’s handling of the Gezi park protests and their coverage in social media platforms. However, on 18 September 2014, Turkey announced a new strategy to accelerate its accession process, including constitutional reforms and a public relations campaign. While first reports of this strategy indicate a change of tone and a greater commitment to dialogue with the EU on political reform, the European Union’s ability to respond to such changes, were they indeed to take place, remains very limited.

⁴ European Commission, *Positive EU-Turkey agenda launched in Ankara* (MEMO/12/359), 17 May 2012, http://europa.eu/rapid/press-release_MEMO-12-359_en.htm.

⁵ European Commission, *EU-Turkey: Putting accession talks back on track, new chapter opened* (MEMO/13/958), 5 November 2013, http://europa.eu/rapid/press-release_MEMO-13-958_en.htm.

⁶ European Commission, *Enlargement Strategy and Main Challenges 2013-2014* (COM(2013)700), 16 October 2013, p. 21, <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52013DC0700>.

The EU's credibility in relation to Turkey's accession is diminished due to the Union's own enlargement fatigue and negative public opinion trends towards Turkey as a potential member in several large member states. Even with the rising external threats from Russia and Syria, a substantial group of EU member states remains inward looking with government policies responding to electorates for whom immigration rather than external security are seen as the biggest threat.

There is, however, little doubt that the European Union should re-evaluate its relationship with all its neighbours in the light of Russia's new expansionism. Developments in Ukraine have shown that the EU should consider President Putin's Russia as a rival on the continent. Given the pro-active Russian stance towards Ukraine and previously Georgia, it is not too far fetched to anticipate that Putin may have an expansive strategy for other Black Sea neighbours, such as Turkey. Turkey being a NATO member and a strong military power, Russia may seek closer ties in energy and trade to attract Turkey towards its orbit.

A rapprochement between Turkey and Russia may not be as unrealistic as it sounds. For one thing, even if Russia's takeover of the Crimea affected the Crimean Tatars considerably, Turkish official reaction to their problems has been less vigorous than could have been expected.

Furthermore, similarities between the Russian and Turkish ideas of statehood might become more important especially if Turkey continues to feel rejected by the European Union. It is possible to imagine President Erdoğan having sympathy for Putin's drive to reassert Russia's role in the international arena as a way to anchor his popularity at home. It is also not unlikely that Erdoğan, Turkey's most influential conservative politician, may find common ground with Putin the conservative. The Russian President has been positioning himself as the defender of conservative values, against the European Union as the "overly liberal," "too tolerant" other. This social conservatism may serve as a common ideological platform between Russia and some Turkish elites as it has already served to create common ground between Putin and the European far right.

The spillover to geopolitical or trade issues may be both unexpected and disastrous for the European Union. During the Minsk summit of the Eurasian Customs Union in October last year, Kazakhstan's President Nazarbaev was quoted as saying that Turkish Prime Minister Erdoğan had enquired about joining the Eurasian Customs Union.⁷ Such an eventuality

⁷ "Turkey Not Making Eyes at the Eurasian Union: for Now", in *EurasiaNet.org*, 21 November 2013, <http://www.eurasianet.org/node/67786>.

may currently seem far-fetched, but its potential repercussions should be considered nonetheless.

Even if Turkey's reported interest in the Eurasian Union may currently be just another expression of frustration with the EU and the stalemate in the accession negotiations, the very existence of the Eurasian Customs Union means the EU will not be the only game in regional integration in Europe any more. The European Union should strengthen its relations with Turkey to prevent more serious moves in the direction of the Eurasian Union.

The enlargement process with its inflexible sequencing and stress on the *acquis* can become an impediment to this goal in several ways. First of all, despite resuming negotiations in November 2013, they are viewed by an increasing number of politicians in the EU member states as open-ended. It would not be an exaggeration to call them a dead end, especially if EU's democracy standards continue to clash with the policies of Turkish leaders on civil society or the media. Even if Turkey does take a course of implementing further reforms in democratic governance, the EU is not able to make its promise of accession a reality, given the broad differences of opinion between member states on Turkish accession.

Next to this, the process and content of accession negotiations do not allow more flexible integration where there are common interests or needs. In terms of content, the bulk of the *acquis* are still market regulations based on bargains struck between the member states in the past. The EU's enlargement method does not choose between *acquis* areas. Differences in sequencing chapters are hardly a solution to this. While the Commission's enlargement strategy for the 2004-2007 accession round relied on opening "easy" chapters first to build progress and momentum and the revised strategy applied to Croatia started with "difficult" rule of law chapters, keeping them open to the end, neither makes much sense as a short and medium term response to the geopolitical challenges the EU and Turkey face today.

The EU should aim to make a strategy and a foreign policy for Turkey taking these current challenges, especially the violent conflict in Syria, hostilities in Eastern Ukraine and the repercussions of the sanctions against Russia, into account. This would require two substantial adjustments in current thinking. First, both European and Turkish elites have to find a way to accept that accession will not happen in the short term. This should not mean giving up on trade and the Customs Union or offending and alienating Turkish elites: just the opposite. The goal of accession

should be replaced with a form of functional Union – not to be confounded with the concept of Privileged Partnership which has been floated mostly as a project to delay and substitute Turkish integration in the EU – providing both sides with support in handling the geopolitical problems they are faced with. A key difference with the current approach would be that it would not be based on a sequential adoption of existing *acquis* chapters, but on agreements to integrate deeply in specific, narrowly defined policy areas.

The formation of such a functional Union involving cooperation in specific policy areas, next to the Customs Union would be a form of differential integration. This would involve a second adjustment to current thinking. Instead of working through the *acquis*, the EU and Turkey could pick the policy areas in which each partner needs cooperation with the other and start from there. Policies to deal with refugees and asylum seekers, regional support for Turkish regions affected by the Syrian conflict, a joint policy supporting the rights of Crimean Tatars, a joint policy on the conflict in Ukraine and trade arrangements in response to the Russian import sanctions could each be the subject of narrow, but deep cooperation. Another cluster of integrated policies could cover aspects of security not covered by NATO, such as economic security, energy security and energy routes. The EU's values on freedom of expression, human rights and democracy do not need to be abandoned, but could be included as part of the issue linkages which would inevitably occur during negotiations. Such a differential EU-Turkey Union would be formed on the basis of equal negotiations, rather than the asymmetric enlargement method. Starting from a policy issue where Turkey needs immediate support, for example developing a joint EU-Turkey response to the tidal wave of refugees from Syria entering Turkey, could serve as an incentive and a token for good will for Turkey. The substitution of more equal negotiations for the currently ineffective enlargement method may in itself send a signal to Turkey that it is taken seriously as an important partner in trade and security and an important regional geopolitical power. In these precarious times, it is crucial that policy makers in the European Union ensure that the Union has a united front with Turkey on the future of Europe.

3.

Between Appeasement and Rivalry: Turkey and Russia and their Neighborhoods

Adam Balcer

Turkey is often perceived as a country that, like several EU members, assumes that engaging rather than deterring Russia serves its interests best. Analysts also suggest that “ties between Russia and Turkey are driven by pragmatism – or even naked opportunism.”¹ We can hear, repeated like a mantra, opinions about Turkey’s drift from the West towards Russia. Turkey is also presented as a “shy guy” in the security field, meekly accepting Russian predominance. Indeed, during the Ukrainian crisis Turkey, though it is a key NATO member and a candidate to the EU, has refused to join the US and EU sanctions against Russia. Generally, Turkey avoids an open geopolitical confrontation with Russia in the post-Soviet space, though it promotes, without publicity, security cooperation with Georgia or Azerbaijan. More importantly, Turkey is substantially more eager to engage in a geopolitical competition with Russia in the Middle East and Eastern Mediterranean. Ankara possesses larger assets in these regions, and they occupy the top place in its security agenda. However, Turkey’s leverage in this region has decreased in recent years, while Russia’s has increased. In consequence, Russia has become a more powerful player in the Middle East than Turkey. Turkey’s main problem is an insufficient recognition that the Middle East and the Black Sea are strongly intertwined in Russian foreign policy and should be treated as “communicating vessels” (see the next paragraph). Moreover, taking into consideration Russia’s ascendance in the Middle East, Turkey needs a leverage to counterbalance that process. It could be achieved *inter alia* through a stronger alignment of Turkish foreign policy with the EU’s and NATO’s policy towards Russia.

¹Dimitar Bechev, “Russia and Turkey: What does their partnership mean for the EU?”, in *EPC Policy Briefs*, 15 February 2015, p. 1, http://www.epc.eu/pub_details.php?cat_id=3&pub_id=5304.

ZERO-SUM GAME: RUSSIA'S WORLDVIEW

Certainly, Russia perceives the post-Soviet space as the most important region in its foreign policy agenda and its natural and exclusive sphere of influence. Nevertheless, the Middle East occupies an important, second place in the Russian agenda because it is the main geopolitical global playground. Certainly, the Russian engagement in the Middle East should be explained also by its fears concerning possible negative spillovers from the region into Russia (for instance, the return of jihad fighters originating from the current Northern Caucasus fighting in Syria and Iraq). Moscow wants to confirm its aspirations to be a global power by playing the role of the indispensable stakeholder in the region. Indeed, besides the post-Soviet space and post-communist Europe, Russia does not possess such leverage as it has in the Middle East. Since the fall of the Berlin Wall, Russia has lost almost all of its military bases located outside the Soviet Union. The Syrian base in Tartus in President Assad's stronghold (Latakia) is the only exception, which explains why Syria is so important when considering Russian geopolitics. The Russian Navy's radar operating from this base has coverage that ranges thousands of miles, including the entire Turkish territory. In Syria Russia also maintains electronic surveillance facilities in Latakia and airbase facilities in Tadmur.

Moscow tries to use its influence in the Middle East as a bargaining chip in the continental geopolitical game with the West. Currently, the essence of the Russian proposal to the West can be described as: "You give us Ukraine, we will give you a hand on Iran or Syria." However, Russia's influence in the Middle East, though substantial, is overestimated. Certainly, Russia can be a serious troublemaker in the region, or can substantially contribute to its stability. Nevertheless, Moscow does not possess the capacity to stop the US from possible military intervention in Syria and Iran or to provide Teheran and Damascus with military equipment capable of deterring the US from intervention. On the other hand Russia cannot by itself enforce both countries to accept a deal with the West above Iranian and Syrian heads. In fact, Iran is not a junior brother of Russia but an independent player that possesses a larger influence in the region than Moscow. Moreover, Iran is not interested in Russian mediation in its dealings with the West. In consequence, Russia played a secondary role in achieving the most recent breakthrough in the P 5+1 negotiations with Iran. The Russian Foreign Minister was not even present during the crucial last day of the talks.

THE GEOPOLITICAL COMPETITION IN SYRIA

Moscow plays the role of the key military ally for the main regional enemies of Turkey (Syria, Iran, Cyprus, Armenia). It can be said that Turkey is surrounded by the friends of Russia (plus Greece). The bloody conflict in Syria is definitely the most important arena of geopolitical rivalry between Turkey and Russia. Ankara supports logistically the opposition forces in northern Syria, informally supplying them with weapons and providing them with intelligence data and medical treatment. It is also an open secret that Ankara assured safe haven for the Syrian fighters on its territory, where they underwent military training. Aleppo would probably already be reconquered by the Assad forces if was not located in the proximity of the Turkish border. The most recent success of the Anti-Assad offensive in North-Western Syria (March-April 2015) is also a result of Turkey's intensified support for the fighters and its improved cooperation with Saudi Arabia.

Ankara also showed it had the courage to directly counter Russia's engagement in Syria. In 2012 Turkey twice forced Syrian and Armenian airplanes carrying Russian military equipment for Syria to land. The Turkish army has retaliated many times for the bombardment of its territory by Syrian forces and has shot down a Syrian fighter and helicopter, losing its own fighter.² However, Russia remains a steadfast supporter of Syrian President Bashar al-Assad's regime. Russia is the key arms conduit for the Syrian regime. It provided Syria with Mi-25 helicopter gunships, the Buk air defense system and the Bastion coastal defense missile system. Russia has also assisted Assad with shipments of fuel, and Russian military advisers have been teaching Syrians how to use purchased weapons. Since the beginning of the Syrian war, officers and air defense personnel have also been trained regularly in Russia. In October 2014, the Free Syrian Army (FSA) captured a secret Russian spy facility in southern Syria. Videos and documents released by the FSA demonstrated that the base had been run by the Russian military's foreign intelligence unit (GRU) and that a number of senior Russian military and Defense Ministry officials had visited the facility many times.³

The Eastern Mediterranean, due to the discovery of huge gas deposits,

² Meriç Tafolar, "Türk uçağını Suriye düşürdü" (Syria shot down Turkish plane), *Milliyet*, 23 June 2012, <http://www.milliyet.com.tr/d/t.aspx?ID=1557511>.

³ Josh Cohen, "Russia's Vested Interests in Supporting Assad", in *The Moscow Times*, 23 October 2014, <http://www.themoscowtimes.com/opinion/article/509979.html>.

is becoming a new arena of Turkish-Russian geopolitical confrontation, with a security dimension. Russia is the main military ally of Cyprus, which perceives Turkey as the key threat to its security. At the end of October 2014, Russia conducted naval exercises with the Cypriot and Israel navies for three days in waters east of Cyprus. The Russian anti-submarine vessel, which is the flagship of Russia's Mediterranean fleet, and a landing vessel of Russia's Black Sea fleet participated in these drills. At the same time, Turkey sent its seismic research vessel into Cypriot offshore blocks. The Turkish ship was escorted by two frigates of the Turkish navy.

THE LESSONS FOR TURKEY

Turkey believes that it cannot confront Russia in the Black Sea and the Mediterranean simultaneously. Ankara focuses mostly on the Middle East, keeping a low profile in the post-Soviet space in order to appease the Bear. In fact, Turkey underestimates the importance for the global order of Russian aggression against Ukraine by treating it as just a regional conflict. On the other hand, President Putin is very clear in his *Urbi et Orbi*. In his interview with Egypt's *Al-Ahram*, Putin said that the military conflict in Ukraine "emerged in response to the attempts of the USA and its western allies [...] to impose their will *everywhere*."⁴ Turkey does not sufficiently recognise that a strong and direct linkage exists between Russia's aggression against Ukraine and its interference in the Middle East.

In contrast to Turkish expectations, Russia's "preoccupation" in Ukraine did not result in the decrease of its involvement in the Middle East. To the contrary, the relatively moderate reaction of the West opposing Russia's aggression against Ukraine (i.e. lack of supply of lethal military equipment for Kiev) encourages Russia to engage even more aggressively in the Middle East. Since the beginning of 2014 Russia has considerably increased its supply of military equipment to Syria (armed vehicles, drones and precision-guided bombs). In January 2015, Russian Defense Minister Sergei Shoigu visited Iran, making him the most senior Russian military official to visit Tehran since 2002. He signed a military cooperation deal

⁴ "Putin to Al-Ahram daily: Discussions to exclude US dollar in bilateral trade with Egypt", in *Ahram Online*, 9 February 2015, <http://english.ahram.org.eg/News/122569.aspx>; see also Joanna Paraszczuk, "Putin Blames U.S. 'Interference, Double Standards' for Rise of IS, Ukraine Conflict", in *Radio Free Europe/Radio Liberty*, 9 February 2015, <http://www.rferl.org/content/article/26837571.html>.

with Iran that provides for joint exercises and military training, as well as “cooperation in peacekeeping, maintaining regional and international security and stability, and fighting against separatism and extremism.”⁵

Then, at the beginning of February, Putin visited Egypt. It was his first trip in a decade to the most populous Arab country. It was also very symptomatic that the visit took place the day before the resumption of Ukrainian peace talks. At the end of February 2015, during an official visit to Moscow by the President of Cyprus, two agreements were signed: the intergovernmental agreement on military cooperation and a memorandum on cooperation between the defense ministries in the naval sphere. The military cooperation agreement established a quasi-alliance relationship between Russia and Cyprus, as highlighted by the point requiring the parties not to share with third countries any information about the nature of their cooperation. The President of Cyprus announced that the two countries are also discussing the possibility of Russia using an air base on Cyprus for humanitarian relief missions.

The resilient activism seen in Russia is also reaching Turkey. At the beginning of March 2015 a Chechen political activist was killed in Istanbul. He was the seventh Chechen victim killed most probably by the FSB in Turkey in recent years. Even the deputy prime minister of Turkey, Bulent Arinc, was forced to admit that “we know that the hand of a well-known organisation in Russia killed five Chechens in Istanbul by now.”⁶ The takeaway for Turkish policymakers should be the opinion of Lilia Shevtsova, an excellent expert on contemporary Russia: “As the West has showed more and more signs of acquiescence, the Kremlin has become more and more of a loose cannon. [...] For the West, restraint, compromise, and keeping promises are all attributes one can expect to find in a rational actor; the Russian political elite, however, interpret these attributes as signs of weakness.”⁷ Turkey should accompany the West in this postulation. Ankara calls for more engagement from the West and particularly from the US on its side in Syria. Most probably, the possibility of convincing the

⁵ “Russia and Iran sign military cooperation pact”, in *Defense & Security Systems International*, 22 January 2015, <http://www.defence-and-security.com/news/newsrus-sia-and-iran-sign-military-cooperation-pact-4495157>.

⁶ “Спецслужбы РФ в Турции до настоящего времени убили пятерых чеченских лидеров: вице-премьер Турции” (Five Chechens have been killed in Turkey by Russian special services: Turkish Deputy Prime Minister), *1in.am*, 11 January 2015, <http://ru.1in.am/1077158.html>.

⁷ Lilia Shevtsova, “The Kremlin Is Winning”, in *The American Interest*, 12 February 2015, <http://wp.me/p4ja0Z-s3F>.

West of its point of view would be greater if Ankara aligned its foreign policy towards Russia more closely with Washington and Brussels in the Black Sea region.

4.

Making (Non)Sense of Turkey's Policy on Kobane

Nathalie Tocci

Turkey is pursuing three goals in Syria: eliminating Bashar al-Asad, weakening the Kurdish Workers Party (PKK) and defeating the Islamic State of Iraq and Syria (ISIS). The snag is that these three goals are incompatible, at least in the short term. If Turkey is serious in its opposition to ISIS as its role in the US-led anti-ISIS coalition would warrant, it cannot simultaneously counter the Syrian regime and the Kurdish movement. Absent Western boots on the ground, the only way to defeat ISIS militarily lies precisely in the role played by the Kurds and the Syrian regime, unpalatable as this may be for Ankara. The “moderate” Syrian opposition (whoever that may be) is hardly decisive. In the Syrian border town of Kobane, where one of the key battles is being fought, the Kurdish People's Protection Units (YPG), the military arm of the PKK-affiliated Kurdish Democratic Union Party (PYD), are key. Taking a deeper look into Turkish foreign policy, where should Ankara's priorities lie?

Of Turkey's three foreign policy goals in Syria, two appear to be genuinely linked to Turkish national security interests. ISIS represents a fundamental threat to Turkey, arguably a greater threat than the Turkish government cares to admit. Not only because of the alleged presence of ISIS cells in Turkey, but also and perhaps mainly because of the latent support the group receives in pockets of Turkish society. True, a recent survey revealed that only 1.3 percent of the Turkish public actively supports ISIS.¹ But the government, heading into an election year in 2015, may feel that a proactive stance against ISIS could alienate a far larger segment of Islamist-leaning public opinion. Yet beyond short-term electoral gains, ISIS's Wahabism poses an existential threat to Turkey and to the “soft Islamism” the AKP implicitly espouses.

Next comes the PKK. Here too, the Kurdish nationalist movement represents an existential national security challenge for Turkey. The batt-

¹ Mustafa Akyol, “Turks dislike Islamic State, but would leave fight to others”, in *Al-Monitor*, 25 September 2014, <http://almon.co/281i>.

le for Kobane has already heightened tensions in Turkey's decades-long Kurdish question, putting Turkey's courageous attempt at pursuing peace with the PKK on life support. The demonstrations in Turkey's southeast in protest against what Kurdish citizens viewed as the government's tacit support for ISIS in Kobane resulted in tens of deaths and many more casualties. Turkish military forces bombed PKK targets in the southeast, in the first major military confrontation since the beginning of the Kurdish peace process two years ago. The PKK killed three off-duty soldiers in the southeastern province of Hakkari on October 25. And although Turkish President Recep Tayyip Erdoğan asserted his determination to pursue the peace process with PKK leader Abdullah Öcalan, he also quixotically defined both the PKK and the PYD as terrorist organisations to which Turkey would not bow. At this juncture, Turkey feels in a bind. If ISIS wins in Kobane amidst Turkish passivity, the Kurdish peace process could be irredeemably shelved. If the PYD prevails militarily, it may become difficult to secure the disarming of the PKK in the context of the peace process. Turkey may have hoped for a standstill between ISIS and Syrian Kurdish forces, but with growing public outcry both in Turkey and in the West, coupled with the US decision (over and above Erdoğan's head) to support Syrian Kurds through air bombing and air dropping of weapons and ammunition, Turkey's position became increasingly untenable. It appeared that Turkey would step up its role in the anti-ISIS coalition by opening its territory for the transit of weapons as well as Iraqi Kurdish peshmerga forces. From Turkey's vantage point, altering the make-up of the battle for Kobane between the bad (PYD/YPG) and the worse (ISIS) by introducing in the mix its peshmerga allies appeared a rational strategy. And yet days after Ankara's decision, peshmerga forces are only now beginning to enter Kobane.

Third and finally comes Bashar al-Asad. Beyond Kobane, ISIS cannot be defeated by the Kurds alone. In fact, while the media limelight is turned on Kobane, ISIS is making headway in the arguably more strategic stretch of towns and cities along the Euphrates river. When it comes to the broader struggle against ISIS, in light of the debilitated state of the Free Syrian Army and Western determination to keep boots off the ground, the hard truth is that the Asad regime and Hizbollah in Syria (and Lebanon) and Iranian-backed Shiite militias in Iraq are essential ingredients of the fight. Indeed an anti-ISIS coalition worthy of the name would have ideally brought together in a necessary marriage of convenience regional and international adversaries spanning from Saudi Arabia and Iran in the

Middle East to the United States and Russia at the broader global level, mandated by a UN Security Council resolution. This was not so, largely due to the not-so-cold war raging at both regional and global levels. In particular, Saudi Arabia is trying to transform the anti-ISIS coalition into an implicit anti-Asad/Iran grouping.

The reasons underpinning the Saudi strategy may not be agreeable to all, but are, from Riyadh's vantage point, understandable. Far less comprehensible is why Turkey insists on toeing the same line. Turkey, in principle, should not be ideologically bent on countering Iran nor, for that matter, Bashar al-Asad. It has coexisted for centuries with the former, while it has taken issue with the latter only after the Syrian regime turned against its own people. Turkey rightly argues that ISIS cannot be defeated politically until the root causes of Sunni disenfranchisement are addressed. This is correct. But the best cannot become an enemy of the good, and the bright new democratic future for Syria that many dreamed of in 2011 is not around the corner. In fact, what UN Special Representative Staffan de Mistura is pursuing is a gradual transformation of the local ceasefires, from the localised victors' peace which they are, into a broader political process. But few are under the illusion that such a process, were it to start, would see an immediate departure of the Syrian president. To think we still live in a Geneva I world is fantasy.

Turkish foreign policy in the past was characterised by a degree of caution and pragmatism, key ingredients to navigate a complex neighbourhood. Why has Turkey seemingly abandoned this course? Approaching the Syrian regime and Iran with pragmatism does not mean hurrying into ironclad alliances with unpalatable partners, nor does it mean abandoning principles. Arguably, diversifying from Sunni-only alliances can but represent value added in a sectarianised Middle East. Moreover, countering ISIS and pursuing Kurdish peace are highly principled goals, the only ones which truly touch on the deepest national security interests of the country.

5.

Turkish Boots Will Remain on Turkish Ground. Why is Turkey Reluctant to “Do What it Takes” at Kobane?

Sinan Ekim

A Kurdish enclave along the Syrian-Turkish border since July 2012, Kobane now stands at the epicentre of the international struggle against the Islamic State (IS) – the latest manifestation of Sunni militant extremism and an al-Qaeda splinter group. For roughly a month now, the Syrian People’s Protection Units (YPG) have been waging a fierce struggle to prevent the city from slipping under Islamist control. YPG is tenacious in its defence, but lacks the resources to bring the battle to a successful culmination. Until the week of October 20, 2014, outside ammunition came only in the form of US-led airstrikes and airdrops, which have been insufficient to release the IS grip on Kobane. These fighters need additional boots on the ground – preferably from the neighbouring states of Turkey that has chosen to stand on the sidelines, and Iraq that has only recently sent Peshmarga forces into the conflict zone, despite the battle raging just across the border. Why is the Turkish President unwilling to “do what it takes” in Kobane – or in other words, why is Recep Tayyip Erdoğan, despite his country’s proximity to the conflict zone, steering clear from the US-led military coalition against the IS?

TURKEY’S AMBIGUITY TOWARDS IS

The argument that runs through Western media and the anti-AKP factions in Turkey is that Turkey actually supports the IS, and therefore wishes to maintain its working relationship with the group by keeping its distance from the conflict. The leader of the German Green Party, Claudia Roth, projects one of the loudest voices against Turkey’s ambiguity vis-à-vis the Islamists, condemning the alleged existence of IS training facilities and recruitment centres across the country. The Chairman of the Republican

People's Party (CHP), Kemal Kılıçdaroğlu, has also put forward that Ankara has previously supplied arms and munitions to the militants against Syrian President Assad – an accusation for which no reliable evidence has hitherto been produced. Some developments, however, do insinuate the existence of a working relationship between Turkey and the IS: despite its fanatical iconoclasm, the IS did not destroy the tomb of Suleiman Shah, the progenitor of the Ottoman dynasty in Syria. Furthermore, the IS's release of 46 Turkish hostages in September 2014 raised newer questions on the relationship between Ankara and the Islamic State.

Erdoğan had put forward the hostages as the reason behind Turkey's reluctance to play too active a role in the anti-IS coalition out of fears of retribution. However, even after their release, the Turkish President remains wary of joining the fight against the extremists and expresses his disquietude with the military alliance formed under President Obama's guidance. For instance, Erdoğan stated last week that Washington had not yet clarified what role it expected Turkey to play. Tolga Tanış, an investigator-journalist based in Istanbul, reported following his conversation with the Pentagon spokesperson that Washington had been specific in its request for the use of 2 airbases – one in İncirlik for the airstrikes against the IS and the naval base in İskenderun.¹ It is unlikely that Erdoğan has been kept in the dark on this matter.

TURKEY, KOBANE AND THE STRUGGLE AGAINST ASSAD

It is not difficult to see why the US wants Turkey to come onboard: not only does Turkey have the second largest army in NATO, but it has already deployed tanks to the border, and could easily tip the balance in the battle by firing its first shot. It is also worth remembering at this juncture that Ankara is part of the anti-IS coalition; its membership, though, has several preconditions attached to it, one of which demands an American commitment to bringing Assad's time in office to an end.

This lies at the core of the dispute between Turkey and the United States, since these two countries have different priorities at the moment. Whereas Washington is conveying its efforts towards "degrading and ultimately destroying" the IS in Kobane, Ankara points to regime change in Syria as its main objective. Officially, Turkey maintains that the conflict in Kobane is directly connected to the war against Assad in Syria; it views

¹Tolga Tanış, "Erdoğan'ın yüksek riskli oyun planı", in *Hürriyet*, 26 October 2014.

such extremist threats as a symptom of the Assad regime and the broader disenfranchisement of the Sunni majority in Syria, which will continue to generate fundamentalism even after an eventual military defeat of the IS forces. Unlike Obama then, Erdoğan is adamant that pushing the IS out of the region will provide but a temporary relief to the crisis, which could be brought to a permanent resolution only by removing the Syrian President from office.

TURKEY, KOBANE AND THE KURDS

The concerns over the Assad regime hold validity, but do not thoroughly elucidate Turkey's stance on the matter. Erdoğan's disinclination to have "Turkish boots on the ground" has more to do with the long-simmering question of Kurdish autonomy.

The battle for Kobane is currently spearheaded by the PYD – an entity that shares the ideology of the PKK. Should the PYD walk away victorious from the battlefield, the success of their brethren might embolden Turkish Kurds to seek greater autonomy, and could engender the formation of a united Kurdish front that encompasses southeastern Turkey, western Iraq and northern Syria. The Turkish President has taken precautions against seeing this scenario unfurl. At a secret meeting with PYD leader Saleh Muslim on 5 October 2014, Erdoğan's ministers stipulated that Turkey's support would be contingent on several factors: PYD forces are to become a part of Turkey's buffer-zone project; they are to join the Sunni coalition against the Syrian government, and dissolve their autonomous enclaves. It is easy to decipher the coded message behind this ultimatum: either surrender to Ankara at the negotiating table and join Turkey in the struggle against Assad, or face defeat at the hands of IS militants on the battlefield.

As days passed, Turkey's position changed for reasons closely related to Kurdish dynamics. Previously, Ankara had refused passage to the Iraqi Kurds en route to the battle, thereby blocking off the only land channel for outside fighters and ammunition to reach anti-ISIS forces in Kobane. In a remarkable reconfiguration on 20 October 2014, the Turkish Foreign Minister Mevlüt Çavuşoğlu announced that Turkey would open up its territory for Peshmarga forces to transit Turkey in order to reach Kobane. Some hopefuls have interpreted this shift in policy as a harbinger of Turkey's willingness to cooperate; yet, there are many reasons why the

international community should be wary of such optimism. This could as well be a strategic move for Erdoğan to relieve some of the criticism directed at his handling of the crisis: if examined carefully, the announcement contains more empty rhetoric than substantial promises. Çavuşoğlu even held back any detailed commentary on how the Peshmarga units would make their way into the Syrian territory or whether they would receive any logistical/practical support from Turkish forces at the border. The allocation of Massoud Barzani's Peshmarga forces could also supplement, and reinforce, Ankara's strategy, as the Kurdish Regional Government President maintains a close working relationship with Erdoğan. The leader of the PYD has already expressed his scepticism regarding the real motives behind deploying these fighters, who might disrupt the Kurdish gains at Kobane.

This lack of activism runs the risk of derailing the admirable peace process initiated roughly two years ago between the PKK and the Erdoğan government. The PKK's operational commander Cemal Bayik, as well as the imprisoned leader of the Kurdish resistance Abdullah Öcalan, stated that the peace process would be automatically terminated at the fall of the besieged town. Kurds are already loud with their anger: violent protests erupted in Istanbul, Ankara and Germany in the past weeks; overwhelmingly Kurdish towns of Batman, Diyarbakir, Muş and Siirt have witnessed clashes between IS sympathisers and Kurds, causing severe casualties and several deaths – and prompting the administration to impose curfews on Kurdish cities along the southeastern border.

Yet, the question to be posed at this juncture is: does Erdoğan care? What does he hope to gain from this conflict? His reluctance certainly does not stem from mere stubbornness, but is guided by considerations of Realpolitik. In this respect, his main objective is to weaken the PKK. As the geographical lynchpin of the Kurdish region, Kobane lies between a swath of Kurdish-controlled towns, collectively known as the canton of Jazeera, and the town of Afrin; if IS gets pushed out of Kobane, these two cantons will be linked in a chain of Kurdish-controlled towns, bringing the Kurdish ideal of an autonomous state into the realm of the possible – or at the very least, furnishing the Turkish Kurds with enough leverage to demand the type of quasi-independence the Syrian Kurds snatched from Assad in northern Syria in the summer of 2012.

Kobane's fall could trigger the successive collapse of Kurdish strongholds, enabling the IS to move westward towards the region north of Aleppo, and even to cement its grip on a broad strip of land – roughly

stretching from the Syrian border in the west to the outskirts of greater Baghdad in the east, and from the Babel province in the south to Mosul in the north. Fighting at Kobane has already weakened the Kurdish rebels, and if weakened further to the verge of neutralisation, they may be less able to resist the political demands made by the Ankara government at the negotiating table. By contrast, it will be more difficult to achieve the disarming of the PKK, should the Kurds win at Kobane. More than anything else, the Turkish President is motivated by the politics of opportunism – and is keeping the peace as a bargaining chip for his other political goals. Perhaps the support will arrive, when the Kurds have realised that quasi-independence is not a viable option.

There is also mounting internal pressure on Erdoğan. With the upcoming elections in sight, the President has to watch his electorate, and an overwhelming percentage of the population would not throw its support behind aiding the PYD that is linked too closely with the PKK. Ankara will not extract any political or territorial gains from becoming involved in the conflict; only the Turkish-Kurdish peace process runs the risk of being derailed, and it is far from certain whether aiding the Kurds will set the conditions for lasting peace with Ankara. In this sense, “doing what it takes at Kobane” is above all a humanitarian concern – and according to Erdoğan, one that is not worth the risk of opening the borders to retaliatory attacks or stiffening the morale of the Kurds.

NO EASY WAY OUT

If the struggle against Assad is Ankara’s official motivation to remain idly on the sidelines, then the Kurdish problem is the real driver of its action or lack thereof. Erdoğan clearly has his own vision for the region, and the conflict offers him an unconventional opportunity to see it unfurl.

In addition to their disagreement on whether Assad is the root cause of radicalism in the region, Erdoğan finds Obama’s thinking to be devoid of any operational logic from another perspective. Granted, the Western response may be effective in achieving the short-term objective of curbing the IS’s military capacity; yet, what about the state-building measures that will follow in its aftermath? Obama has mentioned that NATO forces will be working with the Syrian opposition; yet, this opposition is currently organised into 1500 groups of various leanings, and Washington is now providing arms and funds to 14 militias in southern Syria as

well as 60 groups in the northern stretch of the country. The Free Syrian Army is also experiencing a power struggle in its top echelons, where three military commanders have professed to be the “rightful supreme leader” of the resistance force. The fact that none of these opposition forces are secular or democratic poses another problem. Which one of these forces on the ground will then assume a leadership role, after the IS has retreated into the background?

Unlike the US, Turkey is looking at the mess that will remain in the post-conflict Levant. For instance, what if Assad regains control over the northern territories? There is no guarantee that he will not follow an aggressive policy against Syria’s neighbours, especially having secured the backing of Russia and Iran. In this regard, Davutoğlu and Erdoğan are not entirely at fault in their preferred international solution: the formation of a no-fly zone over Syria and creation of a humanitarian corridor along the Turkish-Syrian border; a proverbial “safe haven” to accommodate the refugees that are fleeing Syria, and now near 1.5 million. In short, this is a “request” to see a clear indication that the border will be safe – and this means Assad toppled and Kurds disarmed.

As Akin Ünver eloquently put it, intensifying the air campaign will provide only a “band-aid solution” for the wounds that in reality run far deeper and wider.² Resolving this conflict rather requires a political commitment to a post-IS settlement, drafted and agreed upon by the key players in the region. This means that Obama will have to factor in the interests of the local powers in order not to set himself up for another failure after the debacle in Iraq. Turkey may be committing a humanitarian faux-pas through non-involvement; however, its concerns about the future of the Kurdish problem and fate of the region could not be dismissed as unreasonable. Simply put, Erdoğan is actually doing “what it takes” at Kobane – just not what Obama wants him to do.

² Reza Akhlagi, “Candid Discussions: Akin Ünver on Turkish Foreign Policy Challenges”, in *Foreign Policy Blogs*, 27 October 2014, <http://foreignpolicyblogs.com/?p=90160>.

6.

Can the EU Clean Politics in Enlargement Countries? Turkey in Comparison

Dimitar Bechev

The fight against corruption is yet another fine example of the mismatch between EU expectations and capabilities. On the one hand, many regard the Union as capable of overhauling bad habits in member states and, to an even greater degree, in countries that have embarked on the accession journey. This belief in the EU's transformative mission is widely embraced by the discourse in Brussels. On the other hand, European integration works thanks to reasonably functioning states (take for instance the damage on the Eurozone caused by the shortcomings in Greece's statistical service). The rule of law is a precondition rather than a "deliverable." It is first and foremost up to national authorities – executive agencies, independent regulators and the judiciary – to scrutinise and enforce the law while safeguarding the public interest. After all, unlike the EU, member states enjoy the necessary legitimacy and resources to attain and secure such objectives. Unless freedom of movement is concerned, EU institutions such as the Commission and the European Court of Justice (ECJ) play a secondary role.

Expectations that the EU was capable of delivering clean governance increased in tandem with the Eastern enlargement. In all fairness, however, Brussels' track-record in tackling chronic challenges relating to state capture, dysfunctional judiciaries and the influence of organised crime on government is mixed at best. Soon after their accession in 2007 it was a foregone conclusion that such a mission had failed in Romania and Bulgaria. Pundits and bureaucrats have since explained that the reasons for this had to do with the duo's unwillingness to change and Brussels' lenience in imposing its own standards. There is much truth in such accounts, yet, strikingly, few care to delve deeper into the meaning and contents of these standards. In fact, the story is ridden with complexity. For instance, the Commission has demanded a comprehensive overhaul of the judiciary

but there is not one model in the EU of how courts and magistrates relate to the executive branch. The same is true with regards to the institutional design of specialised agencies dealing with political graft. There is variance across the EU, not an uniform mould to be replicated. Faced with this ambiguity, Brussels has by and large extrapolated some common benchmarks – for example on the need for an independent body charged with the administration of the judiciary. As far as the process is concerned, the Commission has decided to “frontload” negotiation chapters (23 and 24) on fundamental rights, judicial reform and home affairs in accession talks with Montenegro and now Serbia. The idea is to keep constant pressure on governments and close these chapters only at the end of the road.

Whether such “lessons learned” will suffice in the context of candidate countries from ex-Yugoslavia or elsewhere remains to be seen. Experience suggests that the rule of law cannot be built from outside and certainly not in the relatively short timeframe of accession talks. Societal and institutional change needs to be promoted by stakeholders amongst the political and professional elites, domestic institutions, NGOs and civil society at large. Box-ticking, formal adoption of legislation and the flurry of façade measures to please the European Commission – which continues to monitor post-accession Sofia and Bucharest under the so-called Cooperation and Verification Mechanism (CVM) – cannot foster convergence in governance standards on transparency and accountability with “old” member states.

Bulgaria’s example is telling. After years of passing laws, regulations and national strategies on combatting high-level corruption and organised crime, the public perception is that not much has changed. To many, the appointment of Delyan Peevski, a controversial media mogul as head of the national security agency in June 2013 came to be seen as a token of everything that had gone wrong in Bulgarian politics since the early 1990s. The unholy nexus of unaccountable politicians, rent-seeking oligarchs and a corrupt media has perpetuated state capture and led to a deep erosion of public trust in state institutions and the democratic process as a whole. It prompted nothing short of a civic outburst in late 2013 as citizens marched for weeks and months in the streets of Sofia demanding the government to resign. The daily rallies proved that a vocal and growing minority of citizens has a clear set of demands to free state institutions from the vested interests of the elites. They followed in the footsteps of several previous protest waves over the past year on issues such as high electricity bills and changes to environmental laws brought about

through lobby campaigns. But such civic mobilisations only confirm the point that cleaner, more transparent government is a long-term aspiration rather than a result of a technical process.

What do such experiences mean for a country like Turkey? For one, because of the stalled negotiations, EU institutions enjoy no similar legitimacy as in Bulgaria and Romania, nor is the Union expected to deliver solutions. As a result, elites in power face no need to cheat Brussels and fake efforts to uproot bribery and build transparency. They can simply dismiss any criticism and pressure from outside as deeply biased. What is striking however is the electorate's unwillingness to punish the government for its alleged corrupt dealings. The large-scale scandal erupting on December 17 was successfully framed by the then Prime Minister Tayyip Erdoğan as a conspiracy concocted by the secretive Hizmet Movement and its adepts in the prosecution service and police to unseat a legitimate government. Elections in March and August demonstrated that support for the ruling Justice and Development Party (AKP) remains strong. Concerns over corruption in high places were swept aside thanks to robust growth figures and Erdoğan's charisma appealing to large social strata. The steady improvement of living standards benefitting the AKP's conservative constituents but also society at large prevail over concerns about good governance, transparency and the rule of law. A plurality of voters is happy with the status quo and is unwilling to punish Erdoğan and his associates for such corruption allegations.

It is safe to assume that these levels of tolerance will subside only if and when the economy suffers a setback and the equilibrium is upset. But even if the anti-corruption ethos takes hold over large swathes of society and the AKP comes under fire, it is doubtful whether the EU will be leading the charge. This does not mean that it will be irrelevant. Public opinion surveys show that Turkish citizens continue to see a gap between rule of law standards at home and in Western Europe, considerations that represent a source of legitimacy for the EU. Yet, for better or worse, Turkey has long been ticking according to its own clock and that applies to the politics of corruption too. That is clearly one of the "lessons learned" from the EU's effort to project its transformative power abroad. Experience elsewhere in Southeast Europe suggests high-level corruption cannot be contained unless social consensus changes and there is a critical mass of citizens willing to hold governing elites accountable, through the court system, the media or, indeed, by bringing in outside actors such as EU institutions in Brussels. The opening of negotiations with Turkey on Chap-

ters 23 and 24 is a necessary but certainly not a sufficient condition to transform the country along the EU's own blueprint.

7.

Turkey's Fight Against Corruption: A Critical Assessment

Kıvanç Ulusoy

This chapter aims to analyse Turkey's anti-corruption policy in the context of the country's integration with the European Union (EU). It examines the major corruption scandal in December 2013 as a case to assess whether Turkey is well equipped to confront the expanding political corruption. It starts by setting the scene of the scandal of last December, arguing that after the revelation of the corruption scandal, the cases essentially got bogged down and had negligible political consequences. The scandal led to the dismissal of certain police and judicial officials, but the charges against the remaining 53 suspects in this major corruption case have been dropped by the Public Prosecutor. The chapter seeks to explain this corruption scandal in the context of the current legal anti-corruption framework, assessing the framework's inadequacies and how these could be remedied. As will be underlined, despite the improvement of the legal framework to combat corruption, there has been little or no implementation of a series of administrative measures issued by governments and major anti-corruption treaties signed after the economic crisis of 2001.

AN OVERVIEW OF THE RECENT CORRUPTION SCANDAL IN TURKEY

Turkey's political setting was recently shaken by two successive waves of police operations conducted by the Financial Crimes and Battle Against Criminal Incomes Department of the Istanbul Security Directory on 17 and 25 December 2013. In the first wave, the police detained 47 people and confiscated 17.5 million dollars. In addition to many officials from the Housing Development Administration (TOKI), the Ministry of Environment and the District Municipality of Fatih, high-level figures related to a number of important ministers in the current government were de-

tained.¹ The investigation found Egemen Bağış – Turkish Minister of EU Affairs at the time – to be a potential suspect for bribery in conjunction with Reza Zarrab, an Azeri businessman with Iranian origins residing in Istanbul and with business affiliations with another Iranian citizen, Babek Zencani. Moreover, police found 4.5 million dollars at the residence of Süleyman Aslan, general manager of Halkbank, and another 750,000 dollars at the residence of Barış Güler, son of Muammer Güler, Turkey's Minister of Interior. The court ordered the arrest of 14 people including Barış Güler, Kaan Çağlayan, Süleyman Aslan and Reza Zarrab on counts of bribery, corruption, fraud, money laundering and smuggling gold. In total, 91 people were detained in this investigation.

According to the Istanbul Public Prosecutor, two of the three probes launched on 17 December related to violations of construction laws and the coastal law. Civilians and public officials were accused of malpractice and bribery. In the first raid, the Azeri businessman Zarrab was accused of running a crime ring, paying bribes to Cabinet members to cover his money transactions while securing Turkish citizenship for his relatives and affiliates participating in the alleged crime ring. Zarrab was accused of transferring gold to Iran in exchange for money in 2012 with the help of his relations with a number of top Turkish politicians. After the money was seized in Russia, Zarrab used Turkey's state-owned bank Halkbank to send and receive money. As mentioned above, police seized 4.5 million dollars in cash as part of a fraud and bribery raid in Süleyman Aslan's house. According to police, the illegal transactions with Iran could amount to almost \$10 million. The second probe relates to illegal construction permits given to firms in exchange for bribes. Within the framework of this probe, police detained Oğuz Bayraktar (the son of Environment and Urbanisation Minister, Erdoğan Bayraktar), construction tycoons Ali Ağaoğlu, Osman Ağca and Emrullah Turanlı and public officials Sadık Soylu (adviser to the Minister of Environment), Mehmet Ali Kahraman (General Manager of the Environment Ministry), Murat Kurum (Emlak Konut GYO General Manager), Ali Seydi Karaoğlu (TOKİ Istanbul estate department head), Turgay Albayrak (Environment Ministry planning official), Yavuz Çeli (TOKİ city planning branch head) and 14 others. The third probe in-

¹These included: Barış Güler (son of the Minister of Interior, Muammer Güler); Kaan Çağlayan (son of Economy Minister, Zafer Çağlayan); Oğuz Bayraktar (son of the Minister of Environment and Urban Planning, Erdoğan Bayraktar); Mustafa Demir (the mayor of the district municipality of Fatih); Ali Ağaoğlu (a prominent real estate businessman and owner of one of Turkey's largest construction companies); Süleyman Aslan (the general manager of Halkbank); and Reza Zarrab (an Iranian businessman residing in Istanbul).

cluded allegations of construction permits given to a firm by Istanbul's Fatih Municipality, despite reports showing that this construction would threaten the safety of the newly built *Marmaray* tunnel crossing the Bosphorus. Thirty-two people including Fatih Mayor Mustafa Demir and Sevinç Doğan (the owner of the RCI architecture and design firm) were among those arrested. It was alleged that a gang worked with the municipality to get permission for construction projects on protected natural sites within the municipality's borders.

Another investigation was planned for 25 December. The list of suspects included Prime Minister Erdoğan's sons, Bilal and Burak Erdoğan, and a number of Al-Qaeda affiliates from Saudi Arabia such as Sheikh Yaseen Al-Qadi and Osama Khoutub. Police officers in the Istanbul Security Directorate, newly appointed by the government after the first wave of investigations, refused to carry out their orders however and the Deputy Director of Public Prosecutions did not approve the new operation. Prosecutor Muammer Akkaş, the man behind this second investigation, was dismissed on the same day. Moreover, at midnight on 7 January, the government removed 350 police officers from their posts, including the chiefs of the units dealing with financial crimes, smuggling and organised crime, and prevented the prosecutor and police from conducting their investigations. Prime Minister Erdoğan, claiming that he was the ultimate target of the corruption probe, described the corruption investigations as a "judicial coup." After their sons were detained in relation to the probe, the three ministers whose names were cited above resigned and on 25 December 2013 Erdoğan had to reshuffle his Cabinet, replacing 10 ministers. From the beginning of the investigation, the government started a purge in the police force, sacking dozens of police chiefs, including Hüseyin Capkin, Istanbul's Chief of Police.

Blaming the investigation on an international conspiracy and threatening the American Ambassador in Ankara with expulsion, Erdoğan also accused Islamic community leader Fetullah Gülen of being behind the investigation. The detainees of the corruption probe were subsequently released but the purges continued and even extended as Erdoğan launched a revenge campaign targeting followers of the Gülen community, many of whom are said to hold key positions in the secret services, the police and the judiciary. While the opposition Republican Peoples Party (CHP) and the Nationalist Action Party (MHP) accused the government of trying to influence the judiciary to cover up the corruption scandal, the Justice and Development Party (AKP) proceeded to win local elections in Turkey on

30 March 2014 and Erdoğan was subsequently elected President of the Republic on 11 August 2014. While the corruption scandals seem to have affected the AKP's vote share and Erdoğan's popularity, as shown by the results of both local and presidential elections, their effects were not sufficient to create a major overhaul in Turkish politics, let alone a full-blown government crisis.

It seems that Erdoğan's strategy of personalising the crime investigations while describing them as an international conspiracy against his person and his party succeeded in convincing voters to rally behind him while the main opposition parties were unable to challenge Erdoğan in the elections. On 22 July 2014, more than 100 members of the police force were detained in a large-scale operation in 20 provinces based on allegations of spying and illegal wiretapping. However, as had been the case previously, the operation was widely believed to be an act of revenge by the government against the corruption probes as most of the police officers detained were involved in the major graft operation of 17 December. The suspects were accused of falsifying official documents, abuse of authority, illegal wiretapping, illegally obtaining documents related to state security and violations of communication privacy.

Since the graft operations of December 2013, the government has claimed the existence of a "parallel structure," referring to Gülen community members in the bureaucracy aiming to overthrow the AKP regime. Prime Minister Erdoğan appointed penal judges, referred to as "super judges," to carry out a legal operation against them. With extraordinary powers granted through a recently approved omnibus law introduced by the AKP, these judges have broad powers over investigations and the rulings of other courts. More than 40,000 police officers, civil servants, judges and prosecutors have been reassigned for no official reason other than their suspected links to the Gülen community.² Often described by observers as a "witch hunt," the arbitrary reassignments seem likely to be yet another example of the government's attempt to take revenge on the police cadres involved in the corruption investigation of 17 December 2013. Finally, the Public Prosecutor, arguing that the evidence was not admissible in court as it was not collected legally, dropped the charges against the remaining 53 suspects, including the sons of former ministers and Turkish-Iranian businessman Reza Zarrab.

² Günel Kurşun, "Corruption, Police and Detentions", in *Today's Zaman*, 7 September 2014, http://www.todayszaman.com/columnist/gunal-kursun/corruption-police-and-detentions_357948.html.

As the corruption scandal got bogged down in the sand, it became a symbol of wider problems in combating corruption in Turkey, raising the question of whether Turkey is well equipped to confront the expanding political corruption in the country on the structural level.

AN ASSESSMENT OF TURKEY'S FIGHT AGAINST CORRUPTION

The formulation of a decisive anti-corruption policy in Turkey is particularly linked to the country's deteriorating economic and political situation in the early 1990s. Turkey's collapsing economy, culminating in the financial crisis of 2001, coupled with the emergence of a European perspective with the EU decision at the Helsinki Summit in 1999 to officially accept Turkey as a membership candidate, played an important role in this process. The *Transition Program to a Strong Economy in Turkey*, issued in April 2001, stressed the need to strengthen good governance through preventing politically motivated interventions in the economy. The financial crisis was a breaking point in Turkey's fight against corruption. In the aftermath of the crisis Turkey moved to ratify major international and European conventions in the area of preventing corruption and increasing transparency and adopted anti-corruption policies in key areas such as the banking and energy sectors. The financial crisis showed that the government, media, energy, construction and health sectors were the most affected by corruption. Turkey has since become more receptive to outside pressure not only in the areas of democracy and human rights but also in such areas as public administration reform and the struggle against corruption. Before 1999 there was already a sufficient legal basis to prosecute corruption in Turkey, with three legal arrangements being of particular relevance: the Law No. 4422 (30 July 1999), providing measures to fight against Interest Based Crime Organisations; Article 313 of the Turkish Penal Code (13 March 1926), penalising any kind of organisation established to commit crime; and the Law No. 1918 (7 January 1932), related to the Banning and Prosecution of Smuggling Activities. Moreover, The Law No. 3628 on Asset Declaration and the Struggle against Corruption and Unlawful Actions (19 April 1990) and the Law No. 4208 on Money Laundering (13 November 1996) can also be considered in this context.

When assessed from a long-term perspective since 2001 crisis, Turkey appears to have made significant progress at least in the formal po-

licy-making and implementation realms. In addition to recognising international commitments in this area by signing and ratifying a series of important international treaties, successive Turkish governments mainly formed by the AKP have established various agencies focused on the fight against corruption, such as the Financial Crimes Investigation Board (MASAK). In particular, the EU accession process brought Turkey's anti-corruption strategy to the forefront of the government's policy agenda and pushed it to engage in reforms meant to strengthen the integrity of bureaucratic and political structures.³ Under EU pressure, Turkey entered international commitments in the fight against corruption by signing the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime as well as the Council of Europe Criminal Law Conventions on Corruption. Turkey also participated in the monitoring of anti-corruption measures, affected by the OECD Working Group on Bribery in International Commercial Transactions. Since 2007, Turkey has fully implemented all but one of the recommendations made by the OECD Working Group on Bribery by re-establishing an anti-bribery law on corporate liability, which will hold Turkish companies accountable for bribery in their international business transactions, actively enforcing the Turkish offence against foreign bribery, adopting specific legislative and regulatory provisions, including instituting new laws to protect whistle-blowers. Moreover, Turkey has also ended tax deductions for foreign bribe payments and promoted awareness and training courses on the dangers of bribing foreign public officials in international business deals.⁴ Beyond economic concerns and the necessity of administrative reform, security concerns have also played a crucial role in boosting anti-corruption policy. Reports by the Department of Anti-Smuggling and Organised Crime underlined that corruption takes place in two major areas: public procurements in which public resources are exploited for personal gain, and corruption by criminal organisations that seek to launder large amounts of money and avoid criminal proceedings.⁵

³ European Commission, *Regular Reports on Turkey* (2004, 2005, 2006, 2007, 2008, 2009, 2010), <http://ec.europa.eu/enlargement/countries/strategy-and-progress-report>.

⁴ "OECD: Türkiye rüşvetle mücadelede adım atıyor", in *Radikal*, 26 March 2010, http://www.radikal.com.tr/ekonomi/oecd_turkiye_rusvetle_mucadelede_adim_atiyor-987793; OECD Working Group on Bribery in International Business, *Turkey: Follow-up Report on the Implementation of the Phase 2 & Phase 2bis Recommendations*, 19 March 2010, <http://www.oecd.org/daf/anti-bribery/anti-briberyconvention/44866155.pdf>.

⁵ See reports for 2008 and 2009 in the Turkish Department of Anti-Smuggling and Organized Crime (KOM) website: <http://www.kom.pol.tr/Sayfalar/Raporlar.aspx>.

While Turkish authorities can therefore draw on a large range of institutional and legal frameworks to combat corruption in the country, the main problem still revolves around the proper implementation of these laws. Despite these institutional improvements, the 2008 *Global Integrity Report*, providing an integrity score for countries based on an analysis of twenty international datasets from the World Bank, United Nations, UNDP and Transparency International among others, scored Turkey as "69-Weak."⁶ The latest Global Integrity report on Turkey, dated 2010, shows no major change in the country's situation, scoring Turkey as "68-Weak." The latest report underlines that the legal framework score of Turkey's integrity system is relatively good with a score of "75-Moderate;" however, the report also shows that Turkey is particularly lacking in the implementation realm with a dramatic score of "57-Very Weak." The report particularly underlines the extremely weak situation in terms of the media's ability to report on corruption with a score on "55-Very Weak."⁷ The report points to the limited effectiveness of anti-corruption mechanisms in the implementation phase, despite legal improvements.

The *Corruption Perceptions Index* (CPI) of Transparency International produced similar results. Turkey's score increased from 3.6 in 2001 to 4.6 in 2008 and remained 4.4 in both 2009 and 2010 until it decreased to 4.2 in 2011. In its meeting held in Paris on 16-19 March 2010, the OECD Working Group on Bribery concluded that Turkey's progress in its efforts to combat bribery in international business deals was impressive. This is particularly due to the expanding amount of legislation related to the fight against corruption. The CPI report shows Turkey moving from the rank of 61 in 2009 to 56 in 2010, but in 2011 it returned to the position 61 out of more than 175 countries. All these indexes and similar reports demonstrate that corruption has been a widespread phenomenon in Turkey and continues to be a major problem in the country. With this score of 61 in 2011, Turkey is still better placed compared to the Balkans states, Central Asian countries and some EU member states such as Greece, Italy, Romania and Bulgaria.⁸ However, this started to change as Turkey scored

⁶ "Integrity Scorecard: Turkey 2008", in *The Global Integrity Report 2008*, <https://www.globalintegrity.org/global/the-global-integrity-report-2008/turkey>.

⁷ "Integrity Scorecard: Turkey 2010", in *The Global Integrity Report 2010*, <https://www.globalintegrity.org/global/the-global-integrity-report-2010/turkey>.

⁸ Transparency International, *Corruption Perceptions Index 2011*, <http://shar.es/1X-2uga>.

49 in 2012⁹ and 50 in 2013,¹⁰ approaching highly corrupt countries. In its progress report of 2013 *Assessing Enforcement of the OECD Convention on Combating Bribery*, the Transparency International situates Turkey among the 20 countries with limited or no implementation category.¹¹ Underlying that there have been six investigations commenced in Turkey since 2009, Transparency International asks Turkey to do the following: provide adequate funding and staffing for enforcement activities; establish effective reporting channels and procedures for protection of whistleblowers both in private and public sectors; and provide for independent reporting channels to build enough trust to receive reports from whistleblowers and from companies that have been victims of extortion and solicitation of bribes.

Over the past years, however, there has been an observable paralysis and backwards slide in Turkey's fight against corruption, a trend that became particularly visible after the start of the accession negotiations in October 2005. This actually relates to the declining EU leverage over Turkey. As in all other areas of political reform, the open-ended nature of the accession negotiations and the referendum clause added to them have had an important impact on Turkey's fight against corruption. The EU was not able to recover its declining credibility among the Turkish public, and politicians benefited from this. The previous reforms were done under time pressure and the expectation of starting (and concluding) the accession negotiations with the EU. Especially after the start of the accession negotiations, the negative signals coming from EU circles including the idea of offering an ill-defined "privileged partnership" as an alternative to full EU membership contributed to the EU's declining legitimacy in Turkey. The situation worsened with the suspension of the eight negotiation chapters in December 2006 as a result of the Greek Cypriot veto. Another chapter related to Turkey's convergence towards European economic criteria was suspended by the French veto. The declining emphasis on anti-corruption policy in Turkey also was affected by this negative climate in Turkey-EU relations.¹²

⁹ Transparency International, *Corruption Perceptions Index 2012*, <http://share.s/1X-2ucc>.

¹⁰ Transparency International, *Corruption Perceptions Index 2013*, <http://share.s/1X-2uCb>.

¹¹ Transparency International, *Exporting Corruption: Progress Report 2013 Assessing Enforcement of the OECD Convention on Combating Bribery*, 7 October 2013, <http://share.s/1X27me>.

¹² Interviews conducted by the author with public officials in the EU branches of vari-

CONCLUSION

While the ambiguous character of relations between Turkey and the EU negatively affected Ankara's efforts in the anti-corruption realm, there are other reasons caused by the particularities of Turkey's politics and political structure as well. We can underline the following points: lack of coordination among the major institutions responsible to fight corruption; very strong immunity regulations for leading public officials making it impossible to hold them legally accountable for their actions; asset disclosure records of officials unavailable to public; virtually non-existent whistle-blower protections; and the intimidation and harassment of journalists investigating corruption.¹³ Currently, the role of the media in overseeing the government's activities, which was a crucial matter in the aftermath of the 2001 crisis in order to set the agenda for clean and good governance, has been extensively weakened. The gradual consolidation of the one-party government led by the AKP was the primary reason for the political involvement in the cases reaching such extreme levels. There are various symbolic cases that illustrate how the AKP government "fights" corruption by systematically forcing the opposition media outlets into a blackout, which often comes in the form of self-censorship.

Furthermore, the parliament can establish investigative commissions to examine corruption allegations concerning Cabinet ministers for the Prime Minister. A majority vote is needed to send these cases to the Supreme Court for further action. This particularly highlights the problems related to the Financial Crimes Investigation Board (MASAK) and other inspection agencies: almost all the public institutions have to preserve their own integrity. In its assessment of Turkey published in October 2011, the EU underlines that "there was no increase in the strength or independence of institutions involved in the fight against corruption, which are not sufficiently staffed."¹⁴ Together with the extensive immunity rights granted to deputies and senior officials, financing political parties and funding elections continue to be the central themes of corruption allegations.¹⁵ In addition to the lack of progress in the implementation of two major sets of GRECO recommendations on "Incrimination" and "Transparency

ous ministries in Ankara.

¹³ "Integrity Scorecard: Turkey 2010", cit.

¹⁴ European Commission, *Turkey 2011 Progress Report* (SEC(2011)1201), 12 October 2011, p. 19, <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52011SC1201>.

¹⁵ Transparency International, *Overview of Corruption and Anti-Corruption in Turkey*, 27 February 2014, <http://shar.es/1X24Tg>.

of Party Funding,” there has been no progress concerning the transparency of financing political parties, their auditing still remains very weak and there is no legal framework for auditing election campaigns or the financing of individual candidates.¹⁶ Devoting significant space to the latest corruption cases and the importance of a proper and fully transparent investigation into the corruption allegations in its latest conclusions on Turkey, the European Commission stated that “the response of the government following allegations of corruption in December 2013 has given rise to serious concerns regarding the independence of the judiciary and separation of powers.”¹⁷

In conclusion, we also have to underline the lack of coordination among the bodies dealing with combating corruption, causing major loopholes in this context. In Turkey, the chief executive bodies dealing with anti-corruption policies are various and include the Inspection Boards in the Prime Ministry and the Ministry of Finance, the Ministry of Justice and the Ministry of Interior. There are special branches in the State Planning Office and the State Supervision Institute in the President’s Office. Currently the Prime Ministry’s Inspection Board is responsible for investigating major corruption cases. Nearly every state agency has its own inspector corps responsible for investigating internal corruption. However, as underlined above there is actually no real centre for anti-corruption policy like we see in some accession countries to the EU in Central and Eastern Europe. The central problem appears to be the lack of coordination among the existing mechanisms and bodies of anti-corruption. This prevents the formulation of a coherent strategy and decisive governmental effort towards this specific goal.

¹⁶ European Commission, *Turkey 2011 Progress Report*, cit., p. 19.

¹⁷ European Commission, *Enlargement Strategy and Main Challenges 2014-15* (COM(2014)700), 8 October 2014, p. 27, <http://eur-lex.europa.eu/legal-content/en/TX-T/?uri=celex:52014DC0700>.

8.

Internet Freedom and Freedom of Expression in Turkey

Ben Wagner

Yet another mass protest in Turkey. Yet another drastic government response. The depressing reaction of the Turkish authorities to the Taksim and Gezi park protests bears strong authoritarian hallmarks and reflects the Turkish government's fear of open displays of "criticism" and, more generally, any form of dissent. This is not to imply that Turkey was ever a vigorous promoter of human rights, but certainly there were hopeful signs of progress over the past decades, including in realm of freedom of expression. Despite these positive signs, most commentators consider Turkish laws highly restrictive with regards to free speech and expression. The situation for journalists is also considered abysmal. Since 1992, eighteen journalists have been murdered in Turkey according to data collected by the Committee to Protect Journalists.

The Internet has, of course, not been immune from this trend. Aside from numerous national blockages of YouTube as a result of decisions by Turkish courts which accused uploaded videos of "insulting Turkishness" and the filtering of Kurdish websites, the Turkish Internet was, up until 2011, only moderately restricted.¹ Internet filtering? Yes, but competing in digital repression with countries such as China, Iran or Tunisia? No, at least not in 2010.

FROM MORALITY TO POLITICAL CENSORSHIP

This changed substantially in 2011, when the Turkish government – perhaps fearing their own "Arab Spring" – introduced proposals for a "voluntary filtering" of Turkish Internet Service Providers (ISPs). This proposal was ostensibly to prevent users from viewing pornographic material involving children and minors and more generally to "protect"

¹ OpenNet Initiative, *Turkey Country Profile*, 18 December 2010, <https://opennet.net/research/profiles/turkey>.

the Turkish population from pornography. While the level of filtering was meant to be voluntary for users, the installation of the filters themselves was made mandatory for ISPs in Turkey.

The regulatory proposals met with staunch opposition by civil society groups which were able to postpone but not prevent the introduction of the filtering system. Civil society saw the proposals by the Turkish government as the first step towards the creation of a wider filtering and censorship regime. These fears have been proved correct in more recent years as Turkey began to use the same filtering technologies to filter a wider array of political content. These kinds of activities are typical once the introduction of filtering systems have been approved, with governments then moving to monitor and censure political content with the use of the same technologies.

Beyond censorship, since 2011, the Turkish government has also systematically built up its capacity for surveillance. The Canadian research centre Citizen Lab based at the University of Toronto has documented the use of Trojan Horse technology acquired from the Italian vendor Hacking Team and from the British/German vendor FinFisher.² This suggests that the Turkish government has successively developed the capacity to hack into individual user devices and conduct targeted surveillance. The building up of increased surveillance technologies is not unusual, however there is a strong pattern of governments then using these technologies for political intimidation and censorship. Journalists are surveilled and activists are arrested with many forms of communications monitored, a pattern that can also be observed in Turkey.

Turkey's increasingly rigorous filtering system also included all of Google's online platform, a significant portion of the Internet. In 2012 the European Court of Human Rights found that Turkey was in violation of the right to freedom of expression.³ This decision has had a minimal impact on Turkish filtering practices however, with the filtering of significant portions of the Internet remaining a widespread phenomenon. This includes pressuring social media platforms like Google and Facebook to

² See, Bill Marczak et al., "Mapping Hacking Team's 'Untraceable' Spyware", in *Citizen Lab Research Brief*, No. 33 (February 2014), <https://citizenlab.org/?p=22248>; Morgan Marquis-Boire et al., "For their Eyes Only. The Commercialization of Digital Spying", in *Citizen Lab Research Brief*, No. 17 (April 2013), <https://citizenlab.org/?p=18516>.

³ Article 19, *Turkey: Landmark European Court Decision finds blanket Google ban was a violation of freedom of expression*, 18 December 2012, <http://www.article19.org/resources.php/resource/3567/en/>.

remove political content during the Gezi park protests in 2013.⁴ Such measures are often done with the strangest political justifications, like the need to block “fake” twitter accounts, a statement seen by many as a rather transparent attempt to “criminalize the incitement of protests”⁵

Such efforts gained renewed fervour in 2014, with Turkey passing additional legislation to restrict expression online. It was also revealed that Turkish ISPs had purchased and installed deep packet inspection technology from US company Palo Alto Networks and were attempting to purchase social media filtering technology from the Swedish company NetClean.⁶ This decision has led to protests from Turkish and international civil society⁷, with claims that this is just another step towards the creation of a wide-ranging Turkish censorship and surveillance system. They also highlighted the role of European companies in exporting technologies to Turkey that can easily be used to encroach on human rights, pointing to the hypocrisy of these countries which at the same time proclaim their support for “Internet freedom” and human rights online.⁸

Another watershed event that cannot be ignored was the complete ban of Twitter in Turkey immediately before key elections in March 2014. While the ban was eventually lifted after it was struck down by the Turkish Constitutional Court, the long blockage of a highly popular Internet service used by millions of Turks is in complete contravention of free speech and expression.

A similar ban was instituted on YouTube, after the online video platform hosted leaked telephone calls that are believed to document massive corruption among Turkish AKP government ministers and their families, including Prime Minister Recep Tayyip Erdoğan himself. The ban lasted for two months, was similarly instituted right before key local elections in March 2014 and was eventually lifted in June 2014 after the Turkish Constitutional Court ruled that the banning of YouTube is incom-

⁴ Greg Epstein, “Online and Off, Information Control Persists in Turkey”, in *Deeplinks*, 10 July 2013, <https://www.eff.org/deeplinks/2013/07/online-and-information-control-persists-turkey>.

⁵ Selcan Hacaoglu, “Turkey Announces Plan to Restrict ‘Fake’ Social Media Accounts”, in *Bloomberg*, 20 June 2013, <http://bloom.bg/121XBxc>.

⁶ “Turkey’s top soldier warns against social media as gov’t to purchase software against illegal shares”, in *Hürriyet Daily News*, 30 May 2014, <http://www.hurriyetaidailynews.com/Default.aspx?pageID=238&nID=67178>.

⁷ Erkan Saka, “Are Turkey and NetClean Partnering to Stop Child Abuse or Curtail Internet Freedoms?”, in *Global Voices*, 27 June 2014, <http://globalvoicesonline.org/?p=477458>.

⁸ Joe McNamee, “ENDitorial: Turkish Censorship - Swedish Built, by Royal Appointment”, in *EDRI*, 18 June 2014, <http://edri.org/?p=5563>.

patible with guarantees for freedom of expression contained in the Turkish constitution.⁹

More recently, and now that Twitter is again accessible in Turkey, the government has turned to jailing Twitter users for their political opinions and content, with twenty-nine Turkish citizens being brought before a Turkish court in Izmir for posting information about Gezi Park. The Turkish Prime Minister is also seemingly involved and has personally petitioned the Turkish Constitutional Court seeking “damages” from Twitter users.¹⁰ The involvement of the Prime Minister and taking Turkish citizens to court for expressing a political opinion is entirely incompatible with basic human rights standards. As noted by Amnesty International, the trial “can only be explained as a political attempt by the Turkish authorities to clamp down on social media.”¹¹

CONCLUSION

In the last three years the climate for online free expression in Turkey has gone from relatively bad to awful. Mirroring the more general human rights situation that has progressively deteriorated, online free expression has become a key battle ground. In this context, it should come as little surprise that the “usual suspects” – the “Dictators Little Helpers” as some have called them – have begun delivering increasingly advanced software and hardware to the Turkish government.¹² At this point, it seems credible to assume that not only mass censorship and filtering but wide scale mass surveillance is taking place.

Responsibility for such a failure cannot be laid at the feet of the Turkish government alone. If anything, the spiral into violence in Turkey also re-

⁹ P. Nash Jenkins, “Turkey Lifts Two-Month Block on YouTube”, in *Time World*, 2014, <http://time.com/2820984>.

¹⁰ Andrew Gardner, “The #IzmirTwitterCase: Ludicrous and baseless, yet set to continue”, in *LIVEWIRE. Amnesty’s global human rights blog*, 23 April 2014, <http://livewire.amnesty.org/?p=13125>.

¹¹ See, Milena Buyum, “Tweet Now for Student Facing Jail after Twitter Use in Turkey”, in *LIVEWIRE. Amnesty’s global human rights blog*, 11 July 2014, <http://livewire.amnesty.org/?p=14332>; Amnesty International, *Turkey must abandon ‘show trial’ against Gezi Park protest organizers*, 12 June 2014, <http://www.amnesty.org/en/node/47677>.

¹² Danielle Kehl and Robert Morgus, “The Dictator’s Little Helper”, in *Slate*, 31 March 2014, http://www.slate.com/articles/technology/future_tense/2014/03/export_controls_how_to_stop_western_companies_from_sending_surveillance.html.

presents a failure of its key partners and neighbours. For example, the politics of Turkey's EU accession made it impossible to "lock in" any progress made in the area of human rights. Instead repressive measures against free expression and other political rights have dominated Turkish politics since 2011, with successively more repressive measures since May 2011 heavily influencing Turkish politics. These authoritarian methods are reminiscent of other countries in the region but also of other authoritarian states such as Russia. Frustratingly, many of the countries affected by the Arab uprisings have praised the Turkish model and attempted to emulate it in some way or another. It should be emphasised however that the "Turkish model" in which even moderate political reform was considered possible no longer exists and that post-revolutionary countries would do better to look elsewhere for guidance.

9.

Electoral Constellations Towards the August 2014 Presidential Elections in Turkey

Ali Çarkoğlu

The results of Turkey's municipal elections held on 30 March 2014, which consolidated the electoral strength of the conservative Justice and Development Party (*Adaletve Kalkınma Partisi*-AKP), were widely unexpected. The AKP, which has its roots in the Turkish pro-Islamist movement, came out of the elections as the largest party, gaining about 45 percent of the vote and leaving a wide and comfortable margin between itself and its main competitors. These results nevertheless indicate some loss in the share of votes of the AKP compared to the general election in 2011. However, with respect to the 2009 local elections, the AKP's electoral showing actually expanded.

With presidential elections due to be held this coming August and a general election ten months later, this strong electoral performance may be indicative of an effective consolidation of the AKP's electoral predominance. At the same time, these results also pose a puzzle with important implications for the way the presidential election campaign could unfold. This conundrum is due to unrealised expectations and the apparent ineffectiveness of two major developments that many thought would have a considerable impact on the AKP's showing in the local elections: the mass demonstrations against the AKP government as part of the Gezi Park protest movement, and the graft allegations implicating prominent cabinet members.¹

Millions of protestors all over the country took part in what was commonly named the "Gezi resistance." How is it that these protests did not influence the outcome of the local elections? Perhaps the apparent ineffecti-

¹ On Gezi Park events, see the following authors' works, listed in the bibliography: Yeşim Arat (2013), Bethania Assy and Başak Ertür (2014), Seyla Benhabib (2014), Antimo L. Farro and Deniz Günce Demirhisar (2014), Murat Gül et al. (2014), Efe Can Gürcan and Efe Peker (2014), Mehmet Barış Kuymulu (2013), Nikos Moudouros (2014), İlay Romain Örs (2014), Ergun Özbudun (2014), Ömer Taşpınar (2014).

veness of the Gezi Park protests was due to the fact that these protestors were mostly, albeit not exclusively, from the side of liberal and left-leaning social groups with relatively heavy representations of younger generations who favor the opposition. Since these groups have already been on the opposite side of the AKP in the Turkish electoral scene, they do not represent a group of swing voters and hence did not reduce the AKP's level of support. However, the corruption charges came out as a result of a clash within the conservative establishment that backed the AKP government from the beginning of its tenure in 2002. The sources and motivations of these allegations and their merits may not yet be very clear. However, what is clear is that the government perceived these allegations as being voiced by the Gülen or Hizmet movement and thus reacted accordingly.² The spiraling graft scandal resulted in a cabinet reshuffle on the eve of 25 December 2013, effectively ousting those ministers accused of corruption. By the end of February 2014, nine AKP MPs had left the party due to corruption allegations and affiliation with the Gülen movement.³

Yet, neither the graft allegations nor the Gezi protests appear to have mobilised a significant group of voters away from the AKP. One factor that should be underlined in this regard is the increasing polarisation and rising press-party parallelism in the Turkish media.⁴ Perhaps more than ever before, media coverage of politics in Turkey appears to reflect ide-

² The Gülen (*Hizmet*) or "service" movement was established by a preacher and former imam, Fethullah Gülen who had to leave Turkey in 1999 to avoid prosecution. Gülen currently lives in self-imposed exile in Pennsylvania. On the Gülen or *Hizmet* movement, see: M. Hakan Yavuz, *Toward an Islamic Enlightenment. The Gülen Movement*, Oxford, Oxford University Press, 2013; and David Tittensor, *The House of Service. The Gulen Movement and Islam's Third Way*, Oxford, Oxford University Press, 2014.

³ On the December 17 corruption scandal see Taha Özhan, "What happened on Dec 17?", in *Hürriyet Daily News*, 3 January 2014, <http://www.hurriyetdailynews.com/Default.aspx?pageID=449&nID=60481>; and Joe Parkinson and Emre Peker, "Turkish Police Detain High-Profile Figures in Corruption Probe", in *Wall Street Journal*, 17 December 2013, <http://on.wsj.com/1hYqTz1>. For an early review of the state of anti-corruption policy see Zeyno Baran, "Corruption: the Turkish challenge", in *Journal of International Affairs*, Vol. 54, No. 1 (Fall 2000), p. 127-146; and Bryane Michael, "Anti-Corruption in the Turkey's EU Accession", in *Turkish Policy Quarterly*, Vol. 3, No. 4 (Winter 2004), p. 17-28, <http://www.turkishpolicy.com/article/177/the-role-of-anti-corruption-in-the-turkish-accession-to-the-eu-winter-2004/>.

⁴ See Ali Çarkoğlu and Gözde Yavuz, "Press-Party Parallelism in Turkey: An Individual Level Interpretation", in *Turkish Studies*, Vol. 11, No. 4 (December 2010) p. 613-624; and Ali Çarkoğlu, Lemi Baruh and Kerem Yıldırım, "Press-Party Parallelism and Polarization of News Media during an Election Campaign. The Case of the 2011 Turkish Elections", in *The International Journal of Press/Politics*, Vol. 19, No. 3 (July 2014), p. 295-317.

ological predispositions and partisan preferences of the ownership and readership of these media outlets. As a result, mostly one-sided, either fully critical or alternatively entirely supportive, perspectives appear in a typical Turkish newspaper or other media outlets. Hence public debate is fractured along deep ideological cleavages and very little, if any, convergence appears as a result of public debate. Sympathisers or opponents of the Gezi Park protests read their own media outlets and are convinced of a strictly one-sided perspective on the nature of these events. Similarly, the graft allegations are either seen as a clear indication of the corrupt nature of the AKP government or as yet another plot against the popularly elected AKP.

Despite such polarised debate on major events, by acting as if nothing of significance has taken place in the country, the AKP government not only survived these crises but was also able to maintain the bulk of its electoral support with only minor losses, and hence appears to have consolidated its electoral dominance.⁵ In sum, we observe first of all that the AKP maintained a comfortable margin of success across all geographical regions except in the Aegean where the Republican People's Party (*Cumhuriyet Halk Partisi*-CHP) garnered a larger vote share. Kurdish support behind the Peace and Democracy Party (*Barış ve Demokrasi Partisi*-BDP) / People's Democratic Party (*Halkların Demokratik Partisi*-HDP) candidates remained consolidated at around 7 percent but continues to show dominance in the eastern and southeastern Anatolian provinces. As such, the Kurdish vote might be the decisive factor in deciding the outcome of the Presidential elections in August 2014.

The success of the main opposition party, the CHP, appears to critically depend on its candidates with nationalist credentials as well as on the choices of the Nationalist Movement Party (MHP) whose candidates were relatively weak, thus creating unified support behind the CHP. Given the nature of mayoral races, such an electoral coalition, either explicit or implicit, could work to get a candidate elected. Since mayoral races are based on a first-past-the-post voting system, CHP candidates with nationalist credentials running against weak MHP candidates could attract votes from MHP supporters as well as their own. However, in both Istanbul and

⁵ For a detailed analyses of the March 2014 election results, see Ali Çarkoğlu, "One Down, Two More to Go: Electoral Trends in the Aftermath of the March 2014 Municipality Elections", in *Insight Turkey*, Vol. 16, No. 2 (2014), p. 99-109; and Ali Çarkoğlu, "Plus ça change plus c'est la même chose: Consolidation of the AKP's Predominance in the March 2014 Local Elections in Turkey", in *South European Society and Politics*, Vol. 19, No. 2 (2014), p. 169-192.

Ankara, this strategy of an implicit coalition did not work and the AKP candidates handily won both races. Nevertheless, this electoral coalition appears to have kept the AKP vote share below the 50 percent threshold needed to effectively win in the presidential race. In other words, a cooperative candidate choice among CHP and MHP could potentially complicate the AKP's election plans, and indeed their emerging candidates appear to have attracted some votes from those who have voted for the AKP in earlier elections. However, when carefully analyzed, it becomes clear that the distribution of MHP's regional electoral support has reached a competitive level. In five out of twelve regions, the MHP is now the second party after the AKP. Considering the fact that in Istanbul and Ankara the candidate selection and party campaign strategies of both parties appeared to support a winning solution against the AKP, the third party status of the MHP could be seen as a direct function of the campaign strategy. Hence, the real question after the 30 March elections became whether the rise of MHP at the polls is here to stay. Since the CHP has also slightly increased its vote share compared to earlier elections, the gain of the MHP cannot be solely due to shifts from the CHP but must have also come from the AKP.

This observation on the rising support for the MHP can perhaps validate the emergence of CHP-MHP collaboration in the approaching presidential elections. Given that the electoral support enjoyed by the two opposition parties ranges between 15 to 25 percent each, it appears that an AKP candidate could easily win if the opposition ran separate candidates. Hence, the MHP brought forward the so-called "roof candidate" campaign strategy. This strategy simply refers to a candidate jointly supported by the opposition parties to represent a joining of forces against the AKP under the same roof. The CHP leader Kemal Kılıçdaroğlu, apparently without much consultation with the party establishment, proposed Ekmelettin İhsanoğlu to run as the joint "roof" candidate of both the CHP and the MHP.

İhsanoğlu is an academic with a PhD in chemistry who later turned to the study of the history of science in Islamic societies. His conservative credentials however are rooted in his family origins in Cairo, where he was born. Despite being trained as a chemist, he nevertheless was active in cultural and historical studies from early on in his academic career. In addition to being a lecturer of Turkish Literature and Language at Ain Shams University in Cairo during the late 1960s, he earlier was also a part-time cataloger of printed and manuscript Ottoman books at the Cairo

National Library. From the early 1970s onwards, İhsanoğlu embarked in various diplomatic and cultural missions and committees, which in 1980 resulted in the establishment of the Research Centre for Islamic History, Art and Culture, an intergovernmental research center and subsidiary organ of the Organisation of Islamic Cooperation (OIC) in Istanbul. During the course of his long diplomatic career as the head of this mission, İhsanoğlu was also appointed as “Ambassador at Large” by the first President of Bosnia and Herzegovina, Alija Izetbegović, in 1997 for his services to Bosnia-Herzegovina. He also appears as the Honorary Consul of Gambia in Istanbul since the early 1990s.⁶ However, İhsanoğlu’s diplomatic career reached its peak in 2005 when he was elected as the 9th secretary general of the OIC, a position he held until 31 January 2014.

Despite his academic and diplomatic career, İhsanoğlu remained on the sidelines of politics for most of his life. A memorable example was the conflict he found himself in with Prime Minister Erdoğan in the aftermath of the most recent military coup in Egypt in 2013. Erdoğan’s insistence that the OIC should condemn and pursue a more active role against the coup in Egypt was not obtained. This incidence was the first time that İhsanoğlu was pitted against Erdoğan.

The logic of İhsanoğlu’s candidacy is rooted in the rising electoral strength of the MHP, as well as on assumptions concerning the appeal of a conservative and credibly pious candidate for the AKP constituency who feels uneasy about Erdoğan’s authoritarian approach over the course of the Gezi Park protests and corruption allegations voiced during the past year. These so-called “uneasy AKP voters” may indeed exist among AKP supporters. However, at the peak of corruption allegations and in the aftermath of the Gezi protests, such a group of uneasy voters did not result in a significant group of swing votes. The question then is whether the personality and charisma of Erdoğan represents an even more salient push factor for a latent group of uneasy AKP voters during a presidential campaign compared to local elections where many different candidates run for mayor positions? It is difficult to assess the extent to which Erdoğan’s personality will attract or alienate some voters. He personally campaigned to get the AKP candidates elected in the mayoral races in March 2014. However, besides his campaign, these candidates were also active and well known in their provincial constituencies. In the presidential election, moreover, Erdoğan is alone and is calling on voter support

⁶ Details on foreign honorary consulates in Turkey available at: http://toursos.com/turkey/foreign-embassy-consulate-in?qt-foreign_embassies_and_consulates=1.

for his personal career objectives. Some of the uneasy AKP voters might have voted for the AKP and its candidates in the mayoral elections but may not be as comfortable in supporting Erdoğan after his polarising performance following the Gezi Park protests and the graft allegations. How the personality and charisma (or lack thereof) of the prime minister will influence the voters' choice of candidates is the great unknown of these upcoming presidential elections.

Almost nothing is has an automatic outcome in electoral politics. Electoral competition and competitors use different opportunities or create and exploit them for their own benefits. Hence, if the personality of Erdoğan is seen as a damaging factor, then the opposition is expected to use this argument in their campaign. So far we have not observed much of a negative campaign against the persona of Erdoğan. A systematic analysis of media coverage during the presidential campaigns is yet not available. However, given the aforementioned polarisation and biases of the Turkish media, it is not surprising to observe that the personality of Erdoğan is glorified by his supporters in the media camp which dominate the circulation of newspapers in the country. Nor do we observe much of an emphasis on the corruption allegations by the opposition. The only clear campaign signal used by the İhsanoğlu camp concerns his personal piety and statesman qualities. Given the relative inexperience of İhsanoğlu in the political arena, this strategy may appear convenient. However, when his main challenger runs a campaign on his executive success stories and future policy vision, not criticising him on these grounds and also not targeting his personal stances that polarised the country on many instances may represent a fatal blow to İhsanoğlu's campaign.

A fundamental difference between İhsanoğlu's and Erdoğan's campaign is rooted in the different conceptualisations of the role of coming president. İhsanoğlu's argument is that the president should play a role above politics and try to best represent Turkey in the international arena, and to settle animosities and insecurities among the people. In essence, İhsanoğlu believes that a president should be the head of the nation and the "father of the people". İhsanoğlu argues that the president should leave politics and policy-making to the government and the parliament. As such, his campaign tries to avoid any debate over alternative policies to those pursued by Prime Minister Erdoğan who instead campaigns for a more active executive presidency with many policy initiatives underlining the successes of his tenure in office. While Erdoğan tries to project an active executive presidential image which remains constitutional-

ly challenging to the existing legal framework in the country, İhsanoğlu openly asserts that executive decisions should be left to the government and politics at large should be carried out in the parliament. While everything that Erdoğan talks about is framed as if they are promises to be delivered by his presidency, İhsanoğlu shies away from any deliverables. It will be constitutionally challenging to see how Erdoğan would create such policies as the elected president, but he does not shy away from making promises. İhsanoğlu however, would guide and make his preferences clear but the final decision will be an executive one in which he will not take part. In this respect, he might be sympathetic to Alevi rights or the Kurdish demands but these are matters to be decided by politicians in the parliament. İhsanoğlu will remain as the head of the state and as the father of the nation and perhaps guide the debate, but nothing else concretely will follow beyond that point.

İhsanoğlu's emphasis on the Constitutional status quo of the presidency renders his view of the presidency as a less active and more symbolic position. This view ties his hands in his campaign against Erdoğan. While Erdoğan actively argues for change and presidential activism, İhsanoğlu argues just the opposite, emphasising that politics should be left to the parliament. However, whether such a strategy is able to attract the uneasy AKP voters remains to be seen. While messages that could appeal to these potential voters are being issued, would İhsanoğlu be able to also maintain credibility among the core CHP and MHP voters? Here, the assumption of the İhsanoğlu campaign is that these core constituencies have nowhere else to go. However, one danger of such a campaign is that it ignores the core roof coalition constituencies that may stay home and not vote in the presidential election. Differential rates of participation between the AKP and opposition parties may work to the benefit of the Erdoğan campaign.

Besides the roof candidate İhsanoğlu and the AKP candidate Erdoğan, the HDP's candidate is Selahattin Demirtaş. Demirtaş is a Kurdish politician from a younger generation who became a parliamentarian in the 2007 general elections, running as an independent candidate with the support of the Democratic Society Party (*Demokratik Toplum Partisi-DTP*). Later, in January 2010, Demirtaş became the chairman of the Peace and Democracy Party (BDP) and led the civil disobedience protests of the BDP during 2011 and 2012. The BDP successfully expanded its parliamentary group under his leadership by including conservative as well as left-leaning candidates together with representatives of non-Kurdish minorities

in BDP party lists. In the 2014 local elections, the HDP and BDP adopted a parallel election strategy, with the BDP running in the Kurdish-dominated southeast and the HDP competing in the rest of the country apart from Mersin and Konya, where the BDP also had its own candidates. Following the March 2014 local elections the two parties were re-organised in a joint structure. In this process, the BDP parliamentarians joined the HDP, while the BDP representatives remained in control at the local administration level.

Demirtaş appears to have two main objectives in his candidacy. His first objective is to continue the Kurdish peace process. Secondly, his goal is to expand the left-of-center vote basis for the HDP. By being successful in the second objective, Demirtaş is bound to have more influence over the peace process. Hence Demirtaş aims to appeal to all left-of-center, minority groups that feel left out of the CHP-MHP roof strategy. While a progressive stance for increased liberties and constitutional arrangements to solidify Turkish democracy has an inherent appeal among the extreme and left-of-center segments of the Turkish ideological spectrum, these groups are at best marginal in their size. Since 2007, Kurdish electoral dynamics appear unable to provide much attraction for non-Kurdish leftist groups in the country. Given the fact that center and right-of-center positions are dominant in Turkey, such an outcome may not be surprising.⁷ The success of the slowly changing strategy that appears to be continuing under Demirtaş' candidacy remains to be seen.

One other constituency Demirtaş could appeal to are the conservative segments of Kurdish society that have voted for the AKP since its founding years. It would be difficult for a left-leaning candidate such as Demirtaş to mobilise more conservative elements with the Kurdish ethnicity against the AKP candidate. The content of the HDP party program and election manifesto resembles a truly left-of-center party in the western political systems. HDP's positions on labor and women's issues, the environment, sectarian and ethnic minorities have almost nothing in common with the conservative segments of the Kurdish community.⁸ However, it may still be plausible that such groups may be tempted to cast their support for Demirtaş in the first round as a gesture of expressive vote to give support

⁷ See Ali Çarkoğlu and Ersin Kalaycıoğlu, *Turkish Democracy Today. Elections, Protest and Stability in an Islamic Society*, London and New York, I.B. Tauris, 2007; and Ali Çarkoğlu and Ersin Kalaycıoğlu, *The Rising Tide of Conservatism in Turkey*, New York, Palgrave Macmillan, 2009.

⁸ For HDP party program see <http://www.hdp.org.tr/parti/parti-programi/8>.

for the Kurdish ethnic agenda in the peace process, and then switch to the AKP candidate in the second round in return for a more forthcoming stance by the government in the future rounds of negotiations with the Kurds that will follow the elections.

In short, Demirtaş' candidacy appears to be aimed at the long run developments of the Kurdish peace process. Perhaps a natural outcome of this strategy is to consolidate left-of-center constituencies under the HDP and pursue an alternative electoral strategy with left-wing policy objectives. Demirtaş' recent declaration of his election manifesto appears to be aimed at a larger electoral constituency closer to the center of the ideological spectrum and on emphasising democratisation reforms. As such, Demirtaş also gives the impression of aiming for a more active presidency. However, embracing progressive electoral bases with an activism on democratisation issues leaves aside the bread and butter matters concerning the economy and public policy. Given the limited time left for campaigning and communicating a new left-wing vision for Turkey, Demirtaş appears to be investing in the long-run, looking to the future general election and beyond when a more comprehensive debate on more fundamental economic and social policy issues can be held.

Erdoğan's campaign appears to depend more on the status quo advantages the long AKP tenure has created. However beneficial this status quo may appear, it nevertheless poses an inherent challenge for supporters of change. The state of the Turkish economy appears to attract very little attention in public debates. Such inattention inevitably creates a sense of comfort for the people at large. The unrest in the economy during the first few weeks following the December graft allegations appears to have been controlled and quelled by the AKP administration. Despite these efforts, the dollar exchange rate was about 1,9 TL/\$ in July 2013 and fluctuates at around 2,1 TL/\$ a year later in 2014. The 12 month inflation rate in terms of the consumer price index was about 6,5 percent in May 2013 (8,3 percent in June 2013) and rose to 9,6 percent (9,16 percent in June 2014) a year later.⁹ While the economy grew by 4,6 percent in 2013, the first quarter growth rate in 2014 remained only at 2,9 percent.¹⁰ The unemployment rate in April 2013 was at 8,8 percent, and increased up to

⁹ Turkish Statistical Institute (TUIK), "Consumer Price Index, May 2014", in *Press Releases*, No. 16130 (3 June 2014), <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=16130>.

¹⁰ Turkish Statistical Institute (TUIK), "Gross Domestic Product, I. Quarter: January-March, 2014", in *Press Releases*, No. 16192 (10 June 2014), <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=16192>.

9,1 a year later.¹¹ All of these main indicators show a weakening economic performance. However, the campaign debate does not revolve around the economy. The opposition continues to ignore the state of the economy in their criticism of the Erdoğan government and hence create an advantageous position for his campaign for an active presidency.

On the foreign policy side, the intense conflict in Syria has pushed about one million refugees into Turkey as of the end of 2013 and this figure is expected to rise by about 30 percent by the end of 2014.¹² Syrian refugees are increasingly observed in not only border urban areas, but also in metropolitan Istanbul, and are thus creating uneasiness among the native residents. However, to what extent this uneasiness will translate into lowered level of support for Erdoğan's candidacy remains to be seen. As long as his main challengers do not voice economic difficulties in their campaign and the economy remains out of the electoral radar screen, it is unlikely that these issues alone will have a negative impact on Erdoğan.

CONCLUSIONS

Drastic electoral changes were not observed in 30 March local elections. The ruling AKP lost some support but remained comfortably ahead of the opposition. Contrary to many expectations, the unrest in the aftermath of the Gezi protests in June 2013 or the turbulence caused by the graft allegations against prominent AKP cabinet ministers later in the year did not push significant groups away from the AKP and towards the opposition parties. The moderate rise of the nationalist MHP to an electoral position that is comparable to the main opposition, the CHP, created an environment of collaboration between the two parties for the approaching presidential elections which resulted in the "roof candidacy" of Ekmelettin İhsanoğlu.

However, although the opposition enters united into this election, the outcome could primarily depend on the participation rate in the first round. With a lower participation rate, it is likely that different party constituencies will tend to cast their vote at different participation levels. If

¹¹ Turkish Statistical Institute (TUIK), "Household Labour Force, April 2014", in *Press Releases*, No. 16009 (15 July 2014), <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=16009>.

¹² UNHCR, *2014 UNHCR country operations profile: Turkey*, <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e48e0fa7f>.

participation rates were to be the same across all parties, then no one would benefit or suffer because of lower participation rates. However, if one party constituency cast their vote at a higher rate than others, then that party would benefit from a lower overall participation.

The total number of votes obtained by the AKP in March 2014 is about 19,4 million out of 44,8 million total valid votes cast in municipal council elections. It is not clear whether the municipal council or mayoral race results should be used in this speculative calculation. However, it is generally agreed that municipal council results closely resemble partisan preferences in general election results. Perhaps with the exception of Erdoğan, both İhsanoğlu and Demirtaş will have to rely on partisan predispositions and hence these figures are likely to make more sense for our purposes.

The total vote of both the CHP and MHP in the municipal council elections is slightly less than that of the AKP. In a majoritarian first round, both Erdoğan as well as İhsanoğlu will have to take about 22,4 million votes to win, or about 3 million votes from other parties. Assuming that the BDP/HDP will firmly stand behind Demirtaş, Felicity Party (*Saadet Partisi-SP*) with its 1,2 million votes appear as the most likely target of appeal for both Erdoğan and İhsanoğlu. Even if the party leadership may decide on the issue of whether to support Erdoğan or İhsanoğlu, it is not clear if SP supporters would follow the leaderships' signals. It is likely that the SP votes will be split between Erdoğan and İhsanoğlu. The rest of the smaller party constituencies are likely to be split between the three candidates, and will therefore not change the balance in favor of a single one.

In other words, unless the participation rate drastically favors one of the candidates, the first round is not highly likely to create a winner. One other unknown is the choice of the Turks living outside of Turkey who will be able to cast their votes for the first time. Their choice might tip the balance in favor of one candidate and even create a winner in the first round. However, the first round is obviously important for two main reasons. One concerns the difference between the two top runners. If the difference is larger than expected, then the second round might favor the larger of the two gathering support from not only the conservative Kurds but also supporters of Demirtaş thinking that Erdoğan is the more likely candidate to push for a solution to the Kurdish issue. The other reason also concerns the Kurdish voters who side with Demirtaş. If Demirtaş can show that he can appeal to a constituency larger than its core Kurdish voters, then not only he will have a better negotiation advantage for the second round but also for the post-election rounds of Kurdish opening.

The emerging logic of the opposition is to create a single candidate supported by as large a coalition of opposition parties as possible and to force the presidential election into a runoff which is, in the view of the opposition parties, expected to result in a loss for the AKP candidate. However, considering the fact that there appears to be no credible political figures with a solid alternative vision for the country, such a strategy is likely to be too naive. With the president directly elected by popular vote, the Turkish political system risks being turned into an effective presidential system. Although the necessary constitutional arrangements for a presidential system are yet to be passed by the legislature, the rhetoric of the AKP and the argumentation by its leader Prime Minister Erdoğan signals that even without the necessary constitutional arrangements, the intention and actual functioning of the post-presidential election political system will be quite close to a presidential one with concentrated powers in the hands of the popularly elected president. Pretending as the İhsanoğlu campaign appears to do, that no such development is on the agenda is not likely to succeed.

An effective political candidate able to counteract all maneuvers by the AKP candidacy and run an effective political campaign discrediting the AKP positions and establishing its own credibility in the use of executive power and effective delivery of promised policy outcomes might be the only way to win in the presidential race. Yet the focus of the “roof coalition” appears to be on finding a compromise candidate with nationalistic as well as conservative Islamist credentials that will not push away the opposition voters, and that will attract some groups from the AKP constituency. Such preoccupation with strategic balancing acts ignores basic expectations of an alternative vision for the executive office of the country. Moreover, such a strategy effectively leaves the aspirations of the Kurdish constituency unaddressed or at best uncertain. Given the necessity of securing the nationalist MHP constituency behind this compromise candidate, the Kurdish voters are likely to be effectively pushed closer to the AKP candidate who is likely to pursue the incumbent government’s line of reform with the framework of Kurdish opening. As such, no matter how problematic the vision, argumentation and delivery of the AKP candidacy, the opposition candidate is not very likely to succeed unless some of the AKP voters quit supporting Erdoğan.

The AKP’s continued electoral strength critically depends on favorable perceptions of the economy. Since corruption allegations were nothing new in the minds of the public, the only way these charges could make a

dent in the AKP's electoral strength would be if they occurred alongside a decline in economic indicators and forecasts. However, the opposition wrongly chooses to concentrate its efforts on the graft allegations while mostly ignoring the economic difficulties in the country. For success against Erdoğan's candidacy graft allegations cannot be ignored. However, without any significant emphasis on the negative state of the economy this strategy is not likely to succeed.

10.

The 2014 Presidential Elections in Turkey: A Post-election Analysis

Ergun Özbudun

On 10 August 2014, in the first popular election of the Turkish President in the history of the Republic, Prime Minister and Justice and Development Party (AKP) candidate Recep Tayyip Erdoğan was elected in the first round with 51.79 percent of the vote. The other candidates, Ekmeleddin İhsanoğlu, the joint candidate of the Republican People's Party (RPP) and the Nationalist Movement Party (MHP), garnered 38.44 percent while Selahattin Demirtaş, candidate for the Kurdish Democracy Party of Peoples (HDP), secured 9.78 percent. Voter turnout (74.12 percent) was considerably lower than in all recent parliamentary elections: 1999-87.1 percent; 2002-79.1 percent; 2007-84.2 percent; 2011-83.2 percent. It was also much lower than the almost 90 percent registered in the most recent local elections of 30 March 2014. Turnout was also lower than expected among Turkish citizens living abroad who for the first time had the opportunity to vote from third countries. Thus, according to unofficial figures, among the almost 3 million Turks living abroad, only about 232.000 voted, in addition to another 270.000 who voted at the border gates.¹

Various explanations were offered for the low turnout. One was the timing of the elections. It was argued that many summer vacationers did not bother to return from their vacation. Many seasonal workers also apparently did not vote, given that their work brings them to places far from where they are registered to cast their ballots. Secondly, many CHP and MHP voters who were apparently unhappy about the choice of their joint candidate İhsanoğlu, demonstrated their displeasure by choosing not to vote. Thirdly, many leading pre-election surveys showed Erdoğan to be a sure winner with about 56-58 percent of the vote, a margin that may have discouraged a number of potential opposition voters to vote.

Another much debated aspect of the elections was that as Prime Minister, Erdoğan could use government resources and facilities freely in his

¹ Türker Karapınar, "Yurtdışı oyları gümrük artırdı", in *Milliyet*, 11 August 2014, <http://www.milliyet.com.tr/d/t.aspx?ID=1923899>.

campaign, while the campaigns for the two opposition candidates were poorly financed. Furthermore, the state-owned Radio and Television Corporation (TRT) heavily concentrated on the Erdoğan campaign, granting almost no room to the opposition candidates. Thus, the playing field was markedly “uneven” in the words of Steven Levitsky and Lucan Way, the authors of an insightful book on “competitive authoritarianism.” They argue that “a degree of incumbent advantage - in the form of patronage jobs, pork-barrel spending, clientelist social policies, and privileged access to media and finance - exists in all democracies. In democracies, however, these advantages do not seriously undermine the opposition’s capacity to compete. When incumbent manipulation of state institutions and resources is so excessive and one-sided that it seriously limits political competition, it is incompatible with democracy. [...] Three aspects of an uneven playing field are of particular importance: access to resources, media, and the law.”²

The first two aspects of an uneven playing field are clearly relevant to present-day Turkey, while there seems to be no problem with regard to the conduct of elections. However, the playing field cannot be considered even with regard to some other aspects of the broader legal/judicial setting, such as restrictions on the freedom of expression, and the governments’ recent attempts to curbe the independence of the judiciary. The High Council of Elections, solely responsible for the conduct of elections and giving final decisions with regard to electoral complaints, is a truly independent body with a solid constitutional status. All of its members are chosen by the two high courts from among their own members. Thus, Turkey at present seems to be on the borderline between competitive authoritarian regimes and the otherwise flawed or defective democracies.

Opinions vary as to the meaning of the election results. No doubt, Erdoğan and the pro-government media presented it as a smashing victory. In fact, however, it was a less impressive victory than they had predicted or desired. A slightly higher turnout would probably have carried the elections to the second (run-off) round. In a run-off between Erdoğan and İhsanoğlu, however, Erdoğan would be a clear winner, since he would get a majority of the Kurdish votes that went to Demirtaş in the first round. Indeed, a post-election poll showed that in the event of a run-off, 62.3 percent of Demirtaş’s votes would go to Erdoğan and only 8.7 percent

² Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism. Hybrid Regimes After The Cold War*, Cambridge, Cambridge University Press, 2010, p. 6 and 10.

to İhsanoğlu, with 29 percent not likely to vote at all.³ This shows the dilemma of Kurdish voters. Even though they do not fully trust Erdoğan, they still see him as their best (and only) chance for a peaceful solution to Turkey's decade old conflict with its Kurdish minority.

Much debate has also been going on within the opposition camp, especially within the CHP. Many CHP figures belonging to the ultra-Kemalist wing of the party expressed discontent with İhsanoğlu's candidacy, a highly respected nonpartisan figure with an academic and diplomatic background and conservative center-right leanings. Many of them therefore boycotted the campaign and election. On the other hand, some leftist CHP voters apparently voted for Demirtaş rather than for İhsanoğlu finding him too conservative for their liking. Thus, it is estimated that some 8.4 percent of those who voted for the CHP in the 30 March local elections voted for Demirtaş in the presidential elections. An even more surprising shift took place among the MHP voters. According to the same post-election poll, 15.9 percent of them voted for Erdoğan.⁴ These survey findings are also supported by quantitative analysis of voting data. Thus, the total CHP-MHP vote in the 30 March elections was 43 percent (27.8 percent for the former and 15.2 percent for the latter), whereas their joint candidate in the presidential elections received only 38.44 percent, indicating a rather significant defection from both parties. The government as well as many independent observers portrayed it as a humiliating defeat for the collaboration strategy of the two parties. On the other hand, in an alliance between two parties with highly different ideologies and political histories, defections are unavoidable. Despite all these adverse circumstances, the collaboration of these two parties (and twelve other minor parties) in defense of the rule of law and of democratic standards is in itself a significant event that foretells well for the future of Turkish democracy.

The regional distribution of party votes was almost a replica of the 30 March local elections.⁵ Once again, Turkey is divided into three regional as well as social blocs. The CHP-MHP alliance is the clear winner in Eastern Thrace and in the coastal provinces of the Aegean and Mediterranean regions, while the HDP candidate Demirtaş was the frontrunner in the Kurdish-dominated Southeast. The rest of the country, including

³ Adil Gür, "Erdoğan 2. turda daha çok oy alırdı", in *Milliyet*, 15 August 2014, <http://www.milliyet.com.tr/d/t.aspx?ID=1925837>.

⁴ Ibid.

⁵ Ergun Özbudun, "The Meaning of the 30 March 2014 Local Elections in Turkey", in *Middle East Insights*, No. 112 (6 June 2014), <https://meisingapore.files.wordpress.com/2014/04/download-insight-112-occ88zbudun.pdf>.

Central and Eastern Anatolia and the Black Sea region, was solid AKP territory. This regional distribution also corresponds to a socio-economic and cultural cleavage in Turkish politics. The alliance (more precisely, the CHP) strongholds are the most modernised regions of the country, with a higher level of economic welfare, educational attainment, and a more secular way of life. The same cleavage is also observed within the three largest metropolitan centers, İstanbul, Ankara and İzmir. Within these centers, CHP strongholds are represented by the older, more established, coastal neighborhoods of better-educated, middle and high income residents with a distinctly secular way of life, while the AKP appeals to poorer neighborhoods of largely recent urban migrants who are more religiously conservative and less well-educated.⁶ Thus, both elections confirm the sharply divided and largely compartmentalised nature of Turkish politics. Indeed, especially since the Gezi Park (Taksim Square) events of June 2013, Erdoğan and AKP spokesmen in general have increasingly used an exceedingly harsh and exclusionary rhetoric against the opposition, presumably with the aim of solidifying and mobilising support among their own voters. Such polarisation reached its peak in the 30 March and 10 August elections.

The only notable difference between the 30 March and 10 August elections is the shift of some of the MHP voters to Erdoğan. Taking two MHP strongholds as examples, in Osmaniye (the home province of the MHP leader Devlet Bahçeli) the MHP won 43.63 percent of the vote in 30 March as opposed to 37.57 percent for the AKP, with 13.15 percent for the CHP. In the presidential election, İhsanoğlu got 48.59 percent (about the same as Erdoğan), lower than the total CHP-MHP vote in March. Similarly, in Aksaray, another MHP stronghold, the total for the MHP and CHP was 39.52 percent in March, but İhsanoğlu got only 24.5 percent, while Erdoğan raised the AKP vote from 54.44 to 74 percent.⁷ Whether this indicates a permanent trend or is an exceptional deviation remains to be seen.

Despite all its controversial aspects, the presidential elections consti-

⁶ For an analysis of 30 March local elections in İstanbul, "39 başkandan 12 isim yeni sadece biri kadın", in *Milliyet*, 3 April 2014, <http://www.milliyet.com.tr/d/t.aspx?ID=1861344>. For a similar analysis of the presidential election results, Mert İnen, "İstanbul'da Tablo Değişmedi", in *Milliyet*, 11 August 2014, <http://www.milliyet.com.tr/d/t.aspx?ID=1923901>.

⁷ Sedat Ergin, "MHP's rise of March 30 has been halted", in *Hürriyet Daily News*, 21 August 2014, <http://www.hurriyetdailynews.com/Default.aspx?pageID=449&nID=70687&NewsCatID=428>.

tute a clear victory for Erdoğan and the AKP. The AKP has clearly established itself as the “predominant party” with three consecutive victories in parliamentary elections, each time with a larger share of the votes (2002, 2007 and 2011), three general local elections (2004, 2009 and 2014), two constitutional referendums (2007 and 2010), and finally the presidential elections of 2014.⁸ Furthermore, it is the only truly national party with a significant level of support in all parts of the country, including the Kurdish-dominated Southeast where it is in a vigorous competition with the Kurdish nationalist HDP and where the CHP and the MHP are practically nonexistent. In none of the eleven geographical regions of Turkey, did Erdoğan’s vote fall below the 40 percent level. Even in the Southeastern region taken as a whole, he got 50.6 percent of the vote as opposed to 38.5 percent for the HDP candidate Demirtaş.⁹

It is beyond the scope of this essay to present a detailed analysis of the factors behind the rise of the AKP and its current predominance. However, the insightful comments of Jan-Werner Mueller of Princeton University on contemporary populist regimes, such as Hungary under Victor Orban, Venezuela under the late Hugo Chavez, and Turkey under Erdoğan are worth quoting. Thus, argues Mueller,

populism is a thoroughly moralized conception of politics, and a populist is a politician who claims that he or she – and only he or she – truly represents the people, thus relegating all political opponents to the role of iniquitous pretenders. Behind this claim stands the further assumption that the people have one common will that genuinely aims at the common good, and that the people’s authentic leader [...] can identify and implement it. Populists, then, are not only anti-elitist; they are necessarily anti-pluralist and hence anti-liberal. Their politics is always polarising, splitting the actual citizenry into a pure, moral people and the immoral others – whom Erdoğan has often simply called ‘traitors’.¹⁰

⁸ Ergun Özbudun, *Party Politics and Social Cleavages in Turkey*, Boulder and London, Lynne Rienner, 2013, p. 97-99.

⁹ Bekir Ağır, “Çankaya seçimini etkileyen 2’nci dinamik kutuplaşma”, in *Hürriyet*, 13 August 2014, <http://hurarsiv.hurriyet.com.tr/goster/haber.aspx?id=26993827&tarih=2014-08-13>. See also, Kemal Göktaş, “BDP-HDP oylarını 1 milyon artırdı”, in *Milliyet*, 13 August 2014, <http://www.milliyet.com.tr/d/t.aspx?ID=1924841>.

¹⁰ Jan-Werner Mueller, “Erdoğan and the Paradox of Populism”, in *Project Syndicate*, 11 August 2014, <http://www.project-syndicate.org/print/jan-werner-mueller-examines-the-underpinnings-of-the-new-turkish-president-s-political-staying-power>. Along

It is beyond the scope of this analysis to explain the reasons behind the transformation of the AKP from a moderate conservative democratic party to a populist one in the sense described above, with increasingly authoritarian leanings. One possible explanation is the greater self-confidence gained by the AKP's successive electoral victories, each time with a larger share of votes. Another is the disappearance of the threat of the Turkish military's intervention into politics, a realistic scenario during the AKP's first two terms in power. A third explanation, may be the growing sense of mission by the AKP leadership to make Turkey a leading country in the Islamic world through the development of some kind of a populist Muslim democracy.

This analysis suggests that the August 2014 presidential election is important not only for its own sake, but even more so for what it portends for the future of Turkish democracy. Erdoğan made it quite clear in his campaign that, if elected, he would not be a symbolic or ceremonial president ("a flower-pot president," as he puts it), but an active one who will use his constitutional powers to the maximum. He and other party spokesmen also clearly indicated that if they obtain the necessary constitutional amendment majority in the forthcoming parliamentary elections, they will change the system of government into a semi-presidential or presidential one. Even more ominously, they did not hide their intention of also amending the constitution in order to create a more politically dependent and pliant judiciary. This seems to be in line with the logic of the populist regimes as described by Mueller:

[P]opulist parties tend to colonize the state with alacrity. If only one party truly represents the people, why should the state not become the instrument of the people? And when populists have an opportunity to write a new constitution, why should they not ride roughshod over any opposition, which, by definition, must comprise the enemies of the people (who often are accused of being foreign agents)?¹¹

At the moment the AKP is short of the minimum constitutional amendment majority of three-fifths of parliament. The level of support it received in March and August 2014 elections makes it highly unlikely that it will obtain such a majority in the forthcoming parliamentary elections,

similar lines, Fareed Zakaria, "The Rise of Putinism", in *The Washington Post*, 31 July 2014, <http://wapo.st/1uMzhsI>.

¹¹ Jan-Werner Mueller, "Erdoğan and the Paradox of Populism", cit.

normally scheduled for June 2015, but which can be anticipated by a parliamentary resolution. In the meantime, Erdoğan will make the system function in a semi-presidential fashion not by *de iure* but by *de facto* means, namely by appointing a loyal prime minister and a cabinet. Erdoğan's choice as prime minister, a decision ostensibly reached after consultations with the party apparatus, was Ahmet Davutoğlu, the former foreign minister and a leading conservative intellectual. Among Erdoğan's criteria for this decision the most important ones were, no doubt, ideological affinity and loyalty to his person. This means that the year ahead will be a period of extreme polarisation, full of uncertainties. If the AKP eventually succeeds in changing the constitution in the direction it desires, Turkey will move one big step closer to competitive authoritarian regimes.

11.

The Challenge of à la Turca Presidentialism in Turkey

Ersin Kalaycioğlu

INTRODUCTION: POLITICAL REGIME AT RISK

Political life in Turkey seems to have reached another dead-end. The Turkish republican political system operates upon the presumption that legitimate political authority is based on popular rule, which is assumed to be expressed by and through the popular participation of all of its eligible voters in representative government. National and local elections and referendums have been designated as the essential pillars of popular rule through the penultimate institution of representation, the Grand National Assembly of Turkey (TBMM). It is therefore understandable that every constitution since the establishment of the republic has enshrined the principle of legislative supremacy, designating the TBMM as the institutional fount of all political legitimacy. Since Turkey moved into multi-party politics in 1945, each opposition party has rested its claim on the premise that it is the real representatives of the nation/people. The slogan of the Democrat Party (DP) in the 1946 elections, for example, was “*Yeter! Söz Milletin*” (Enough! The Nation Has the Say). More recently, Justice and Development Party (AKP) leaders and spokespersons have been voicing the argument that they are the representatives of the “national will” (*milli irade*). This would seem to reflect a distinct proclivity for a parliamentary form of representative democracy. Such might indeed be the case if Turkish politics had more room for rational thinking and less room for the ambitions of career politicians.

Electoral outcomes in Turkey are influenced by the socio-cultural fault lines that divide society into overlapping voting blocs. Due to historical, social, political, and even economic reasons, Turkish society is deeply divided among confessional (secular versus pious Sunni Muslims), sectarian (Alevi versus Sunni Muslim), and ethnic nationalist (Kurdish ethnic nationalists versus Turkish ethnic nationalists) identities. Some of those cleavages converge and deepen the divides, and some cut across them and lessen their impact. However, the populace when left to their ideo-

logies, interests, and cultural imperatives tend to vote for many parties. Consequently, a fragmented party system and a less fragmented but still multi-party parliamentary party system emerge to produce circumstances conducive to fragmented parliaments and coalition governments. Turkey has witnessed many coalition governments, frequently characterised by discord between the coalition partners, governmental inefficiency and even ineffectiveness. This has provided much manoeuvring room for non-elected political forces, such as the military, to influence politics. Turkish political elites have also contributed to the poor track record of coalition governments. Their rather open political debates and bargaining have left Turkish voters with the impression that cantankerous coterie of political personae are constantly bickering while the political agenda of the country is sidelined. Often political parties thus united have considered the coalition government as both a temporary nuisance, and an opportunity to strengthen their position in the government, to increase their share of the vote in the next elections and establish their own party government. Nonetheless, Turkey's coalition governments have been able to register some notable successes, including the defeat of the terror campaign of the Kurdish separatist PKK in the 1990s or the successful negotiations on the eligibility of Turkey for full membership in the European Union (EU) in 1999. It was coalition governments that abolished the death penalty, overhauled the civil code, and finally established the national and international economic arrangements to pull Turkey out of its worst financial crisis and recession in 2001, just before the AKP came to power. However, the die was cast for the coalition governments, and the AKP politicians and their media spin doctors have not missed the opportunity to further trash coalition governments in the eyes of the public. In fact, the ten percent national threshold of the general elections in Turkey, which had failed to stop the fragmentation of the vote in the 1990s, became the most precious vestige of the ancient regime and one that the AKP politicians struggled to keep at any cost.

PARTY HEGEMONY VERSUS PRESIDENTIALISM À LA TURCA

When the AKP became entrenched in power in 2002 – thanks to the ten percent threshold which delivered the AKP two thirds of the seats of the TBMM with only one third of the national vote – they claimed repeatedly that party government is the representation of the “national will”

and provides governmental stability; and further, that party rule through parliamentary majority is superior to the pluralist, inclusive politics of bargaining and building compromise in coalition governments. When the economic model established by the previous coalition government continued to bear fruit with higher economic growth rates and rapid improvement of the performance of the macro economy, the AKP accredited this to itself, leading to higher support at the polls in 2007. The AKP's increased popularity enhanced its power, enabling it to confront the military and the opposition media at the same time. Both of those forces became marginal to political decision-making. Judging that during the parliamentary election of the president the countervailing forces of the opposition were able to limit the power of the AKP government, the AKP decided to discontinue the practice of electing the president within the TBMM and submit the candidates selected by the TBMM to popular vote. A referendum on 21 October 2007 settled the matter in favour of the AKP position, and the date was set for 2014 as the first ever election of the president by popular vote.

In the years since 2007 the AKP and the other parliamentary parties failed to establish a compromise over the role of the popularly elected president, and Turkey went through the motions of electing a president by popular vote on 10 August 2014. In the meantime, the AKP tried to overhaul the constitution to augment the powers of the president and create a form of presidential regime. However by 2013 the AKP's leader, Recep Tayyip Erdoğan, realised that American presidentialism rests on the idea of check and balances, limited government, and some form of political bargaining between the executive and legislative branches of the government and gives a major role to the Supreme Court. Erdoğan switched tracks and began to argue for an undefined presidentialism *à la Turca* (*Türk tipi Başkanlık*) – or in other words, a form of semi-presidentialism which would put less limits on his powers than American presidentialism. This idea, however, did not gain traction among the voters at large or even among his party ranks. Debates had made it clear that Erdoğan did not want any form of checks and balances but promoted an idea of a popularly elected leader as president, who would be accountable to the voters (nation) only. In light of Erdoğan's appearance and style, as well as his intolerance for opposition media and social media, the president seems to be an ideal mix of the last absolutist Ottoman Sultan Abdülhamit II and an elected president embedded in the regime of what O'Donnell has

called delegative democracy.¹ I propose to term this political regime in Turkey neo-Hamidianism by culture and structure.²

To complicate matters further, in December 2013 severe allegations surfaced concerning President Erdoğan (then the Prime Minister), his family members, and members of his Cabinet. Erdoğan successfully dodged the allegations, removed from office the police, prosecutors, and judges in charge of the dossiers of the allegations, and accused them of being related to an organisation established by foreign agents and working through a cleric residing in the United States, Mr. Fethullah Gülen, parallel to the bureaucracy of the state – briefly called the “Parallel Structure.” Erdoğan was thereby able to win enough votes to evade the challenge of corruption in the local elections of 30 March 2014 as well as the presidential election of 10 August 2014. However, in the meantime he admitted having intervened in the due process of the law in contravention of article 138 of the constitution, and also having fixed a public bid in favour of a crony, in the media. The accusations of bribery directed at his former ministers also seemed to have proven not ill founded. However, the AKP government managed to have the judicial investigation on these cases discontinued, leaving a parliamentary commission as the only entity to carry out investigations. However, the cover-up does not look permanent, such that any change in the course of political events that would lead to the downfall of the AKP government could also lead to the resurrection of due process of law in the cases concerned.

The current unspoken yet simmering political regime crisis of Turkey has thus been created. Turkey has a popularly elected president who received more than 20.6 million votes, about 52 percent of the valid ballots cast. Erdoğan thus received the votes of just 37 percent of the 55 million

¹ Guillermo O'Donnell, “Delegative Democracy”, in *Journal of Democracy*, Vol. 5, No. 1 (January 1994), p. 55-69.

² For a more thorough treatment of this matter see Ersin Kalaycioglu, *Turkish Dynamics. Bridge Across Troubled Lands*, Basingstoke and New York, Palgrave Macmillan, 2005, p. 128-137; or more recently Ersin Kalaycioglu, “Neo-Hamidienlik Çapulculuğa Karşı: Gezi Parkı'nın Gösterdikleri” (Neo-Hamidianism versus Marauding [Çapulculuk]), in *Suriçi'nde bir Yaşam. Toktamış Ateş'e Armağan* (A Life in Suriçi. In Memory of Toktamış Ates), Istanbul, Istanbul Bilgi Üniversitesi, 2014, p. 407-416; also Ergun Özbudun, *Contemporary Turkish Politics. Challenges to Democratic Consolidation*, Boulder and London, Lynne Rienner, 2000, Chapters 3-4; and Ergun Özbudun, “Türkiye Demokratik Pekişmenin Neresinde? Demokratikleşme mi? Otoriterleşme mi?” (At What Point of Democratic Consolidation Is Turkey? Democratizing? Authoritarianizing?), in *Suriçi'nde bir Yaşam. Toktamış Ateş'e Armağan* (A Life in Suriçi. In Memory of Toktamış Ates), Istanbul, Istanbul Bilgi Üniversitesi, 2014, p. 392-406.

eligible voters, among whom about 40 million (74 percent) cast their ballots on 10 August 2014. The president now acts as if he is still the head of the government, which is at best both legally and politically outside the bounds of his authority, though fully tolerated by the Prime Minister and the government of the AKP, whom Erdoğan personally handpicked and installed in the true spirit of any non-democratic organisation, without intra-party competition, debate or deliberation of party delegates. The role of the Turkish president has been defined in the constitution as being neither politically nor legally responsible for any decision s/he makes (article 105). Traditionally presidents did not and could not get involved in the daily affairs of the government, for they are to act as neutral arbiters (article 103) between political parties at times of crisis, and thus they are not to be aligned with one government or party policy against others. In a sense, President Erdoğan acts as if he were the popular arbitrary ruler he aspired to be, thanks to the PM Davutoglu and the AKP majority in the National Assembly.

In a matter of a few months the 2015 national elections will produce a newly elected TBMM, another representative of the “national will.” Turkey will find itself in a situation of double-headedness where the representative of national will as the president and the representative of the national will of the TBMM will split. If the split is as wide or any wider than it is today, a conflict, clash, or even fight could be imminent. In the meantime, with the ten percent threshold in the national elections, if the AKP could get a sufficient number of seats it may even attempt to change the constitution, which is possible with 60 percent of the parliamentary vote in favour of such an amendment. Could the AKP majority have a new constitution installed? No agreement among students of constitutional law seems to exist, though such an attempt would certainly create reactions, stress, and even overt conflict inside and outside of the TBMM.

If the events of 2015 bring about a change of leadership within the AKP, and with a newly elected leader whose authority is established independent of Erdoğan, the AKP leadership may also want to contain the president and make him act more as a statesman than as the partisan politician he seems to aspire to today. It is hard to know where such a confrontation will lead, though a similar instance between President Turgut Özal and Prime Minister Yıldırım Akbulut led to the humbling of the former in 1990. The personalities are not similar today, and the power projections of the figures involved are also considerably different. Therefore, it is not yet certain where and how such a confrontation may unfold,

beyond an all-powerful president who heeds no legal bounds and a Prime Minister who acts more as a caretaker than a decision-maker.

If the AKP fails to win the majority of the parliamentary seats in the next national election, President Erdoğan will find himself in conflict with the majority in the TBMM. Turkey will move toward a divided government, which is likely to be no better than the much reviled coalition government. Even if Turkey reverts to a coalition government in 2015, the double-headedness of the government will emerge as a problem, and the splitting of legitimate political authority between the legislative and executive branches of the government will become a costly business. We do not have a president who has acted in the spirit of a gentlemen's agreement in his political career. He comes across as a street fighter portraying himself as a victim and a champion of the downtrodden of the country. Finally, the alleged criminal record of the president, unearthed by his own declarations in the aftermath of the December 2013 corruption revelations, promises to become a new agenda item in the hands of a split government, and threatens to precipitate another crisis between the president, the government and the legislature under those circumstances.

CONCLUSION

Turkey's choice is between establishing a popularly elected authoritarian despot as president on the one hand and legislative supremacy (establishing a more representative election rule and a more contemporary parliamentary body, and operating within the law to practice liberal representative democracy) on the other. So, what confronts Turkey is not a choice between presidential versus parliamentary democracy, but an electoral authoritarianism of *à la Turca* presidentialism versus some form of parliamentary democracy. Much hangs in the balance for the future of democracy, rule of law, and liberal capitalism in the next national legislative elections. The answer to whether Turkey becomes an authoritarian presidential regime albeit with a popularly elected government lies essentially in whether the AKP wins enough seats in the 2015 legislative election. This in turn depends on four conditions. One, if a sufficiently large number of voters go to the polls, then the AKP's 20.5 million votes will not enable it to win as many seats as it has right now. Secondly, if the economy continues to produce such low growth rates, the AKP vote share is not likely to increase any further and may even diminish to a new low.

Thirdly, if Turkey becomes engulfed in another period of insecurity, due to the increase in terror attacks due to the unravelling of talks with the PKK, increased ethnic Kurdish protests, a war with either Syria or Iraq the outcome of which is uncertain and promises to entail many casualties, the AKP will lose still more votes. Fourth and finally, the outcome of the elections will also depend upon the performance of the opposition parties. If any one among them can convince sufficient voters of its capability to provide better economic and security protection – and much less corruption – to large swaths of the population, that party may even win the next election.

12.

The Conflict within Turkey's Islamic Camp

Ömer Taşpınar

The roots of the conflict between Turkey's moderate Islamic Justice and Development Party (AKP) government and the Gülen movement go back to the 1970s. Yet it is only in the last couple of years that the rift has gained unprecedented domestic and international media coverage. This is hardly surprising. Until recently the AKP and the Gülen movement shared a common enemy. The *raison d'être* of the Gülen-AKP alliance was the need for both groups to protect themselves against the staunchly secularist military, which considered both groups an existential threat to Kemalism, the official ideology of the Republic named after the founding father Mustafa Kemal Atatürk.

With support from the Gülenists, the AKP considerably reduced the role and power of the army. The scope of Gülenist influence over the Turkish judiciary is probably real, as became clear during the Ergenekon investigation. The investigation targeted a network composed of active duty and retired military personnel, ultra-nationalist extremists, political activists and organised crime figures – a conglomeration often referred to as the “deep state” – all united by the desire to bring an end to the rule of the AKP and its ally, Gülen, in order to preserve the Kemalist nature of the republic. According to the Ergenekon trial, the network had hatched a plot to overthrow the government. The net effect of the Ergenekon investigation was the emasculation of the Turkish military.

Wielding its influence in the judiciary and intelligence services, the Gülen movement used its clout during the Ergenekon affair. Yet what started as a legitimate attempt to arrest coup plotters rapidly turned into a witch-hunt against all enemies of the AKP and the Gülen movement. Instead of targeting only people involved in the conspiracy, the prosecutors, often presumed to be Gülenists, had warrants issued for the arrests of people who appeared hostile to the Gülen community – not only military officers but also journalists, academics, civil society activists and bureaucrats. The politicisation of the Ergenekon investigation earned the

Gülen movement international criticism. In time, it also began to undermine relations between the Gülenists and the AKP, with the Prime Minister showing signs that he wanted to reach a less confrontational *modus vivendi* with the military.¹

Although the AKP and Prime Minister Recep Tayyip Erdoğan strongly supported the Ergenekon investigation from the outset, once the military was sidelined, the AKP-Gülen rift re-emerged. At the broader level, the AKP circles appeared increasingly annoyed and concerned that the executive branch's decision-making power had come to be challenged by the growing influence and presence of the Gülen's community on all levels of the bureaucratic structure, particularly the police, judiciary, and public education system. In many ways the AKP began to see the Gülen network as a "state within a state."

THE ROOTS OF THE CONFLICT

The rift between the Gülen movement and the AKP has deep historical and ideological roots. At the ideological level, the most important divergence is their approach to Islam. The AKP stems from the Muslim Brotherhood tradition. The Muslim Brotherhood is a "political Islam"-oriented movement that wants to come into power in order to change the governing system. It prioritises the brotherhood of the "umma" in the classical Islamic sense, as a universal community of believers. The concept of the nation-state is rejected by the Muslim Brotherhood because it is seen as divisive and tribalist, in addition to being a relatively modern Western invention. The predecessor of the AKP was the Welfare Party, under the leadership of Necmettin Erbakan. The ideological tradition of Erbakan was known as the "Milli Görüş" movement, which followed the same precepts of classical political Islam, in the footsteps of Arab Islamist theorists like Sayyid Qutb and Hassan Al Banna in Egypt.

The Gülenists, however, come from a Sufi and Turkish brand of Islam that is not against the nation-state. To the contrary, it embraces Turkish nationalism and shows great respect for the Ottoman/Turkish state tradition. This patriotic and nationalist brand of Sufi Islam embraced by the

¹ For a detailed and highly critical analysis of the Ergenekon investigation see Gareth H. Jenkins, "Between Fact and Fantasy: Turkey's Ergenekon Investigation", in *Silk Road Papers*, August 2009, <http://www.silkroadstudies.org/new/docs/silkroadpapers/0908Ergenekon.pdf>.

Gülen movement has considerable disdain for the Arab world's Muslim Brotherhood tradition. The roots of the Gülen movement go back to Said Nursi (1878-1960), a preacher from Eastern Anatolia whose teachings (the Nurcu movement) emphasised the compatibility of Islam with rationalism, science and positivism.²

Fetullah Gülen's vision of promoting such an approach to Islam led him to focus on education. The real struggle had to take place not in the political arena but in civil society, by trying to win hearts and minds. This is why the Gülen movement began investing in modern schools that would educate students in line with positive sciences and the modern world but also with great admiration for the Islamic philosophy of Said Nursi and Fetullah Gülen. In time these schools began the main export of the Gülen movement, which expanded beyond Turkey into Central Asia, Africa, the Middle East, Asia, Europe, and the United States, where Gülen now resides in self-exile. Gülen decided to leave Turkey in 1999 mainly because he felt threatened by the staunchly secular Turkish military.

It is important to analyze the perception of threat by the Turkish military *vis-à-vis* the Gülen movement. It is eventually this perception that led to a marriage of convenience between the AKP and the Gülenists. In the eyes of generals, the Welfare Party's brand of political Islam was a concrete and identifiable phenomenon. The Welfare Party, after all, was not a social movement but a political party with a political project. It was controllable because it was out in the open and it clearly promoted an Islamic agenda. The Gülenists, on the other hand, represented a very different kind of threat because of their long-term social, cultural and educational strategy. Theirs was a generational project. The Gülenists claimed to be above politics. Yet the graduates of Gülen-affiliated schools often entered public service in key government institutions. In the eyes of the army, this amounted to a secret agenda of political infiltration and represented an existential threat to the Kemalist/secular foundations of the Republic.

As Bayram Balci puts it: "After emerging from Gülen's schools, many of these elites have assumed key positions within the Turkish administra-

² Nursi's main contribution to Islam was a 6,000-page commentary written during his lifetime on the Koran. This body of work is known as the *Risale-i Nur* (the Light Collection), and it advocates the teaching of modern sciences in religious schools as the way of the future for an Islamic age of enlightenment. The Nurcu movement of Said Nursi, in time, has become the most popular brand of Sufism in Turkey. The moderate, pragmatic, patriotic, and harmonious approach to Turkishness, nationalism and positivism also enabled the Nurcu movement to develop a less confrontational approach to secularism and Atatürk.

tion. Gülen's disciples are influential in key institutional bureaucracies and the media. Many hold important positions in the state apparatus, the judiciary, the educational system, and key sectors of the Turkish economy. While the movement's representatives do not deny the presence of sympathizers within state structures, they insist that this is not the result of any strategy to infiltrate the state apparatus and instead point to the fact that these educated individuals have reached high ranks in the civil service thanks to their work ethic and perseverance."³

THE IMPLICATIONS OF THE AKP/GÜLEN RIFT FOR TURKISH DEMOCRACY

The tension between the two former allies peaked in early 2012, when an Istanbul prosecutor summoned Turkey's top intelligence chief, a high-level confidant of Mr. Erdoğan, to question him about his covert negotiations with Kurdish militants. Erdoğan saw the prosecutor's move as a personal attack by the Gülen movement and initiated a purge within the police and the judiciary, demoting suspected members of the movement. The clash escalated when Erdoğan decided to target the educational institutions of the movement by announcing that private prep schools for high school students would be shut down. Many of these schools are a major source of recruitment and revenue for the movement. It is widely assumed that the movement then responded by unleashing a corruption investigation against the AKP.⁴ In short, once the military was subdued, the alliance between Erdoğan and the followers of Gülen began falling apart.

Erdoğan responded to the corruption investigation by launching an all-out war against the Gülen movement. His policies included sacking the prosecutors involved in the corruption investigation, reassigning hundreds of police chiefs, and rewriting laws in ways that would allow

³ Bayram Balci, "Turkey's Gülen Movement: Between Social Activism and Politics", in *Carnegie Articles*, 24 October 2013, <http://ceip.org/1vNNKEZ>.

⁴ On 17 December 2013 the police arrested around 50 people on the grounds of tender fixing, influence peddling, bribery and covert gold transfers to Iran. The arrested included the sons of three cabinet ministers, an AKP mayor, and the general manager of Turkey's second biggest state lender Halkbank, in whose home police found 4.5m dollars crammed into shoeboxes. Soon it became clear that the probe drew closer to Erdoğan. A couple of days after the first wave of arrests, prosecutors ordered a second raid that would have involved Erdoğan's son and the CEOs of major construction companies that received recent government contracts.

government control over the judiciary and corruption probes. After the resignation of four implicated ministers, he reshuffled half of his cabinet. In addition to the total number of 96 prosecutors and judges that were replaced, the government decided to push through draconian new laws giving it more control over the judiciary, and tightening monitoring of telephones and the Internet. The new legislation also enhanced government control over the High Council of Judges and Prosecutors, which is responsible for judicial functions and the appointments of judges, and thus severely undermined the separation between the executive and judiciary branches.

As the corruption probe swirled around his government and his family, Erdoğan returned to the familiar tactic of blaming his problems on a vast international plot, part of an orchestrated effort to weaken Turkey. Partly because Gülen lives in the US and has been critical of Turkey's confrontations with Israel, Erdoğan hinted that corruption allegations were the result of attempts by Israel and the United States to frame his party members. He even threatened to expel the US ambassador on the grounds that he held meetings with opposition figures. Although such conspiracies do not travel well outside government circles, Erdoğan remains popular in Turkey. His party won the local elections in March with a larger margin than expected, and Erdoğan was elected to the presidency in August with more than 51 percent of the votes. Yet the way the AKP handled the corruption investigation has also exposed Erdoğan's authoritarian tendencies, his personalised system of strongman leadership, and, more importantly, the weakness of Turkey's liberal democratic institutions.

Over the last 10 years Erdoğan's chief accomplishment has been to establish the supremacy of civilian rule in Turkey. After 40 years in which the military ousted four governments, Turkish democracy no longer operates at gunpoint. Yet, an unexpected byproduct of the current rift between the AKP and the Gülen movement involves the potential return of the military tutelage system, as an embattled Erdoğan now seems increasingly willing to forge an unholy alliance with the Turkish army against the Gülen movement. The clearest evidence of this came when Erdoğan's top political advisor suggested that the military was framed by the same Gülenist prosecutors who launched the corruption probe against the government. This statement called into question the whole legitimacy of the Ergenekon trial. Not surprisingly, in the last few months almost all of the officers implicated in coup-plotting have been released. Such a development potentially paves the road for a return of the generals as powerful

actors who may want vengeance. Although another military intervention in Turkey seems far-fetched, the country now looks increasingly unstable and polarised. It is no longer possible to rule out a scenario in which the generals would make their presence felt. They would probably do so not only by exploiting the division within the Islamic camp, but also by raising their voice on issues related to the Kurdish question in the country.

13.

Turkey's Unconsolidated Democracy: The Nexus between Democratisation and Majoritarianism in Turkey

Meltem Müftüler-Baç and E. Fuat Keyman

Turkey has suffered from a highly turbulent democratisation process in the past 70 years, ever since the transition to multi-party politics in 1946. It has undergone three military take-overs, periods of one party authoritarianism, military rule, and severe restrictions on freedom of speech, expression, and association. A new era in Turkish politics seemed to have launched in 2002, when the Justice and Development Party (AKP) first came to power with 34.7 percent of the votes. AKP was re-elected in 2007 with 47 percent of the vote, and in the 2011 general elections received 50 percent of the vote with almost 90 percent of the electorate going to the polls. Since 2002, the AKP has steadily increased its electoral support and become the dominant party in Turkish politics. While multiple political and legal reforms were adopted under its rule, and accession negotiations with the European Union commenced in 2005, the systemic deficiencies in Turkish politics have nonetheless slowly crept up. Since 2013, the political developments in Turkey point to a nexus between democratic consolidation and Turkey's systemic deficiencies. Specifically, we argue in this chapter that the Turkish democratic consolidation process is impacted by the systemic tendencies of "dominant party" politics, a democratic disconnect within Turkish society, a weak system of checks and balances, and, most importantly, an inherent intolerance for diversity and plurality. It is in light of these systemic deficiencies that the process of Turkish democratic consolidation has unexpectedly turned into majoritarian authoritarianism.

THE DOMINANT PARTY SYSTEM

In our previously published work on Turkish democracy,¹ we posed a critical question as to whether *democratic consolidation would be possible under a dominant party*. Our analysis of the 2011 Turkish general elections pointed to the emergence of “a pattern of dominance” established through the AKP’s consecutive electoral victories since 2002. After receiving around 50 percent of popular support and its sixth consecutive electoral victory, the AKP had become the “dominant party” in Turkish politics by 2011; however, the political opposition remained weak and scattered. It is precisely this combination of a dominant party with a weak opposition that lies at the heart of the democratic consolidation challenges in Turkish politics. In the near future, there seems to be relatively little possibility of an alteration in these political balances. Thus, the critical question remains whether democratic consolidation in Turkey will be possible in a situation where the political dynamics are shaped by a dominant party facing a weak opposition.

In the most recent elections in 2014 – the local elections on 30 March and the Presidential elections on 10 August – the AKP succeeded in further cementing its dominant party position. There is very little reason to suspect a change in this position in the coming general elections set to take place in June 2015. As the AKP has strengthened its dominant party position, Turkey’s rankings in the democracy, rule of law, and rights and freedoms indexes have steadily declined. For example, by 2014, Turkey had slid down in the freedom of press rankings to the 154th place out of 180 countries.² Similarly, the *Freedom House* reports on Turkey list the country as partly free, receiving 3.5 out of 7 in the freedom ranking, 4 out of 7 in civil liberties, and 3 out of 7 in political rights, while its press is ranked as not free.³ In the freedom, civil liberties, and press freedom rankings, *Freedom House* detects a downward trend in Turkey since 2013. As a result, it is possible to witness that instead of paving the way for democratic consolidation, the dominant party rule seems to have led to a weakening of democracy in Turkey. Turkish democracy is still a “partial,

¹ Meltem Müftüler-Baç and E. Fuat Keyman, “The Era of Dominant-Party Politics”, in *Journal of Democracy*, Vol. 23, No. 1 (January 2012), p. 85-99.

² Reporters Without Borders, *World Press Freedom Index 2014*, January 2014, <http://rsf.org/index2014/en-index2014.php>.

³ Freedom House, “Turkey”, in *Freedom in the World 2014*, January 2014, <https://freedomhouse.org/report/freedom-world/2014/turkey-0>.

limited, or hybrid democracy with authoritarian tendencies”⁴ It looks as if Turkish democracy has drifted towards majoritarianism with authoritarian tendencies rather than towards liberal democracy.

While Turkish democracy remains far from consolidated, it is interesting to note that the Turkish economy is performing relatively better, especially in light of the serious global economic crisis. The Turkish government also took a leap forward with the adoption of a new peace process that aimed at ending the armed conflict with the Kurdish Workers’ Party (PKK), and opened up a public space for reconciliation with the Kurdish population in Turkey. If the AKP government succeeds in resolving the Kurdish issue, this would without a doubt eliminate a major hurdle to the process of democratic consolidation in Turkey. However, neither Turkey’s relatively good economic performance nor the Kurdish peace process have so far yielded any positive results for democratisation.

THE DOWNTURN IN TURKISH DEMOCRACY

Even before 2011, there were already visible cracks in Turkish politics under AKP rule – namely, the Ergenekon and Balyoz cases in 2008 and 2009 in which several prominent journalists, high-ranking generals, and civil society organisations were accused of and detained for planning an alleged military takeover against the AKP. As a result, the AKP government found itself to be at the centre of an ill planned purge of those in opposition to its rule. The accused in both cases faced length prison sentences without formal arraignments, yet by 2013 the evidence turned out to be largely manufactured. The breaking point for democratic consolidation came in December 2013 when the political struggles in Turkey took an unexpected turn, specifically with the “corruption-coup debate” that has dominated the Turkish political debates. On 17 December 2013 a number of AKP officials along with the sons of prominent cabinet ministers were taken into custody, facing massive corruption allegations. This constituted the first major challenge to the AKP’s rule since the 2008 closure case in the Constitutional Court. In response to these allegations, the AKP and its supporters claimed that the government was under attack from forces within “the deep state” that aimed at overthrowing the AKP from power

⁴ E. Fuat Keyman and Sebnem Gumuscu, *Democracy, Identity and Foreign Policy in Turkey. Hegemony Through Transformation*, Basingstoke and New York, Palgrave Macmillan, 2014.

and removing its leader Erdoğan from politics. This was framed as a threat to the legitimate and elected government, and also to Turkey's security.

As a result, the AKP government responded strongly to what it perceived as attacks against its rule originating from the judicial and police circles, specifically reacting with the adoption of a number of strong measures even though these measures risked suspending democracy and rule of law. The harshness of the AKP's response to the December 2013 accusations was thus a turning point in Turkish democracy, leading to the adoption of new legal changes that both curtailed freedom of expression and threatened the separation of powers in the country by increasing executive control of the judiciary. The closure cases against Twitter and YouTube in 2014 were particularly low points in Turkish democracy, clearly marking the increased intolerance in the country for free speech. Claimed Erdoğan, "We'll eradicate Twitter. I don't care what the international community says."⁵ These developments since 2013 lead us to argue that Turkey seems to be increasingly moving away from the tenets of liberal democracy, partly as a response to the numerous challenges in its democratic consolidation.

When these restrictions on freedom of speech were established, a group of observers of Turkish politics saw this weak democracy performance of the dominant party as temporary and conjectural. Accordingly, their expectation was that once the existentialist threat is overcome, the government will return to its reformist path, and adopt the necessary steps for the revitalisation of democratic principles. In contrast, another group consisting of the followers of Fethullah Gülen as well as the main opposition parties tended to perceive these measures as driven by the AKP government's attempt to cover up the corruption charges. The AKP government itself is seen as the main reason for the increasing authoritarianism and the drift from democracy. As a result, there seems to be two different political discourses poised at different ends of the spectrum, and this bifurcation of the political debate through the "coup" versus "corruption" allegations needs to be taken seriously. Without any doubt, this increased bifurcation and subsequent political polarisation in Turkey has damaged democratic consolidation and rule of law, but most importantly the culture of living together in Turkey.

With the regression of Turkish democracy, the suspension of rule of law, and the contraction in the area of rights and freedoms, the most im-

⁵ Terrence McCoy, "Turkey bans Twitter, and Twitter explodes", in *The Washington Post*, 21 March 2014, <http://wapo.st/OGA3Eb>.

portant structural problem in Turkish politics has become visible. As a result, we suggest that the democratic disconnect under the dominant party system in Turkey is tied to an underlying set of structural and institutional factors. Specifically, the weak system of “checks and balances” is the most important structural problem in the Turkish political system. It is the interplay of the dominant party rule combined with an ineffective system of checks and balances that poses the most significant challenge to democratic consolidation in Turkey. This systemic-structural problem of the lack of checks and balance mechanisms, combined with a culture of curtailing arbitrary rule, explains not only the peculiarity of the Turkish dominant party experience vis-à-vis those of the Japanese, Swedish, and Italian examples, but also how Turkish democracy has drifted towards majoritarian authoritarianism.

THE SYSTEMIC FAILURES: CHECKS AND BALANCES

Since democratic consolidation under a dominant party requires an effective and efficient system of checks and balances, this is where the main reasons for and possible solutions to the democratic disconnect lie. Let us clarify what we mean by the (weak) system of checks and balances. First, we accept that democracy requires free and fair elections without which democracy is not possible. Yet this is only a necessary pre-condition for the transition to democracy, and not sufficient on its own for democratic consolidation. To sustain, consolidate, and deepen democracy, durable institutions which perform the function of checking and balancing each other is an absolute must. These institutions operate within the political spheres both horizontally and vertically. Specifically, four institutions are of utmost importance for democratic consolidation: horizontally, “the separation of powers,” specifically whether there is an “equal distribution of powers” between the executive, the legislative, and the judiciary; “the independence of the judiciary,” which is particularly important in order to prevent an “over-politicisation of the judiciary” or, related to that, the “judicialisation of democracy”; vertically, “the centralisation-decentralisation nexus,” or the extent to which the system of governance is carried out by strong and effective decentralisation mechanism and norms; and, finally, “equal citizenship,” which can be seen as equality within diversity in terms of the equal implementation of citizenship rights and freedoms, while recognising diverse cultural identity claims and demands of hete-

rogeous population. It is along these four institutional dimensions that the main challenges to democratic consolidation in Turkish democracy can be found.

While free and fair elections constitute a necessary but not a sufficient condition for democratic consolidation, it is the inclusive institutionalisation of democracy through horizontal and vertical checks and balances that sustains and guarantees democracy even under a dominant party. Without these checks and balances, the possibility of the majoritarian re-configuration of power, albeit legitimised through elections, appears to be likely, even desirable. This also helps explain why Turkish democracy has regressed over time even though the AKP government performed relatively well in responding to the global economic crisis, and in initiating the peace process with Kurds.

This essay analysis aims to look at these challenges, ranging from freedom of the press and rule of law to separation of powers and independence of the judiciary. An important concern is with regards to the political rhetoric in the country, in particular the political declarations by the highest-ranking officials in Turkey that reflect a strong style of authoritarianism. While the political rhetoric is increasingly exclusionary, alienating portions of the public that did not vote for the AKP or for President Erdoğan in the presidential elections, it also creates a hostile political environment of intensified political polarisation.

This, in turn, erodes the very basis of a liberal democracy. This chapter rests on the notion that the acceptance of pluralism and the inclusion of these different social and political groups in the political debate for the generation of a political consensus is an essential characteristic of liberal democracies. This is precisely what is lacking in the Turkish context. In other words, an ongoing challenge in the Turkish democratisation process is the emergence of a pluralistic society. Yet this is no easy feat. It requires an inherent acknowledgement that multiple social and political groups have the right to exist irrespective of their political positions. What is more, the legal structure should be such that it allows them to voice their opinions without any restrictions or fear of prosecution. However, a major obstacle that makes this impossible to attain in the Turkish context is the lack of tolerance for diversity.

We need to note here that a lack of tolerance for diversity is not an ailment that characterises only the current government, but is a deeply rooted ailment in Turkish society in general. A socio-political group that finds itself holding the reins of political power becomes adamant in elimi-

nating all forms and voices of dissent. This was the case with the previous political actors who at best shunned out the voices of groups with different religious affiliations, ideologies, or ethnic backgrounds, and at worst suppressed them heavily. It was hoped that this tendency to suppress dissident opinions would be foregone once and for all when the AKP was elected to power in 2002. This was hardly surprising as the AKP's promise in its early years was to democratise Turkey, foster a pluralist society, and eliminate all forms of oppression in Turkish society. This is also why the AKP's foreign policy goal of accelerating the Turkish accession process to the European Union was credible in the eyes of observers of Turkish politics.

Unfortunately, the current political situation in Turkey leaves a lot to be desired in the acceptance of tolerance for diversity and dissent. So, why is tolerance for diversity and acceptance of dissenting voices, and the subsequent emergence of a pluralistic society, so problematic in Turkey? Ultimately, the challenges to Turkish democracy cannot be solely understood as driven by the individual characteristics of the current leadership, but need to be perceived within the context of larger systemic factors. In other words, it is precisely because the Turkish political system is characterised by low tolerance for diverse views and a tendency to suppress dissenting voices that Turkish political leaders with authoritarian leanings are able to take advantage of these systemic attributes to voice their own repressive rhetoric. Hence, even when there is a change in political leadership, there is relatively little change in terms of political repression. The only change seems to be the political affiliations of those in power versus those in opposition. This brings us to the ultimate question: if a new social contract on these issues is possible, would that then address the main challenges in Turkish democratic consolidation?

CONCLUSION

This is precisely where the European Union's role becomes critical. Even though relations are bleak now, the process of negotiations is still on track. The EU's role and anchor still matters for the Turkish political reformers who would like to see their country as a liberal democracy. However, Turkey's relations with the European Union reached a crossroads in 2014. Despite Turkey's ongoing negotiations since 2005 for EU membership, the EU's influence on Turkish politics is in decline. In an unprecedented

fashion, Turkey is perceived as a candidate country that is increasingly moving away from the EU's political norms while paradoxically negotiating for accession to the EU. The crossroads for Turkey and the EU was further highlighted on 15 December 2014 when Turkish President Recep Tayyip Erdoğan declared "We have no concern about what the EU might say, whether the EU accepts us as members or not [...] The EU should mind its own business."⁶ This declaration was a response to the joint statement issued by EU High Representative Federica Mogherini and Enlargement Commissioner Johannes Hahn criticising the arrests of multiple journalists on 14 December 2014 as "incompatible with the freedom of media, which is a core principle of democracy."⁷

It seems like what began with high hopes for Turkish democratic consolidation through the EU's political conditionality has turned out to be a bitter process that left both parties highly frustrated. This is surprising as Turkey's accession talks with the European Union since 2005 provided the country with a chance to consolidate its democracy and adjust to the European norms of liberal democracy. Up until 2011, things were looking up for the process of Turkish democratisation, with reforms adopted on multiple fronts. Even though there were various mistakes committed by the AKP government in their tenure in office since 2002, democratic processes nonetheless seemed to be flourishing at first glance. It needs to be noted clearly that when EU accession remained credible, Turkey was on track for democratic reform. However, with a decline in the EU's credibility as an anchor and viable target, we are able to see a reversal of the political reform process correlating with the decreased probability of accession. Whereas the promise of EU accession remained constant for countries such as Bulgaria and Romania, providing a significant incentive for them to continue the adoption of European norms, for Turkey there has been a slide into authoritarian tendencies and a halt to political reforms since 2011, parallel to the worsening of relations between Turkey and the EU.

The EU's role in Turkish democratic consolidation would be enhanced if, for example, Chapter 23 on Judiciary and Fundamental Rights

⁶ "Turkey media arrests: Erdogan rejects EU criticism", in *BBC News*, 15 December 2014, <http://www.bbc.com/news/world-europe-30484729>.

⁷ European Commission, *Joint statement on the police raids and arrests of media representatives in Turkey* (Statement/14/2640), 14 December 2014, http://europa.eu/rapid/press-release_STATEMENT-14-2640_en.htm. See also "Turkey media arrests: Mogherini leads the EU criticism", in *BBC News*, 14 December 2014, <http://www.bbc.com/news/world-europe-30471996>.

and Chapter 24 on Justice, Freedom and Society were opened. If Turkey begins to work towards the *acquis* in these chapters, then its problems with regards to horizontal and vertical checks and balances could also be addressed, along with the freedom of press concerns. Yet both of these chapters are blocked by Cyprus's veto. However, even if these chapters are not opened in the near future, progress on the EU *acquis* could still be possible. Both the European Commission and Turkey could work towards the Turkish compliance with the *acquis* on these chapters, and by doing so some of the main issues that we raised in this brief essay – such as the weakness of the system of checks and balances and the freedom of press, media, and speech – could be tackled in line with the EU norms. This, however, would require political commitment and will on the part of both the EU and Turkey, and this common political will could only be erected if these two parties see a common future.

14.

Pending Challenges in Turkey's Judiciary

Ergun Özbudun

CONSTITUTIONAL BACKGROUND

The status and functions of the judiciary have always been among the most hotly debated issues in Turkish politics. At the centre of the debate are the composition and powers of the Constitutional Court and the High Council Judges and Public Prosecutors (HSYK in Turkish abbreviation). Both were the subject of radical change in the constitutional amendment of 2010, adopted by the AKP (Justice and Development Party) majority in parliament and approved by a mandatory referendum with a 58 percent majority.

The changes with regard to the HSYK were among the most controversial points in the amendment package that involved changes to 24 articles. In general, these changes were welcomed not only by the AKP supporters, but also by a majority of independent liberal democrats and major European institutions such as the EU, the Council of Europe, and the Venice Commission.

The thrust of the HSYK reform was to give it a more pluralistic and representative structure and to increase its autonomy vis-à-vis the government. Thus, while under the previous arrangement only the two high courts (Court of Cassation and the Council of State) were represented in the Council, now the Council represents the entire judiciary. Indeed, close to half of its regular members (10 out of 22) are elected by all general and administrative courts judges and public prosecutors, in addition to five regular members elected by the two high courts, without any interference from the executive branch. Thus, the judge members elected by their peers constitute an almost two-thirds majority of the Council. This is in conformity with the guidelines of the two expert bodies of the Council of Europe, Venice Commission and the Consultative Council of European Judges.¹

¹ Venice Commission, *Draft Report on the Independence of the Judicial System: Part I: The Independence of Judges* (CDL(2010)006), 5 March 2010, para. 32, <http://www.venice>

Another improvement brought about by the constitutional amendment opens the dismissal rulings of the Council to judicial review. Furthermore, the amendment meets some of the criticism directed against the previous arrangement, such as stipulating that the Council shall have its own secretariat and budget, that justice inspectors shall be attached to the Council instead of the Ministry of Justice, and that the Minister, while remaining as the President of the Council, shall not take part in the work of its chambers. Thus, his role has been reduced to a more symbolic and representative one.²

Following the adoption of the constitutional amendment, a new law (Law No. 6087, dated 11 December 2010) was passed along the lines of the amended Article 159 of the Constitution. The draft law, together with some others concerning the judiciary, was submitted by the Turkish government to the advisory opinion of the Venice Commission, and they received positive comments.³

THE CRISIS OF DECEMBER 2013

The crisis over the new HSYK erupted with the disclosure of major corruption charges involving four cabinet ministers, their relatives, and certain bureaucrats, on 17 and 25 December. The government quickly described it as a sinister plot against it, and reacted by changing the “Regulation on the Judicial Police” on 21 December 2013. The changes obliged the members of the police force involved in criminal investigations under the authority of public prosecutors to immediately inform the relevant administrative authorities of the ongoing investigation (amended Article 5c). This enabled the government to be immediately informed of the ongoing (secret) investigations and to take necessary measures, such as changing

ce.coe.int/webforms/documents/?pdf=CDL%282010%29006-e; Consultative Council of European Judges, *Opinion No. 10 (2007)*, 23 November 2007, <https://wcd.coe.int/ViewDoc.jsp?id=1224031>.

² Ergun Özbudun, “The Judiciary”, in Carmen Rodríguez et al. (eds.), *Turkey’s Democratization Process*, London and New York, Routledge, 2014, p. 285-287.

³ Venice Commission, *Interim Opinion on the Draft Law on the High Council for Judges and Public Prosecutors of Turkey* (CDL-AD(2010)042), 20 December 2010, <http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD%282010%29042-e>; *Opinion on the Law on the Establishment and Rules of Procedure of the Constitutional Court of Turkey* (CDL-AD(2011)040), 18 October 2011, <http://www.venice.coe.int/webforms/documents/?pdf=CDL-AD%282011%29040-e>.

the involved police officers, accordingly.

Fifteen members of the HSYK protested this change in a public declaration as being against the spirit of a “judicial police”, destroying the secrecy of investigations, and weakening the independence of the judiciary. This time, the government’s arrows were turned against the HSYK. Prime Minister Erdoğan accused the signatories as being guilty of violating the constitution and stated that he would have put them to trial if he had the power to do so. He also stated that they had made a mistake in 2010 by strengthening the autonomy of the HSYK, and weakening the role of the Minister of Justice within the Council.⁴ On the same days, the AKP representatives announced intentions to amend the Constitution to change the structure of the HSYK. According to this plan, all of its members would be directly or indirectly elected by parliament. However, since none of the opposition parties in parliament supported this idea, a constitutional amendment majority (a minimum of three-fifths of the entire membership of parliament) was not obtained.⁵

When it became clear that a constitutional amendment was impossible, a group of 78 AKP deputies presented a bill to parliament designed to radically change the Law No. 6087 on the HSYK. The bill was intended to limit the powers of the Plenary of the HSYK and to strengthen the role of the Minister of Justice as its president. The signatories’ argument was based on the last paragraph of Article 159 of the Constitution, according to which, “The method of selection of its members, the formation of its chambers and the division of labour among them, the duties of the Plenary and its chambers, their quorum for meeting and decisions, the procedures and principles of their work, appeals against the decisions of the chambers and the ways in which they shall be examined, and the structure and functions of the General Secretariat shall be regulated by law.”

The AKP representatives argued that this provision granted the legislature authority to regulate by law all these matters, so long as it did not conflict with the other provisions of Article 159 of the Constitution. However, the unconstitutionality of many provisions in the bill was so obvious that the matter turned into a constitutional crisis with strong objections by all opposition parties and a great majority of lawyers and legal scholars. Even the President of the Republic Abdullah Gül stated that he found many provisions of the bill unconstitutional. Thus, he said, “I had the bill examined and saw that 15 points in 12 articles were clearly

⁴“Bir yanlışlık yaptık” (We made a mistake), *Taraf*, 30 December 2013.

⁵“HSYK ameliyata yatırılıyor” (HSYK on the surgery table), in *Taraf*, 1 January 2014.

unconstitutional, and I warned the Minister of Justice. In the Justice Committee and the plenary stages, these warnings were taken into consideration, and certain changes were made. I finally signed the law thinking that it would be more appropriate for the Constitutional Court to rule on the remaining controversial points.”⁶ It should be remembered here that even if Gül had refused to promulgate, his veto could have been overridden by parliament with a simple majority. Thus, the Law (No. 6524) finally went into force on 27 February 2014.

As expected, a group of opposition deputies immediately challenged the law before the Constitutional Court, with a request of annulment and a stay order. However, before the Court reached a decision, two radical surgical operations took place. One involved changing the composition of the first chamber of the HSYK which, according to the Law, had the power to appoint and transfer judges and public prosecutors. Under the Law No. 6087, the power to appoint members to one of the three chambers belonged to the Plenary of the Council. The new law gave this power to the Minister of Justice. Accordingly, he transferred two presumably anti-government members to the other chambers, and appointed two presumably pro-government members to the First Chamber. This was followed by a large-scale transfer operation removing judges and public prosecutors involved in corruption investigations to less sensitive posts, and replacing them with pro-government colleagues.

The second, and even more draconian, operation was the automatic result of the new law. Under its provisional article 4, “with the entry into force of this Law, the positions of the Secretary General, assistant secretaries general, the Chairman of the Board of Inspectors and the Vice-Chairmen, Council inspectors, reporting judges, and the administrative personnel shall be terminated.” This provision gave the Minister of Justice almost unlimited authority to reorganise the HSYK, with the exception of the elected members whose status is based on the Constitution, not on the HSYK law. Such purge laws are very rare in Turkish constitutional history, since they have dire consequences for the public personnel involved. Even if the Constitutional Court annuls the law (as it did in this case), they cannot return to their previous posts, since the Constitutional Court decisions are not retroactive under Article 153 of the Constitution.

Behind the fight over the HSYK lies a deep conflict between the AKP government and the Gülen movement, a well-organised and active religious

⁶ Murat Yetkin, “Gül’den HSYK’ya ‘yetmez ama evet” (From Gül to HSYK: not enough but yes), *Radikal*, 27 February 2014.

community. In the past, the members of this community generally voted for centre-right rather than Islamist parties, but since the establishment of the AKP they have strongly cooperated with it. The Gülen movement is believed to have a large number of supporters within the judiciary and the police force, and is very active in the fields of education, media and many other business sectors.⁷

Relations between the AKP and the Gülen movement started to cool off from 2012, for reasons still not very clear. Both sides were careful, however, to hide their differences from public eyes. With the disclosure of the corruption charges on 17 and 25 December, the conflict came out into the open. Erdoğan and his supporters immediately blamed the movement as the sinister force behind what they termed a “conspiracy”. Erdoğan and other party representatives used unusually strong words about the movement, such as “spies,” “agents,” “sub-contractors of foreign forces,” “traitors,” “members of a gang,” a “parallel state,” “assassins” (*haşhaşiler*; a reference to a fanatic and murderous sect in the twelfth-century Muslim world) etc. Erdoğan also vowed that they would “enter into their lairs and destroy them.”⁸ At the same time, the government engaged in a large-scale purge of suspected pro-Gülen officers from the police force. In July and August 2014, this was followed by the start of criminal proceedings against many of these officers. Such action is generally viewed as revengeful and designed to interfere with the ongoing judicial process in order to cover up the corruption charges.

CONSTITUTIONAL COURT'S RULING

On 10 April 2014, the Constitutional Court rendered its ruling on the new HSYK Law No. 6524.⁹ The Court, after careful examination, annulled 19

⁷ On the Gülen movement, see M. Hakan Yavuz and John L. Esposito (eds.), *Turkish Islam and the Secular State. The Gülen Movement*, Syracuse, Syracuse University Press, 2003.

⁸ Ergun Özbudun, “AKP at the Crossroads: Erdoğan’s Majoritarian Drift”, in *South European Society and Politics*, Vol. 19, No. 2 (June 2014), p. 159, <http://dx.doi.org/10.1080/13608746.2014.920571>.

⁹ Constitutional Court decision E. 2014/57, K. 2014/81 dated 14 April 2014, *Resmi Gazete* (Official Gazette), No. 29000 (14 May 2014), <http://www.resmigazete.gov.tr/eski-ler/2014/05/20140514-21.pdf>. For an analysis of this decision, see Levent Gönenç, *Siyasi İktidarın Denetlenmesi-Dengelenmesi ve Yargı* (The Checks and Balances on Political Power and the Judiciary), Ankara, Adalet, 2014, p. 178-215; Ergun Özbudun, “Anayasa Mahkemesi ve HSYK” (Constitutional Court and the HSYK), in Ali Rıza Çoban et al (eds.), *Haşim Kılıç’a Armağan* (Essays in Honor of Haşim Kılıç), Vol. 1, Ankara, Seçkin, 2015, p. 305-330.

provisions of the Law, while rejecting 35 claims of unconstitutionality. The Court's basic reasoning was that, while the last paragraph of Article 159 of the Constitution (as quoted above) entitled the legislature to regulate by law certain matters concerning the HSYK, the scope of its competence should be interpreted in the light of the first paragraph of the same article, which states that "The High Council of Judges and Public Prosecutors is established and shall function in accordance with the principles of the independence of the courts and the tenure guarantees for judges." Thus, the Court argued, "While the HSYK is an administrative body, no hierarchical relation with the central public administration is established, and it is stipulated that it shall be established and function in accordance with the principles of the independence of the courts and the tenure guarantees for judges [...] This is not a privilege granted to the members of the HSYK, but it is a necessary and natural consequence of the principle that judges and public prosecutors, about whom the HSYK makes decisions, shall function in accordance with the principles of the independence of the courts and the tenure guarantees for judges."

Based on this reasoning, the Court found many provisions of the Law unconstitutional, particularly those that transferred the powers of the Plenary of the Council to the Minister of Justice or unduly restricted the powers of the Plenary. Particularly noteworthy among these are the following:

- a) The provision that empowers the Minister of Justice to determine which members of the HSYK will serve in which chamber, and to change their chamber.
- b) The provision that entitles the Minister of Justice to appoint the Chairman and the Vice-Chairmen of the Board of Inspectors.
- c) The provision that gives the Minister total discretionary authority in fixing the agenda of the meetings of the Plenary.
- d) The provision that empowers the Minister to start investigation with regard to the alleged disciplinary and criminal offences of the elected members of the Council.
- e) The provision which stipulates that the chairpersons of the chambers shall be elected by the Plenary from among two candidates determined by the relevant chamber.
- f) The provisions which stipulate that the reporting judges and the Council inspectors shall be chosen by the Plenary from among two candidates determined by the first chamber.

Finally, the Court found unconstitutional the provision that terminated the positions of all HSYK personnel, save the elected members. As pointed out above, however, this will not enable the involved persons to return to their posts, since the Constitutional Court decisions are not retroactive. The Court argued that in cases of “legal or practical necessity,” such as the abolition of a public department or its entire reorganisation, such purge laws may not be unconstitutional, but that this was not the case with respect to HSYK.

THE LAW NO. 6545: SPECIAL CRIMINAL JUDGES

The AKP government's attempts to create a more pliant judiciary were not limited to the HSYK law. A Law (No. 6545, “Law amending the Turkish Criminal Code and other laws”) adopted on 18 June 2014 introduced many changes, two of which seem particularly noteworthy. One seeks to reorganise the Court of Cassation. According to Article 37 of the Law, division of labour among the chambers of the Court will be re-determined by the Plenary upon the proposal of the newly elected First Council of Presidents. Apparently, the aim was to secure the examination of appeals concerning politically sensitive (such as corruption) cases by chambers dominated by pro-government judges. This attempt failed, however, as the Plenary postponed the reorganisation of the chambers to an indefinite future date.

The second change involved the creation of special criminal judges with extensive powers (Art. 48). They will be empowered to take all decisions related to the conduct of criminal investigations, such as detention, arrest, release, and seizure of property. The appeal against their decisions can now only be made before another special criminal judge. Such powers used to belong to the criminal courts for petty crimes (*sulh ceza mahkemeleri*) that were abolished by the present law. Posts of this kind are few, normally only one in each province, but their numbers can be increased according to the needs and the population of the province. Thus, in İstanbul, the most populous province, there are only six of them among a total of 93 criminal judges who previously were in a position to decide on the appeals against such measures.¹⁰ What is more, these judges were

¹⁰ Kemal Gözler, “Sulh Ceza Hâkimlikleri ve Tabii Hâkim İlkesi” (Criminal Judgeships and the Principle of Natural Judge), in *Türk Anayasa Hukuku Sitesi* (Turkish Constitutional Law Website), 29 August 2014, <http://www.anayasa.gen.tr/tabii-hakim.htm>.

appointed by the First Chamber of HSYK – now dominated by the pro-government members after the February 2014 operation – and are widely believed to have pro-government leanings. Their conduct in office has largely justified these fears, as will be spelled out below.

It has been convincingly argued¹¹ that the creation of such special judgeships is incompatible with the principle of natural (or legal) judge enshrined in Article 37 of the Constitution, which states that “no one shall be put to trial before a body other than the court he/she is legally subject to. No extraordinary judicial bodies shall be established that would lead to putting a person to trial before a body other than the court he/she is legally subject to.” Both the Turkish legal doctrine and the Constitutional Court rulings confirm that this clause prohibits the creation of courts with competence to try cases of violations of law that took place before their creation. It can be argued, of course, that the legislature has the competence to reorganise the judicial system, such as by abolishing certain courts and creating new ones. However, it should not be done with the aim of violating the principle of natural judge. In the present case, the law was clearly politically motivated.

NEW HSYK ELECTIONS

New elections for the HSYK were held in late September and early October 2014, as the four-year term of the original members came to an end. The elections were followed with vivid interest by public opinion, equal perhaps to that of a parliamentary election, since the results would determine whether the AKP government would succeed in its plans to create a dependent judiciary. Indeed, during the election process, certain leading AKP representatives stated that if anti-government judges gain a majority, the government would consider this result as “illegitimate”. The deputy Prime Minister, Yalçın Akdoğan, added that “the country’s fate will be determined not by 12 thousand (judges and public prosecutors), but by 55 million voters.”¹² Throughout the election process, the government put its moral and logistical weight behind a pro-government group called the “Platform for Unity in the Judiciary” (YBP). Even though this group

¹¹ Ibid.

¹² Utku Çakırözer, “B Planı: Referandum” (B Plan: Referendum), *Cumhuriyet*, 25 September 2014; “Kazananı Gayrimeşru Sayarız” (We will consider the winners as illegitimate), *Hürriyet*, 25 September 2014.

was ostensibly a coalition of conservative, nationalist, and social democrat judges, they publicly declared that, if elected, they would “work in harmony with the legislative and the executive branches.”¹³

Although the five main and five substitute members elected by the two high courts (Court of Cassation and the Council of State) are not pro-government, the 12 October election of ten main and seven substitute members by more than 13,000 first-degree judges and public prosecutors ended with the clear victory of the pro-government YBP group. Thus, together with the *ex-officio* members and the four members appointed by the President of the Republic, the government clearly dominates the new HSYK and, through it, obtained the power to control the entire judiciary. Thus, in the last days of 2014, the new HSYK suspended four public prosecutors who had played a major role in the 17-25 December 2013 corruption investigations involving certain ministers.

THE LAW NO. 6572: PACKING THE HIGH COURTS

On 2 December 2014, a new law was adopted changing certain provisions of the Law on Judges and Public Prosecutors, and certain other laws. Among the highly objectionable provisions of the new law is the addition of new chambers and new members to the Court of Cassation and the Council of State. Thus, it is stipulated that the Court of Cassation shall consist of 23 civil law and 23 criminal chambers (Art. 21), and a total of 129 new judges shall be appointed. Likewise, two new chambers shall be created in the Council of State with the addition of 39 new judges. The President of the Court of Cassation, Mr. Ali Alkan, strongly protested against the new law as an undue interference in the functioning of the Court.¹⁴ When the law entered into force, the new HSYK, now dominated by pro-government members, carried out the appointments with uncharacteristic speed in order to avoid a possible stay order by the Constitu-

¹³ For the declarations of the three competing groups, see “HSYK Seçiminin Aktörleri Ne Diyor?” (What do the actors of the HSYK elections say?), *Hürriyet*, 29 September 2014; İbrahim Okur, “HSYK Seçimi İçin Devlet İmkânları Kullanılıyor: Şık Değil” (State resources are being used for the HSYK elections: It is not elegant), *Hürriyet*, 14 September 2014; Taha Akyol, “Yeni HSYK” (The New HSYK), *Hürriyet*, 16 October 2014; Taha Akyol, “HSYK Seçimleri” (HSKY Elections), *Hürriyet*, 24 September 2014.

¹⁴ “Yargıtay’a daha ne kadar müdahale edeceksiniz” (How far you will continue to interfere with the Court of Cassation), *Hürriyet*, 25 November 2014; “Yargı ‘dik duracağız’ dedi” (The judiciary said it will stand upright), in *Taraf*, 2 September 2014.

tional Court. Thus, the AKP's quest for a dependent judiciary reached its culmination point, with the exception of the Constitutional Court.

The law also contained other questionable provisions. One was the change in Article 116 of the Code of Criminal Procedure about searches of body, personal articles, domicile, and office. While such searches were previously justified only in cases of "strong doubt based on concrete evidence", now "reasonable doubt" would suffice (Art. 40). More interesting than this change of words is the sudden reversals of the AKP government. Indeed, the original text of the Code of Criminal Procedure dated 2004 had used the term "reasonable doubt". A law dated 21 February 2014 changed it to "strong doubt based on concrete evidence". The present law returned to the original term. The political motivation behind such frequent turnabouts are obvious. The February 2014 law was passed in order to make the investigation of corruption charges against ministers more difficult. The December 2014 law was passed when the government was engaged in an all-out war with the Gülen movement, and was anxious to speed up and facilitate criminal proceedings against its sympathizers. Thus, a leading Turkish columnist described these reversals as a "make and break game."¹⁵ The Minister of Justice also announced that 3,500 new judges will be appointed this year, and another 5,000 next year. This is clearly designed to eliminate the influence of the pro-Gülen and other pro-opposition members in the judiciary.¹⁶

Other disquieting provisions of the Law No. 6572 are Articles 41, 42, and 43 that amended Articles 128, 135, and 140 of the Code of Criminal Procedure, respectively. These articles allow for taking such radical measures in the course of a criminal investigation as the seizure of allegedly crime-related property (Art. 128), eavesdropping of communications (Art. 135), and inspection by technical means (Art. 140) for a category of heavy crimes listed in the said articles. The amendments added to these lists crimes against the constitutional order and its functioning (Articles 309, 311-316 of the Turkish Criminal Code). Most of these provisions are rather ambiguous and open to different interpretations. Given the fact that the AKP government describes many kinds of opposition activities, from the Gezi Park demonstrations to corruption investigations, as "coup attempts" against it, such severe measures may very well be used by

¹⁵ Taha Akyol, "Yine Yapboz" (Once again make and break), *Hürriyet*, 7 November 2014; Taha Akyol, "Yapboz No. 3" (Make and break, No. 3), *Hürriyet*, 14 November 2014; Taha Akyol, "Yapboz No. 4" (Make and break, No. 4), *Hürriyet*, 26 November 2014; Taha Akyol, "Güven Sorunu" (Problem of trust), *Hürriyet*, 11 December 2014.

¹⁶ "45 Günde Yeni Yargı" (New Judiciary in 45 Days), *Hürriyet*, 1 November 2014.

pro-government judges and public prosecutors to intimidate and silence the opposition. One particularly dramatic example of this took place on 14 December when the police raided the headquarters of a pro-Gülen newspaper (*Zaman*) and a TV network (*Samanyolu*) on the absurd allegation of establishing an “armed organisation” (Turkish Criminal Code, Art. 314). Several people were detained, including the general directors of the two establishments, one of whom was later released and the other one arrested.

THE CONSTITUTIONAL COURT: THE REMAINING BASTION

The year 2014 can be described as a period when the AKP government made a sustained and systematic effort to establish its control over the judiciary. Through the laws of dubious constitutionality analysed above, it seems to have largely accomplished this aim. In this dark picture, the Constitutional Court seems the only beacon of hope. Indeed, the Court has undergone a remarkable transformation after the constitutional reforms of 2010, which gave it a more pluralistic structure and introduced the procedure of individual application (constitutional complaint). Previously, the Court’s approach had been described as “ideology-oriented” rather than “rights-oriented.”¹⁷ In other words, the Court generally functioned as the ultimate guardian of the two principal pillars of the Kemalist “founding ideology” of the Republic, namely a militant and “assertive” understanding of secularism,¹⁸ and an exclusionary and assimilationist notion of Turkish nationalism. This approach led to the closure of many ethnic and Islamic parties, as well as many other rulings incompatible with universal human rights standards.

Following the 2010 reforms, the Constitutional Court has gradually emerged as the principal defender of human rights and democratic standards. Its ruling on the HSYK law discussed above is a good case in point. The adoption of constitutional complaint has also served as an important instrument in the protection of individual rights and freedoms. Particularly noteworthy are the Constitutional Court’s rulings concerning long

¹⁷ Zühtü Arslan, “Conflicting Paradigms: Political Rights in the Turkish Constitutional Court”, in *Critique: Critical Middle Eastern Studies*, Vol. 11, No. 1 (Spring 2002), p. 9-25.

¹⁸ On the “assertive” character of Turkish secularism, see Ahmet T. Kuru, *Secularism and State Policies toward Religion. The United States, France, and Turkey*, Cambridge, Cambridge University Press, 2009.

and undue detention periods and access to the internet.¹⁹

As expected, those liberal rulings of the Constitutional Court were met by severe critical comments by the AKP representatives. Thus, in connection with the Court's rulings on access to YouTube and its decision on the HSYK, Prime Minister Erdoğan accused the Court of defending "the commercial rights of international companies instead of the rights of their own country and own nation", and invited the President and members of the Court "to take off their robes and engage in politics under the roof of political parties".²⁰ Similarly, the Court's ruling on the HSYK law was strongly attacked by leading AKP representatives.²¹ More recently, the Court's President Haşim Kılıç complained about the undue pressure on the court's judges concerning the cases pending before the Court.²² Thus, at the moment, the Constitutional Court seems to be the only major obstacle on the AKP's drift toward authoritarianism. Indeed, the government did not hide its intention to change the composition of the Court, whereby its members would be elected partly by the legislature and partly by the President of the Republic. However, this requires a constitutional amendment and the AKP currently lacks the minimum constitutional amendment majority, i.e. the three-fifths of the entire membership of the Grand National Assembly.

CONCLUSION

Many Turkish and foreign observers have commented upon the recent drift toward authoritarianism in Turkish politics, so much so that Turkey can be described as being on the borderline between illiberal (or electoral) democracies and "competitive authoritarian" regimes, increasingly approaching the latter. Steven Levitsky and Lucan A. Way define such regimes as "civilian regimes in which formal democratic institutions exist and are widely viewed as the primary means of gaining power, but in whi-

¹⁹ Ergun Özbudun, "Bireysel Başvuru ve Anayasa Mahkemesi'ndeki Olumlu Değişim" (Constitutional Complaint and the Positive Developments in the Constitutional Court), in Ergun Özbudun, *Türkiye'de Demokratikleşme Süreci: Anayasa Yapımı ve Anayasa Yargısı* (Democratization in Turkey: Constitution Making and Judicial Review), İstanbul, İstanbul Bilgi Üniversitesi Yayınları, 2014, p. 187-191.

²⁰ "Cübbeni Çıkar Siyasete Gel" (Take off your robe and engage in politics), *Hürriyet*, 13 April 2014.

²¹ "Ak Parti'de tepki büyük" (Strong reaction by the AKP), *Hürriyet*, 12 April 2014.

²² Interview with Haşim Kılıç in *Sözcü*, 30 December 2014.

ch incumbents' abuse of the state places them at a significant advantage vis-à-vis their opponents. Such regimes are competitive in that opposition parties use democratic institutions to contest seriously for power, but they are not democratic because the playing field is heavily skewed in favour of incumbents. Competition is thus real but unfair."²³ The authors cite among the characteristics of such regimes "the discretionary use of legal instruments – such as tax authorities and libel laws – to target opposition and the media. Although such repression is formal in the sense that it entails the (often technically correct) application of the law, it is an informal institution in that enforcement is widely known to be selective."²⁴ The AKP government's establishment of its control over the judiciary will certainly lead to a wider use of such selective application of the law.

The forthcoming general parliamentary elections scheduled for June 2015 will be of critical importance for Turkey. If the AKP obtains a constitutional amendment majority, it will certainly attempt to change the system of government to a super-presidential one and to restructure the Constitutional Court. If that happens, Turkey will take its sure place among competitive authoritarian regimes.

²³ Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism. Hybrid Regimes after the Cold War*, Cambridge, Cambridge University Press, 2010, p. 5.

²⁴ *Ibid.*, p. 28.

15.

Erdoğan, the Kurds, and Turkey's Presidential Elections

Piotr Zalewski

To judge by the year he has had, Recep Tayyip Erdoğan, Turkey's prime minister, has the kind of staying power other politicians can only dream of. Having endured a series of antigovernment protests, a spectacular falling out with the Gülen community, an influential Islamic movement and onetime ally, plus a gripping, seemingly bruising corruption scandal, all of which prompted some commentators to begin drafting his political obituary, Erdoğan is not only alive and kicking, but arguably stronger than ever.

On March 30, Erdoğan and his Justice and Development Party (AKP) defied opponents and critics, walking away with 43 percent of the vote, almost 18 percent more than the main opposition, in a landmark local election. Today, having served a maximum of three terms as prime minister, Erdoğan is coasting towards the presidency, up for grabs in a popular vote on August 10, and pledging to transform the largely symbolic office into the strongest arm of the executive. Very little, his two opponents included, can stand in his way.

For some time now, at least part of the debate about Erdoğan's presidential bid has centered on his relationship with the Kurds.

In the spring of 2013, as secret talks between intelligence officials and Abdullah Öcalan, the imprisoned leader of the outlawed Kurdistan Workers' Party (PKK), began to yield the first contours of a future peace deal, a political bargain began to take shape. The pro-Kurdish Peace and Democracy Party (BDP) would back constitutional amendments intended to give Erdoğan the super-presidency he covets. The government, in exchange, would adopt amendments giving the Kurds constitutional recognition and ensure that the nascent peace process would deliver results, including the right to mother tongue education for the Kurds, some degree of decentralisation, an amnesty for PKK fighters, and most controversially (given his longtime status as a terrorist leader and Turkey's public enemy number one), conditional freedom for Öcalan.

The constitutional process came to naught, but the political dynamic remains in place. The presidential election looms. If it means a continuation of the peace process, the Kurds – not the politicians, this time around, but the voters – will throw their weight behind Erdoğan.

The Kurdish political movement, of course, has its own horse in the race. Selahattin Demirtaş, the presidential candidate of the Peoples' Democratic Party (HDP), the BDP's successor, is young, charismatic, well spoken, and poised to shine on the national stage in a post-settlement political landscape. He is pro-EU, pro-green, pro-feminist, and even pro-LGBT. Were it not for his ideological ties to Öcalan and the PKK, ties which no mainstream Kurdish politician has severed without sliding into irrelevance, he would be the kind of leader many Turkish (and European) liberals and leftists would love to see at the country's helm.

In this election, however, Demirtaş is likely to receive less than 10 percent of the vote, according to surveys.¹ Turkey's Kurds are said to number about 12-15 million, or up to 20 percent of the population, according to various estimates. What many outside observers overlook, however, is that the Kurds do not vote as a bloc.² Many reject Öcalan. Perhaps as many as half, especially those living outside the Kurdish-majority southeast of the country, are loyal AKP voters. Should there be a second round, in other words, Demirtaş will not be in it.

If HDP voters back Demirtaş in the first round out of loyalty, they will back Erdoğan in the second out of pragmatism. The Kurds have a love and hate relationship with the Turkish prime minister. On the one hand, they decry his nationalist instincts, his continued references to "one people, one flag and one state", and his insensitivity to the plight of those caught up in the Kurdish conflict. To date, Erdoğan still has not formally apologised to the families of the 34 people killed near the Iraqi border in late 2011 after Turkish fighter jets mistook oil smugglers for a column of PKK militants.³ On the other, they appreciate that no Turkish leader

¹ Alexandra Hudson and Gulsen Solaker, "Turkey's Kurdish candidate says peace does not hinge on Erdogan", in *Reuters*, 21 July 2014, <http://reut.rs/1sF7qsu>.

² Amanda Paul, "Turkey votes: Part III. President Erdoğan – A foregone conclusion?", in *EPC Commentaries*, 10 July 2014, http://www.epc.eu/pub_details.php?cat_id=4&pub_id=4630; Soner Çağaptay and Ege Cansu Saçıkara, "Turks in Europe and Kurds in Turkey Could Elect Erdogan", in *PolicyWatch*, No. 2291 (23 July 2014), <http://www.washington-institute.org/policy-analysis/view/turks-in-europe-and-kurds-in-turkey-could-elect-erdogan>.

³ Burak Bekdil, "Sorry, we killed you due to an unavoidable mistake!", in *Hürriyet Daily News*, 10 January 2014, <http://www.hurriyetdailynews.com/Default.aspx?pageID=449&nID=60819>.

has done as much for them as the prime minister. For better or worse, Kurdish voters believe, Erdoğan remains the only mainstream politician capable of addressing their demands. According to a recent Gallup poll, as many as 67 percent of Turkey's higher educated Kurds approve of the way Erdoğan has handled his job as prime minister.⁴ Some Kurds may have begun warming to the opposition Republican People's Party (CHP), but most continue to see the outfit as part of the old status quo, a party unable to wean itself from its statist past and unprepared to govern the country, much less bring the peace process to completion.

In the end, the debate about whom the Kurds might vote for in the second round might prove redundant. There will likely be no need for a runoff. Erdoğan's main opponent, Ekmelettin İhsanoğlu, the joint candidate of the two main opposition parties, has run a lackluster campaign, forsaking mass rallies, refusing to confront his rival outright, and making a point of appearing civil, statesmanlike, and tepid. To many parts of the electorate, including the Kurds, he is palatable on paper, but difficult to get excited about in person. İhsanoğlu has been polling at around 35 percent,⁵ but he may get even less. Many CHP voters might not bother to return home from their summer holidays to vote for a candidate they do not identify with and do not expect to win.

Erdoğan, meanwhile, assisted by a compliant state media, the AKP's sophisticated campaign machine, and the infinite resources accorded to those in power, has been rallying non-stop. Billboards featuring his image – "Man of the People", the caption reads – line the avenues of every big city. İhsanoğlu's are mostly nowhere to be seen. To no one's particular surprise, at least at this point, the prime minister is polling consistently at above 50 percent, enough to avoid a runoff.

With the discussion among Turkish pundits having filtered down to whether Erdoğan will win in the first round or in the second, the question is not so much how the Kurds will affect the election, but how the election will affect the Kurdish peace process.

Skeptics assume that Erdoğan will continue to woo the Kurds with the promise of key concessions, including an amnesty for PKK fighters, ahead the 2015 general elections, after which he will make a renewed attempt

⁴ Gallup and Broadcasting Board of Governors (BBG), "Contemporary Media Use in Turkey. Presentation", in *BBG Research Series*, 30 July 2014, p. 7, <http://www.bbg.gov/?p=19088>.

⁵ Piotr Zalewski and Daniel Dombey, "Tale of two campaigns as Turkish opposition struggles to be heard", in *Financial Times*, 16 July 2014, <http://www.ft.com/cms/s/0/a3f416ca-0c03-11e4-a096-00144feabdc0.html>.

at ramming a presidential system through parliament. This is quite likely, but to assume that Erdoğan is simply using the peace process as political bait, and that he will backtrack at the first sign of a nationalist backlash, as he did during the so called “Kurdish opening” in 2009, is to misread his ambitions and overlook the fact that the process has now reached a decisive stage.

Significantly, the groundwork for a peace settlement is much better prepared today than it was in 2009. For the first time since his incarceration in 1999, Öcalan is formally playing a central role in the talks. A ceasefire declared in March 2013 has held. Thanks to a bill adopted by Turkey’s parliament on July 10,⁶ the peace process has now been placed on firm legal footing, offering those involved in the PKK’s disarmament and reintegration protection from prosecution.

Erdoğan can ill afford to play for time. Already in September of last year, the PKK suspended its withdrawal from Turkey into northern Iraq, one of the terms of the March ceasefire, accusing the government of failing to move ahead with reforms.⁷ Both it and the Kurds as a whole expect the settlement process to kick into gear following the August elections.

Poised to rule Turkey for another five or ten years as president, to add to his twelve years in power as prime minister, Erdoğan knows that peace with the Kurds is his ticket to the history books, the single accomplishment that might overshadow all his shortcomings as a leader. With deeply divisive issues like partial Kurdish autonomy, the PKK militants’ return to Turkey, and Öcalan’s freedom all on the table, the settlement process remains a potential minefield. To half the country, and to the Kurdish minority, Erdoğan appears the only politician capable of entering it without setting himself and the country aflame.

⁶ “PKK asks for more as Parliament approves settlement reform bill”, in *Today’s Zaman*, 11 July 2014, <http://www.todayszaman.com/news-352826-pkk-asks-for-more-as-parliament-approves-settlement-reform-bill.html>.

⁷ “Kurdish PKK rebels ‘halt Turkey pull-out’”, in *BBC News*, 9 September 2013, <http://www.bbc.com/news/world-europe-24013837>.

16.

Turkey, Syria and Saving the PKK Peace Process

Hugh Pope

The northward advance of Syria's civil war poses multiple dangers to Turkey's ongoing peace process with the insurgent Kurdistan Workers' Party (PKK). The two sides are still in a position to end the conflict in Turkey, which has killed 30,000 people in three decades. But they will have to show a new level of urgency and political courage to ensure that the country avoids further damage, or even being engulfed by the catastrophe unfolding south of its Middle Eastern borders.

The Syria war has changed many regional balances and calculations, and the peace process is no exception. The PKK has shown an unprecedented ability to operate regionally in Syria and Iraq; its Syrian branch, the Democratic Union Party (PYD), has succeeded in forging a previously unimaginable relationship with the US; and the Syrian Kurds' conflict with Islamic State jihadis has triggered unrest in Turkish Kurdish communities in Turkey and Europe. At the same time, the now evident dangers of Syrian spillover have underlined how many shared interests Turkey, the PKK and Turkey's Kurds have in overcoming inertia in the talks, declaring some mutually agreed end-goals and making the most of the progress achieved over the past nine years.

The Turkey-PKK peace process itself is still a rare spot of hope in the Middle East, even if it has not been much structured or pre-planned. It started with a "Democratic Opening" in 2005-2009; proceeded in 2009-2011 to secret talks known as the "Oslo Process" between representatives of the diaspora, the PKK and Turkish officials; and in mid-2011 collapsed into a new round of fighting that lasted until March 2013. In late 2012, the beginning of the most recent phase, the government reached out to the jailed PKK leader Abdullah Öcalan and started what is now usually known in Turkey as the "Solution Process".

Nine years of the peace process, despite grave occasional setbacks, have achieved a surprising degree of change in this country of 77 million people, of whom about 15 percent self-identify as Kurds. But if the two sides are to reach the next level, they should start by taking more care in clearly defining the three main tracks of the process and approaching them separately.

The first track consists of the contacts between the government and the PKK. A March 2013 unilateral PKK ceasefire – the ninth of the insurgency, by the PKK's count – has survived numerous incidents. This has been largely thanks to interventions in favour of the process by the leaders of the two sides. The presence of two strong charismatic men, Turkish President Tayyip Erdoğan and PKK leader Öcalan, means that both sides have someone who can negotiate, agree and implement a deal if they want to. There have been many visits to Öcalan by Erdoğan's representatives and by legal pro-PKK Kurdish parliamentarians, the latter of whom shuttle between Öcalan, the diaspora and the PKK. In mid-2014, the government legalised the process and set up a ministerial board to oversee it, including 11 commissions that will deal with core matters like transitional justice and disarmament. Both sides, in private, say that they cannot beat the other militarily, and do not want to go back to armed conflict.

On the second of the three tracks, the efforts are to remove the roots of the conflict. Turkey is already a better place than it was in the dark years of the 1990s. Five main goals have emerged: full mother-language education; decentralisation that can work throughout Turkey; full access to parliamentary politics for significant smaller parties like the Kurdish national movement; a rewording of discriminatory articles in the constitution; and a fairer counter-terrorism law. A state-run Kurdish-language TV has been broadcasting since 2009. Education in Kurdish and other languages spoken in Turkey is now offered as an option in schools, even if there is systemic resistance to its implementation on both sides. An incomplete first step towards better local government was taken in March 2014, with a quarter of Turkey's 81 provinces being assigned new powers for their elected mayors.

On the third of the three tracks, the general context and process, the atmosphere is much improved. Partly thanks to Erdoğan's embrace of ethnic differences, Kurdishness is more widely respected. At times when there is no deadly violence in the southeast and leaders use more statesmanlike rhetoric, mainstream Turkish public opinion shows support for the effort. In Kurdish-majority towns, a decade of economic progress,

road-building and relative stability has encouraged the emergence of a middle class that has a big stake in peace. Although the Turkish government has continued to use arrests as a counterproductive instrument to harass the pro-PKK Kurdish nationalist movement, the torture, the forcing of Kurds out of villages and the extra-judicial executions common in the 1990s are now rare. The PKK itself has changed, seeming to be less dogmatic than in its Marxist-Stalinist past, and apparently seeking legitimacy and ways to remove its designation as an international terrorist organisation and the US naming of several of its leaders as “kingpins” in international drug-smuggling networks (a charge the PKK denies).

The Syrian conflict has however emerged as a grave threat to the peace process. Symbolically, Syria’s Kurds have staked out ambitious goals of self-rule in northern Syria that Turkey’s Kurds see as a model. Practically, too, the war has a now proven capacity to jump over the border into Turkey. Despite its many clear strengths as a state, the country remains vulnerable to regional ferment because its society shares many of the ethnic, sectarian and political divisions of Syria and Iraq.

Complicating both these issues is the challenge of Ankara’s conflicted approach to the jihadis of Islamic State. Turkish officials say they have no long-term business with this dangerous group, and indeed wish to destroy it. But in the short term, AKP is worried about keeping in harmony with its core conservative constituency, from which hundreds of Turkish youths have left to join IS; some officials see IS attacks on self-declared Syrian Kurdish autonomous cantons as a useful tool to teach the PKK a lesson about trying to go it alone; others feel that IS has hijacked an Arab constituency with which AKP has strong Sunni Muslim bonds, and even that mostly Sunni Turkey is not really an IS target; still more are convinced that some leverage over radical armed rebels in Syria – which Turkey has allowed to be funded and supplied over its territory – are still a useful part of a strategy to oust Syrian President Bashar al-Assad; and finally, Turkey is not unreasonably worried that Western attempts to push it to the forefront of a rushed, ill-thought-out campaign against IS are an artificial substitute for a policy that might actually work, and that joining such a half-hearted effort is just too dangerous for a regional country like Turkey.

At the same time, President Erdoğan, the ruling Justice and Develop-

ment Party (AKP) and the Turkish state are appalled by IS methods and seek its elimination from the regional equation; IS has after all made clear that it views Erdoğan and Turkey's regime as infidel phenomena that are on their hit list, eventually. Separately, the PKK is locked in armed conflict with IS in Syria and in sometimes deadly political competition with IS supporters in Kurdish-speaking areas of Turkey. Despite the mutual antagonisms of the PKK and AKP, senior personalities on both sides privately tell the author of this article that they prefer each other to the IS. Indeed, AKP is potentially interested in a political alliance with the legal political party of the pro-PKK Kurdish national movement in Turkey, which may be vital in order to make constitutional changes that both sides want.

Then there is the drama of Kobani, the north Syrian Kurdish town on the Turkish border that has become an epic symbol during its struggle with IS, partly because everyone could follow the fight over Kobani live on TV and social media. For the PKK, whose sister party PYD had unilaterally declared that Kobani was a self-ruling canton, the PYD's success was a model at last for its vague doctrine of "democratic autonomy". When it turned out that the PYD could not defend this democratically autonomous canton against IS, the PKK – and therefore opinion among Turkey's Kurds – blamed Turkey for the fact that nearly 200,000 Syrian Kurds lost their homes and Kobani itself came under devastating siege. This accusation was cynical, since Turkey could hardly be expected to either invade Syria to save Kobani, or to supply the heavy weaponry needed to equip a group against whom it is still effectively at war. Nevertheless, the AKP government completely misread Kurdish opinion, which took its anti-PKK rhetoric, coldness to the fate the PYD in Kobani and track record of tacit supplies to the Syrian radical opposition as outright support for IS.

The result was an extraordinary outburst of violence in several Kurdish-majority cities in Turkey on October 6-8. Nearly 40 people were killed in lynchings and shootings. Disturbingly, these protests did not so much pit Turkish Kurd national movement activists against the security forces, but against pro-IS Turkish Kurds. Somehow the two sides' leaderships regained control. It may not be so easy next time: Kurdish public opinion has become highly volatile, and PKK leader Öcalan will not be able to use his political capital indefinitely absent real progress in the talks. While the last period of clashes in 2011-2013 was largely between uniformed combatants in the mountains, pro-PKK activists threaten that the next round of violence will include an uprising in urban areas. Indeed, ugly violations of the PKK's unilateral ceasefire in October included cold-bloo-

ded murders of off-duty officers in southeastern cities.

In short, there is an overwhelming case for Turkey and the PKK to move determinedly forward now with the peace process. The war in Syria is likely to continue for years; outside powers, including Turkey and the PKK/PYD, have little leverage over what happens there; and ultimately both Turkey and the PKK have a common enemy in the IS jihadis. The two sides should stop playing for time, and get beyond a status quo in which Turkey mostly seeks to ensure that soldiers' coffins are not part of next year's elections, and the under-resourced PKK tries to build up a unilateral, Kobani-style parallel state-like structures inside Turkey. The peace process is unsustainable as an end in itself.

Now that both sides have accepted that neither can win their maximum demands, one of the first things they need to do is at least outline and jointly declare some shared, compromise goals. Amazingly, the two sides do not even articulate clearly such minimum possible targets as a Turkey at peace, where citizens' and communities' universal rights are equally respected, and where the Kurdish national movement has full and fair access to the legal political system. The two sides also need to keep clear in their minds that there are three separate tracks to a settlement, which influence each other but should be kept well apart.

The first track is the actual negotiations with the PKK. This has the various ingredients of demobilisation, transitional justice, and rehabilitation of an armed group. It should include PKK disarmament, which for now can only be inside Turkey; conditions for an amnesty that is palatable for public opinion and legally unchallenged internationally; the make-up and parameters of an independent truth commission reporting to parliament; a transitional justice mechanism to deal with past abuses by both sides; and an agreed security system for the southeast, possibly including a vetted, retrained volunteer force drawn from disbanded pro-government and PKK units. The two sides will also need to agree watertight monitoring and verification, the absence of which has damaged the process in the past.

International actors have in the past played positive roles in helping with mediation. The "Oslo Process" period showed how such help and advice could guide Turkey and the PKK toward finding common ground. Similarly, excellent Swiss support to Turkey and Armenia in 2009 was es-

essential to framing a set of protocols that could still one day normalise ties between these two countries. Looking forward, Turks and Kurds have shown that it has the maturity to do much of the talks on their own, and in 2013 “Wise Persons” committees of leading Turkish and Kurdish personalities were to defuse many prejudices about the peace process as they travelled to hold town hall meetings throughout Anatolia. Nevertheless, the breakdown of the process due to local over-enthusiasm when a group of PKK fighters returned to Turkey through the Habur border gate in 2009 shows how essential it will be to have prepositioned and effective remedies, and the government should certainly not rule out a role for the right third party states or personalities. Separately, European partners could do much already to enlighten Turkish officials and opinion leaders about options for decentralisation and rehabilitation of combatants. There are also critical lessons to learn about ways to deal with the new international legal limits on transitional justice from the peace talks for Colombia.

The second track should consist of the long-discussed reforms to give equal rights to all citizens and remove the root causes of the Kurdish problem. This process should certainly be in Ankara, centered on parliament and open to all parts of Turkish society. The five main issues are clear: education in mother languages, decentralisation, an election law that brings down to five percent (from ten percent) the threshold of the national vote needed for a political party to enter parliament, a constitution without perceived ethnic discrimination, and a counter-terror law that cannot be abused by putting non-violent activists in jail.

Progress in this second track of reform will be vital to building up trust in the first track of Turkey-PKK talks. But the two sides should stop mixing the two tracks up. There is a PKK problem in Turkey, and a Kurdish problem. They overlap but are not the same. The legal Kurdish national movement party wins less than half of the vote of all Kurds, half of whom live in the west of the country. The PKK should have clear proposals for the second track of reform, but it cannot negotiate alone with the government on, say, decentralisation or constitutional reform for the whole of Turkey. And the government must not try to take short cuts on Kurdish reforms as part of a quick, too easy deal with the PKK.

The third track is the overall context and process. This would be helped by less unilateralism, more joint actions, a better-structured process and greater transparency. The mudslinging rhetoric should end too: the PKK is not the same as IS, which in turn is not the same as AKP. Terrorism is a polarising phrase and should not be abused – especially as, according

to an open-source International Crisis Group tally, 90 percent of the 920 people killed in 2011-2013 were uniformed combatants, and 34 of the civilians killed died in an unexplained Turkish government air strike.

As part of the current relaunch of the process, the two sides should find an eye-catching way to show commitment. On the first track of negotiations, one way would be for the government to accept a consolidated negotiating team. It is not unimaginable that a PKK guerrilla leader or delegation can be given safe passage to Imrali or elsewhere in Turkey to join with diaspora representatives and Öcalan. On the second track of reform, the Kurdish national movement needs to build trust with the government and Turkish opinion by clarifying exactly what it means by its goal of “democratic autonomy” – for instance, if this goal is really not an independent or federal state, as the movement usually says, then much would be gained by clearly stating this.

Finally, the deteriorating security in Syria, and its spillover into Turkey, show how important it is for Turkey to fortify without delay its south-eastern flank where Kurds live and the PKK is strong. Peace will release a longstanding brake on its economy as well as on its democratisation efforts. The government should recognise that the end goal is not just disarmament in Turkey, but to get to a point where Turkey’s Kurds no longer feel any need for the PKK. Otherwise, there is little anyone can do to stop the movement from arming again the next day after a deal. Perhaps more essentially, mainstream public opinion needs to be guided towards visualising and embracing a possible scenario that this process may well lead to if it succeeds: Turkish and Kurdish leaders standing together on an international podium, accepting accolades for having made hard choices and taken the risky road to peace.

17.

The Kurdish Peace Process in Turkey: Genesis, Evolution and Prospects

Mesut Yeğen

Since 2009, the AKP (Justice and Development Party) governments in Turkey have been pursuing a political process with the stated aim of resolving the long-lasting Kurdish question of the Turkish Republic. In the last three decades, this had become identified with the guerrilla warfare of the Kurdistan Workers' Party (PKK) and with the fact that a legal political party in the line with the PKK was backed by the Kurdish masses. Known by the Turkish public as "the resolution process," the political process at stake seems to rely on two main pillars: the negotiations going on between state officials and the PKK and the implementation of reforms ensuring democratisation and recognition of the cultural and political rights of Kurds. As such, the resolution process seems to have been designed to achieve the final disarmament of the PKK in return for more democracy and recognition of the Kurds' cultural and political rights in Turkey.

Not surprisingly, there have been conflicting assessments of the resolution process and its prospects. The AKP governments have boasted that they have taken some unprecedented steps to enhance the unity of the nation.¹ The two opposition parties, the Nationalist Movement Party (MHP) and the Republican People's Party (CHP), however, oppose the process on different grounds. While MHP posits that the resolution process will lead to the partition of the country, and has described the reforms introduced in due course as initial steps to that end,² CHP has

¹ A very generic speech to this effect was delivered very recently by President Erdoğan. Addressing such steps as lifting the emergency rule, and launching the state-sponsored Kurdish TV channel TRT 6, Erdoğan claimed once again that the AKP took some historical steps in the field of the Kurdish question. See "Erdoğan'dan çözüm süreci yorumu: Somut adım olmadan daha ileriye gidemeyiz", in *Radikal*, 23 March 2015, <http://www.radikal.com.tr/politika/-1319600>.

² Devlet Bahçeli, the head of MHP, stated recently that the peace process is a process of treason that will culminate with the partition of the country. See "Devlet Bahçeli 'Çözüm Süreci İhanet Sürecidir'", in *Haber Hergün*, 10 December 2014, <http://www.haberhergun.com>.

oscillated between a categorical and a veiled opposition to the process and has demanded that the National Assembly be authorised to carry out the process.³ Lastly, the PKK and the People's Democratic Party (HDP), the AKP's "partners" in the resolution process, portray the aim of the process to be the launching of a radical democracy in Turkey, making Turkey a democratic republic, to use Öcalan's terms, but have described the steps taken by the government as insufficient and the government itself as wavering.⁴

In the following, I will examine the resolution process in Turkey from its inception until today. I will basically try to describe the whole process and discuss the reasons for its inception and also its prospects. Since a fair assessment of the Peace Process may be provided only if it is compared with the ways in which the Kurdish question was tackled beforehand, I will begin with an examination of the policies pursued with regard to the Kurdish question before 2009.

com/politika/-h20702.html.

³ While some hardcore nationalists of the CHP opposed the process on similar grounds with those of the MHP, the top cadres of the party opposed negotiating with the PKK and suggested discussing the issue in parliament. For a fair assessment of the CHP's attitude with regard to the peace process, see Tanju Tosun, "CHP, Kürt Sorunu ve Çözüm Süreci", in *Al-Jazeera Turk*, 29 October 2014, <http://bit.ly/1y0Q3jE>.

⁴ Abdullah Öcalan, the leader of the PKK, has long sustained that he is against the resolution of the Kurdish question in Turkey by means of such traditional instruments as "separation" and federalism. Arguing that these ways of resolving the ethno-national questions belong to the classical nation-state paradigm, Öcalan suggests that the Kurdish question needs to be solved by means of a "radical democracy" and "democratic autonomy" in Turkey. Endorsing its leader, the PKK has also suggested resolving the Kurdish question by means of these two new instruments. For an explanation of Öcalan's understanding of radical democracy and democratic autonomy and for a general assessment of the transformation in the views of Öcalan in the last decade, see the following by Ahmet Hamdi Akkaya and Joost Jongerden: "Reassembling the Political: The PKK and the Project of Radical Democracy", in *European Journal of Turkish Studies*, No. 14 (2012), <http://ejts.revues.org/4615>; and "Confederalism and autonomy in Turkey: The Kurdistan Workers' Party and the Reinvention of Democracy", in Cengiz Gunes and Welat Zeydanlioğlu (eds.), *The Kurdish Question in Turkey. New Perspectives on Violence, Representation and Reconciliation*, London and New York, Routledge, 2013, p. 186-204. The HDP also announced in its recent Manifesto for the elections in June 2015 that it endorses launching a radical democracy in Turkey for the resolution of the Kurdish question. See *Büyük İnsanlık Çağrısı*, 18 May 2015, <http://www.hdp.org.tr/guncel/haberler/buyuk-insanlik-cagrisi/6050>.

THE TURKISH STATE AND THE KURDISH QUESTION

The Turkish state's engagement with the Kurdish question from 1923 until the 1990s stood on three pillars: assimilation, repression and containment. The Turkish state intended to put an end to the Kurdish question, i.e. to the armed or unarmed resistance of Kurds to the Turkish state, by means of assimilation and repression. The Turkish Republic wanted to have an eye on not only its own Kurdish citizens, but the Kurds of Iraq and Syria too. Cooperating with Iran, Iraq and Syria, the Turkish state did whatever it could to ensure that the Kurds of Syria and Iraq were not given any cultural and political rights and did not have any contact with the Kurds of Turkey.

The trio of assimilation, repression, and containment worked until the 1990s. However, the Turkish state was then faced with two important developments that made it difficult to continue with the status quo of the past seventy years. First, the Kurds' resistance to the politics of assimilation and repression reached uncontrollable proportions. While the PKK had turned into a huge military organisation keeping up a low profile war against the Turkish army and a political-complex that operated newspapers and TV channels mobilising thousands of civilians in Turkey and Europe, a pro-Kurdish party in line with the PKK was supported by one third of Kurdish citizens.⁵ Second, the protection provided the Kurds in Iraq by the US and NATO after the 1991 Gulf War undermined seven decades of containment.

Under these new conditions, the old elite insisted on continuing with the policies of the past seventy years, then president Turgut Özal wanted to end containment and introduce policies of weak recognition. In contrast to the Turkish army's hostility towards Kurds in Iraq, Özal aimed to establish friendly relations with them and sent his mediators to convince Öcalan to accept a ceasefire. The PKK declared a ceasefire in March 1993 for a month, and while it was preparing to prolong it for another month

⁵ After the Kurdish deputies who had joined the Kurdish conference in Paris in 1989 were expelled from Social Democratic People's Party (SHP), a few deputies resigned from SHP, some leftwing intellectuals and trade-union leaders, and the expelled Kurdish deputies established the People's Labour Party (HEP) in 1990. HEP was closed down by the Constitutional Court in 1993. Since then 7 legal parties established and backed mostly by Kurds arguably in line with the PKK have been banned by the Constitutional Court on the charge of separatism. The elections between 1991 and 2014 indicate that the electoral support given the pro-Kurdish party in Turkish politics has steadily increased from 4% in 1990 to 7% in 2014.

Özal died on 17 April.

Following the death of Özal, the Turkish state returned to harsher repression than ever. This campaign of brutal repression, which inflicted huge losses and sufferings,⁶ ended in 1999 when Abdullah Öcalan was captured in Kenya, allegedly by a CIA operation, and handed over to Turkey.⁷ Upon his capture, Öcalan suggested helping Turkey settle the Kurdish question and asked the PKK militants to cease their armed struggle and withdraw from Turkey. The PKK militants followed Öcalan's orders and withdrew to Iraqi Kurdistan, but the Turkish army did not stop its military operations and killed hundreds of militants during their withdrawal. By the end of the millennium, the Turkish state seemed to have ended the Kurds' opposition to the *status quo*.

But another very important development took place in December 1999. Turkey was elevated to candidate status for full membership in the EU. However, Turkey was asked to introduce many reforms, including some concerning the Kurdish question, before negotiations for full membership could get started. On 8 March 2001, the Council accepted the document concerning the accession partnership, which stipulated the reforms Turkey had to introduce.⁸ On 19 March 2001, the Turkish National Assembly accepted a National Program specifying the reforms required to meet the accession requirements. Afterwards, 32 articles of the constitution were amended in accordance with the specifications

⁶ It is estimated that more than 35,000 Turkish citizens were killed during the clashes between the PKK and the security forces in Turkey between 1984 and 2012. Of these citizens, more than 20,000 were PKK militants. For figures see "28 yilin aci bilançosu: 35 bin 300 kişi terör kurbanı oldu", in *Milliyet*, 16 August 2012, <http://www.milliyet.com.tr/d/t.aspx?ID=1581690>. A research conducted by the Population Studies Institute in 2006 indicated that more than a million Kurdish citizens were displaced in due course. Likewise, an investigation report prepared by the Turkish Assembly Commission stated that more than three thousand villages or hamlets were evacuated. For these two reports, see Turkish Parliament (TBMM), *Doğu ve Güneydoğu Anadolu'da Boşaltılan Yerleşim Birimleri Nedeniyle Göç Eden Yurttaşlarımızın Sorunlarının Araştırılarak Alınması Gerekten Tedbirlerin Tespit Edilmesi Amacıyla Kurulan Meclis Araştırması Komisyonu Raporu*, 14 December 1998, <http://www.tbmm.gov.tr/sirasayi/donem20/yil01/ss532.pdf>; Hacettepe University Institute of Population Studies (HÜNEE), *Türkiye'de Göç ve Yerinden Olmuş Nüfus Araştırması*, 4 May 2005, <http://www.hips.hacettepe.edu.tr/tgyona/tanitim.shtml>.

⁷ Murat Yetkin, *Kürt Kapanı. Şam'dan İmralı'ya Öcalan*, İstanbul, Remzi Kitabevi, 2004.

⁸ For accession partnership, see *Council Decision on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with the Republic of Turkey*, 8 March 2001, <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:32001D0235>.

of the National Program. Of these, the most important amendment was the one introduced in article 26, which regulated freedom of expression. The statement that “no language prohibited by law shall be used in the expression and dissemination of thought” was removed.⁹ This practically cancelled the ban on publications and broadcasting in Kurdish. As a result, legal amendments enabling learning, teaching, and broadcasting in Kurdish were introduced in August 2002.¹⁰ In 2002, capital punishment was also removed, sparing the life of Öcalan who had been sentenced to death in 1999.¹¹

THE AKP AND THE KURDISH QUESTION

Such was the ground when the AKP came to power in 2002. In other words, the decades-long policies of repression were halted thanks to the withdrawal of the PKK militants, the politics of assimilation were accompanied by policies of slim recognition, and the politics of containment started not to work any more.

The AKP’s approach to the Kurdish question was first put in the party program in 2001.¹² The AKP both pursued and departed from the way in which the former mainstream parties had approached the Kurdish question. Discussing the Kurdish question under the ambiguous title of “the Southeast,” the program indicated that the AKP would, just like the other former mainstream parties, perceive the Kurdish question in relation to “terror,” “foreign incitement,” and “underdevelopment.” However, the program also admitted that economic development alone would not be sufficient to resolve the question, and suggested recognising the cultural differences of Turkish citizens. Moreover, it suggested seeing citizenship

⁹ See the Turkish parliament website: <https://www.tbmm.gov.tr/develop/owa/anayasaeng.maddeler?p3=26>. For a comprehensive examination of the constitutional changes made in 2001, see Ergun Özbudun, “2001 Anayasa değişiklikleri ve siyasal reform önerileri”, in *Türkiye-Avrupa Birliği ilişkileri serisi*, No. 3, January 2002, <http://www.tesev.org.tr/2001-anayasa-degisiklikleri-ve-siyasal-reform-onerileri/icerik/273>.

¹⁰ For the amendments made in August 2002, see Law 4771 of 3 August 2002, <http://www.ilo.org/dyn/natlex/docs/serial/68377/66629/f1942448432/tur68377.pdf>.

¹¹ The removal of the death penalty was particularly important for the prospect of the Kurdish question in Turkey in 1999. As Öcalan has significant popular support from Kurds in Turkey, executing him would possibly have culminated with a question of public disorder.

¹² For the program of the AK Party, see <http://www.akparti.org.tr/english/akparti/parti-programme>.

as the main point of reference for national identity. This was of great importance because all mainstream parties and all three constitutions of the republic had until then defined national identity in terms of Turkishness.

However, although the AKP programme had conceded that the “Kurdish question” would not be resolved by the policies of the past, there was no mention of the Kurdish question in the programs of the first two AKP governments.¹³ In fact, in some particular instances, the AKP even denied the existence of the Kurdish question. For instance, during a visit to Moscow in December 2002, Tayyip Erdoğan stated that there was no such thing as a Kurdish question.¹⁴

Nonetheless, a few important reforms were introduced in these years. For instance, the twenty year-long emergency rule in the southeast was lifted immediately after the AKP came to power. Subsequently, the AKP introduced legislation removing the barriers on broadcasting and teaching in Kurdish.¹⁵ Furthermore, a compensation law was enacted in 2005.¹⁶

However, the fact that all these reforms had been spelled out by the 57th government – the one preceding the first AKP government – in its famous national program indicated that there was nothing novel in the way in which the AKP engaged with the Kurdish question. As Kerem Öktem argues, while all these reforms were put on the agenda by the former government, the AKP government managed to take the credit for them all.¹⁷

In the meantime, although the termination of the armed struggle in the southeast lessened the importance of the Kurdish question in Turkish politics, signs indicated that this was a temporary situation. In the 2002

¹³ For the programs of the 58th and 59th governments founded by the AK Party in 2002 and 2003, see the Turkish Parliament website: <http://www.tbmm.gov.tr/hukumetler/HP58.htm>; <http://www.tbmm.gov.tr/hukumetler/HP59.htm>

¹⁴ “Erdoğan ile kürt kökenli işçi arasında ilginç diyalog...”, in *Haber Vitrini*, 24 December 2002, <http://www.habervitrini.com/dunya/erdogan-ile-kurt-kokenli-isci-arasinda-iliginc-diyalog-64403/>.

¹⁵ See Turkish Ministry of Foreign Affairs-Secretariat General for EU Affairs, *Political reforms in Turkey*, 2007, p. 13-14, <http://www.ab.gov.tr/files/pub/prt.pdf>.

¹⁶ The aim of the law was to compensate the losses of those who were displaced during the clashes between the PKK and the security forces. For a work on displacement and the Compensation Law, see Dilek Kurban and Mesut Yeğen, *Adaletin Kuyusunda. ‘Zorunlu’ Göç Sonrasında Devlet ve Kürtler. 5233 sayılı Tazminat Yasası’nın bir Değerlendirmesi: Van Örneği*, İstanbul, TESEV, 2012, <http://www.tesev.org.tr/adaletin-kiyisinda---zorunlu-goc--sonrasinda-devlet-ve-kurtler-%28duzeltimis-2--baski%29/Icerik/202.html>.

¹⁷ Kerem Öktem, “The Patronising Embrace: Turkey’s new Kurdish Strategy”, in *RFST Occasional Papers*, February 2008, http://www.sfst.ch/typo3/fileadmin/user_upload/dateien/OP_Oktem_08-02.pdf.

elections, the pro-Kurdish People's Democracy Party (HADEP) received 6.2 percent of national votes, the highest percentage a pro-Kurdish party ever received in a national election. This proved that the politics of "no repression plus slim recognition" of the previous years was not found adequate by the Kurdish masses mobilised by the PKK. The unarmed resistance of Kurds was still fierce even though the armed resistance had halted. As a matter of fact, it was not long before the Kurdish question returned to the Turkish political agenda. In May 2004, the PKK decided to resume the armed struggle and this was followed by armed clashes between the PKK and the army.

In this context, the AKP started to direct more energy at settling the Kurdish question. In a historic speech delivered in Diyarbakır in 2005, Erdoğan used the most liberal discourse a prime minister had ever employed in Turkey. Conceding that the Turkish state had made mistakes in the past, the prime minister used the term "the Kurdish question" and promised to resolve it by means of more democracy, more citizenship law, and more prosperity.¹⁸

However, this liberal speech in 2005 was not followed by a firm policy of recognition. In the meantime, it became clear that the Kurdish question was becoming more serious than ever. Not only were the clashes between the PKK and the army increasing but also the tension between civilians and security forces was deepening. On March 2006, 14 PKK militants were killed in a skirmish near Muş. In the funeral in Diyarbakır, heavy clashes took place between the people and the police. They went on for four days and ended with 9 citizens dead, two of whom were aged 6 and 10. The Diyarbakır events indicated that the ties between the PKK and the Kurdish masses were stronger than before and that the Kurdish towns could become ungovernable if other clashes were to occur.¹⁹

THE RESOLUTION/PEACE PROCESS

The 2007 program of the AKP government indicated that there would be no change in the way in which it dealt with the Kurdish question. It announced very boldly that the government relied on the principles of unity

¹⁸ See "Erdoğan'dan Diyarbakır'da tarihi konuşma: Hataları yok sayamayız", in *Milliyet*, 12 August 2005, <http://www.milliyet.com.tr/2005/08/12/son/sonsiy08.html>.

¹⁹ Although they tried hard, even the politicians from pro-Kurdish party and Osman Baydemir, the charismatic mayor of Diyarbakır, could not convince the Kurdish masses to get off the streets during the clashes.

of the nation, indivisibility of national territory and a unitary administrative structure. Likewise, it declared that the government would pursue a firm policy against separatist terrorism.²⁰ However, today it has been revealed that, while the AKP announced in 2007 that it would engage with the Kurdish question as it had engaged until then, it was actually seeking an alternative route.

It has become clear a meeting of the National Security Council (NSC) in 2007 decided to get in touch with the PKK and introduce some reforms concerning the cultural rights of citizens.²¹ In other words, the AKP seems to have decided in 2007 to introduce a new policy of negotiation and a firmer policy of recognition. Given that it received almost 50 per cent of the total votes in the 2007 elections, the AKP might have felt strong enough to renew its way of engaging with the Kurdish question, as the old policies had proven unsustainable.

FIRST ROUND: 2009

This new policy yielded its first fruits at the regional level. In 2008, Ahmet Davutoğlu, Erdoğan's chief advisor for foreign affairs, and Murat Özçelik, Turkey's special envoy to Iraq, paid a visit to Masoud Barzani, president of the Kurdistan Regional Government (KRG), and this visit, as F. Stephen Larrabee and Gönül Tol suggest, "initiated a series of formal contacts with the KRG that has resulted in a significant improvement in relations between Ankara and Erbil, particularly in the economic field."²² Turkey's decades-long policy of containment of the Kurds (at least the Kurds of Iraq) was now over.

It was not long before this new policy produced significant outcomes in the domestic field too. It has been revealed that state officials contacted the PKK and had consecutive meetings (a.k.a. Oslo talks/meetings) in dif-

²⁰ See the Turkish Parliament website: <http://www.tbmm.gov.tr/hukümetler/HP60.htm>.

²¹ It is understood today that the NSC accepted to launch a new policy involving, among others, the instrument of negotiating with the PKK and putting Emre Taner, the head of the intelligence agency, in charge of conducting these negotiations. See Ismet Berkan, *Asker Bize İktidarı Verir mi*, Istanbul, Everest, 2011, p. 156-157. However, it is also understood from the same book that while Emre Taner would do what we was asked to do by the NSC, he was accused of treason by the Directorate of Military Intelligence.

²² F. Stephen Larrabee and Gönül Tol, "Turkey's Kurdish Challenge", in *Survival*, Vol. 53, No. 4 (August/September 2011), p. 145.

ferent places in Europe starting from September 2008.²³ In 2009, possibly due to the advances made in these meetings between the state and the PKK, all the main actors involved in the Kurdish question began to upgrade their positions. First, the chief of staff emphasised that the army would endorse the recognition of cultural rights at the individual level. Likewise, he announced that the army would rather liquidate the PKK than terminate it.²⁴ In the same speech, he maintained that the term Turkish nation was misunderstood and that the Turkish nation was defined in citizenship terms and comprises everyone who has built the Republic of Turkey. In the same vein, the AKP government started to take the most important steps of recognition. At the beginning of 2009, the public broadcasting agency, TRT, launched a 24-hour Kurdish language channel, TRT 6.²⁵ Also, the Council of Higher Education (YÖK) resolved to establish Kurdish language and literature departments in universities.²⁶ These ranked among the most radical gestures on the road to true recognition of Kurdish identity in the history of the Turkish Republic.

It was in this context of renewal that President Abdullah Gül, in an interview on his way to Iran on March 2009, stated that the Kurdish question was the most important question in Turkish politics and that good things would happen soon.²⁷ This revealed that the Turkish state was ready to change its way of engagement with the Kurdish question and that this new way of engagement was approved by the NSC.

Meanwhile, the local elections held in March 2009 resulted in the ab-

²³ At least five meetings took place between the PKK and the state officials and a third party (possibly a British NGO) joined as a third eye. See "AKP çözüm geliştirmeli", in *Özgür Gündem*, 25 April 2013, <http://www.ozgur-gundem.com/haber/71299/akp-cozum-gelistirmeli>. Zübeyir Aydar, the head of the PKK affiliated Kongra-Gel (People's Congress), stated in an interview that actually 16 or 17 meetings took place between the PKK and the state officials. See Cengiz Çandar, "Oslo'dan bugüne 'perde arkası' (1)", in *Radikal*, 28 April 2013, http://www.radikal.com.tr/yazarlar/cengiz_candar/_1-1131383.

²⁴ Commander in Chief of Turkish Armed Forces, General İlker Başbuğ, annual address to the Turkish War Colleges, 14 April 2009, <https://www.youtube.com/watch?v=2r7ZOqgeG4E>.

²⁵ Kerim Balci, "Most Kurds welcome Kurdish channel run by state-owned TRT", in *Today's Zaman*, 27 December 2008, http://www.todayszaman.com/newsDetail_openPrintPage.action?newsId=162452.

²⁶ "Kurdish to be offered as elective course at universities", in *Today's Zaman*, 6 January 2009, http://www.todayszaman.com/newsDetail_openPrintPage.action?newsId=163330.

²⁷ "Tahran'a; Obama'nın elini havada bırakma", in *Hürriyet*, 11 March 2009, <http://www.hurriyet.com.tr/gundem/11181483.asp>.

solute victory in the southeast of the Democratic Society Party (DTP), the second predecessor of today's HDP).²⁸ Immediately after the local elections, the PKK also renewed its position and announced a ceasefire. In an interview given in May 2009, Murat Karayılan, then head of the Kurdistan Communities Association (Kurdish Communities Union, KCK),²⁹ stated that the PKK was ready to engage in a dialogue with the final aim of disarmament.³⁰

These developments in the first half of 2009 were followed by the inception of the now famous "Kurdish opening."³¹ The Minister of the Interior, Beşir Atalay, organised subsequent meetings in August 2009 with journalists, intellectuals and NGOs to start a public debate on the resolution of the Kurdish question. The Kurdish opening thus became the number one topic on the political agenda of the Turkish public.

However, as the debate ensued, it became evident that the two opposition parties would not support the Kurdish opening. While the CHP "criticized the Kurdish opening as an irresponsible initiative of the government [...] and expressed its concern that this policy carried the risk of giving way to the ethnic disintegration of the Turkish society," the MHP alleged that the Kurdish opening would "endanger Turkey's identity as a unitary nation-state."³²

Notwithstanding the disapproval of the opposition parties, the AKP government and the PKK resolutely went ahead with the Kurdish opening. The PKK sent 34 militants and refugees from Kandil headquarters and Maxmur refugee camp in November 2009 to show its willingness to find a solution. However, that the returning militants were dressed in guerrilla clothes and were welcomed with cheers by the Kurdish masses at the Habur border gate enflamed Turkish nationalism and hence increased the opposition of CHP and MHP. Since the discontent of Turkish nationalists

²⁸ While DTP had won mayorship in 52 towns in 2004 elections, it won in 99 towns in 2009.

²⁹ KCK is an umbrella organisation involving the PKK and the PKK affiliated organisations.

³⁰ Hasan Cemal, "Karayılan: Barış umudumuz var- Kuzey Irak Notları", in *Milliyet*, 5 May 2009, <http://www.milliyet.com.tr/d/t.aspx?ID=1090963>.

³¹ Later, the government adopted the term "democratic opening" to replace the term "Kurdish opening", which was later replaced by the term "the national unity and fraternity project." See Yılmaz Ensaroğlu, "Turkey's Kurdish Question and the Peace Process", in *Insight Turkey*, Vol. 15, No. 2 (Spring 2013), p. 12-13, <http://www.insightturkey.com/turkeys-kurdish-question-and-the-peace-process/articles/314>.

³² Özlem Kayhan Pusane, "Turkey's Kurdish Opening: Long Awaited Achievements and Failed Expectations", in *Turkish Studies*, Vol. 15, No. 1 (April 2014), p. 88.

with the Habur incident was to some extent shared by the AKP masses, something the AKP could not disregard –the opening process was slowed down. This was followed by the return of clashes between the PKK and security forces. On 7 December 2009, the PKK killed 7 soldiers in an attack in Reşadiye, Tokat.³³ Only a few days later, on 11 December 2009, the Constitutional Court banned the DTP with a unanimous decision.³⁴ While the DTP deputies took the decision to withdraw completely from the National Assembly, Öcalan asked them, through his lawyers, to return to the Assembly.³⁵ This intervention by Öcalan and the fact that the PKK did not officially end the ceasefire indicated that the peace process was still on.

Meanwhile, the terms of the Kurdish opening or the peace process remained unclear. From 2009 to 2011 there was no confirmation of the terms of a possible agreement between the PKK and the Turkish state for the resolution of the Kurdish question. However, Öcalan's lawyers stated a few times that he was preparing a road map for the resolution process. It was recently revealed that Öcalan submitted this road map on 15/22 August 2009 to the bureaucrats with whom he negotiated.³⁶ However, this road map was neither announced nor responded to by the Turkish state. It was only after Öcalan included it as an addendum to his defence in his case before the European Court of Human Rights in 2011 that it became accessible. It is now understood that the road map had proposed resolving the Kurdish question on the basis of the principles of "democratic-nation," "democratic republic," "democratic constitution," and "common motherland," and by means of a three-stage process.³⁷ The road map envisioned that the PKK would announce a permanent ceasefire in the first stage, that the government would establish a truth and reconciliation commission and the PKK would withdraw its armed forces in the second stage, and that a democratic constitution would be introduced and that the PKK would disarm and become a legal force in the third stage.³⁸

³³ "PKK Reşadiye Saldırısını Üstlendi", in *Bianet*, 10 December 2009, <http://www.bianet.org/bianet/siyaset/118770>.

³⁴ "DTP kapatıldı", in *Hürriyet*, 11 December 2009, <http://www.hurriyet.com.tr/gundem/13176916.asp>.

³⁵ "Öcalan, 'Meclis'e dönün' demiş", in *Milliyet*, 18 December 2009, <http://www.milliyet.com.tr/d/t.aspx?ID=1175416>.

³⁶ "PKK ilk kez açıkladı...Oslo'da neler oldu?", in *Akşam*, 24 April 2013, <http://www.aksam.com.tr/siyaset/pkk-ilk-kez-acikladiosloda-neler-oldu/haber-199057>.

³⁷ All these Öcalan principles would actually refer to a non-ethnic and a non-cultural understanding of nationhood.

³⁸ "İşte Öcalan'ın yol haritası", in *Hürriyet*, 3 March 2011, <http://www.hurriyet.com.tr/gundem/17170384.asp>.

The PKK took the slackening of the resolution process, the banning of the DTP, the continuing pressure on Kurdish politicians under the banner of KCK investigations, and the governments' refusal to announce or reply to Öcalan's road map as indications that the government was not willing to advance the resolution process. Accordingly, the PKK decided on 1 June 2010 to end the ceasefire and start a democratic people's war instead. Yet, these developments did not terminate the process. Instead, Öcalan called for another ceasefire in August 2010 and the PKK paused with the democratic people's war and announced another ceasefire for forty days which was then extended until the elections in June 2011.

SECOND ROUND: 2010-2011

The PKK's ceasefire in 2010 was followed by a new set of talks between the state and the PKK and Öcalan.³⁹ During these new meetings, Öcalan prepared and submitted to the state another road map involving three protocols: "The Draft for the Principles for a Democratic Solution of the Main Social Problems in Turkey," "The Draft for a Fair Peace in Relations between the State and Society," and "The Draft for the Action Plan for the Democratic and Fair Solution of the Kurdish Question."⁴⁰ Practically, the protocols suggested establishing three commissions composed of individuals from both sides: Commission for the Constitution, Commission for Peace, and Commission for Truth and Justice. It has been revealed that the Öcalan protocols were negotiated during the Oslo Talks and that both the PKK and state officials approved the protocols and promised to take the necessary steps after the 12 June 2011 elections.⁴¹

Meanwhile Öcalan announced that he had done his best and that a new phase could begin after the elections. In the elections, both the Peace and Democracy Party (BDP), the predecessor of today's HDP, and the AKP were successful. While the BDP received almost half the votes in the

³⁹ It is now understood that the resumption of talks with Öcalan was accompanied by the resumption of the Oslo talks. See Cengiz Çandar, "Oslo'dan bugüne 'perde arkası' (1)", cit.

⁴⁰ "CHP 9 maddelik 'Oslo mutabakatını' açıkladı", in *T24*, 18 September 2012, <http://t24.com.tr/haber/iste-pkk-akp-mutabakat-metni/213334>. It is important that these protocols were not announced but leaked to the newspapers. Today it is widely believed that the protocols were leaked by the police officers who were aligned with the Gülen community with the aim of making things difficult for the AK Party government.

⁴¹ Ibid.

Kurdish provinces, the AKP received half the votes in Turkey. However, it became evident after the elections that the AKP government was not too enthusiastic about continuing the peace process. The PKK leaders argue that the state paused with the Oslo meetings after the elections and refused to sign the protocols approved by the PKK and state officials in the Oslo talks.

The PKK responded to this by terminating the ceasefire and resuming the so-called People's Revolutionary War. Just one month after the elections, on 14 June 2011, the PKK killed 13 soldiers in an attack in Silvan. This marked the end of the second round in the peace process.

While the official narrative is that the first round of the peace process ended with the Reşadiye attack and the second round ended with the Silvan attack, PKK circles argue that while the first round ended when the state did not announce Öcalan's road map, the second round ended when the PKK came to the conclusion that the state was not ready to move ahead along the lines specified in the three protocols prepared by Öcalan.⁴²

The clashes between the PKK and the Turkish army intensified in the following months. While the PKK claimed that it would implement a revolutionary people's war with the final aim of defeating the state in the Southeast, the government maintained that it would defeat the PKK just as the Sri Lankan forces had defeated the separatist Tamil guerrillas. Consequently, 2012 turned to be the most violent year in the fighting between the PKK and the Turkish army since 1999.⁴³ While the clashes in the following 18 months took hundreds of lives, the police and the judiciary pursued a relentless policy of pressure on Kurdish politicians. Thousands of Kurds, including BDP mayors, politicians, journalists, and trade unionists were arrested in almost two years with the charge that they were working for the KCK.

Yet, the months following the severe clashes proved that neither the PKK nor the government could achieve their goals. The government re-

⁴² In fact, Mustafa Karasu, one of the leaders of the PKK, stated in an interview that the mediators between the PKK and the state told them after the elections that the government would not accept the Öcalan protocols which were approved by the PKK and the bureaucrats in the Oslo talks. See "PKK ilk kez açıkladı...Oslo'da neler oldu?", cit.

⁴³ Güneş Murat Tezcür, "Prospects for Resolution of the Kurdish Question: A Realist Perspective", in *Insight Turkey*, Vol. 15, No. 2 (Spring 2013), p. 69, <http://www.insight-turkey.com/prospects-for-resolution-of-the-kurdish-question-a-realist-perspective/articles/1418>; Johanna Nykänen, "Identity, Narrative and Frames: Assessing Turkey's Kurdish Initiatives", in *Insight Turkey*, Vol. 15, No. 2 (Spring 2013), p. 88, <http://www.insightturkey.com/identity-narrative-and-frames-assessing-turkeys-kurdish-initiatives/articles/321>.

mained cautious enough not to return to the policy of repression of the 1990s with the result that the PKK failed to convince civilians to get involved in the clashes between the PKK and the army. On the other hand, the government did not defeat the PKK either. Despite heavy losses and a massive campaign to discredit it, the PKK was able to recruit new militants and uphold its positive image in the eyes of the Kurdish masses.

THIRD ROUND: 2013-2015

It was in this context that the negotiation between the PKK and the state resumed at the beginning of 2013. On 28 December 2012, Prime Minister Erdoğan stated in a TV show that the talks between state officials and Öcalan were going on.⁴⁴ It was not the fact that the talks were going on, but that the prime minister had wanted to state this on TV indicated that there was something new about the process after the bloodshed of the previous 18 months. Erdoğan would not have announced that talks between the state and Öcalan were going on had they not produced something.

Only a few days later, Ahmet Türk and Ayla Ata Akat, the two deputies from the BDP visited Öcalan at Imralı Prison. Ahmet Türk stated in an interview that Öcalan seemed determined and confident about building peace but wanted to look into the possibility of doing so by communicating with the PKK headquarters in Kandil and the BDP.⁴⁵ That the Imralı visit was made public indicated that the new round in the peace process would not be carried out behind the scene. In fact, it soon became evident that the talks with Öcalan would proceed through a complex mechanism: while the state and Öcalan would keep talking, Öcalan would inform the PKK headquarters in Kandil and be informed by them through the BDP

⁴⁴ “İmralı’yla görüşüyoruz”, in *Habertürk*, 28 December 2012, <http://www.haberturk.com/gundem/haber/807198-imraliyla-gorusuyoruz>. For a very helpful chronology of the third round of the peace process, see SETA Foundation, *Timeline: Reconciliation Process*, <http://setav.org/en/reconciliation-process/timeline/17753>. Later on the minutes of the talks between Öcalan and the BDP deputies, which were leaked to a newspaper, revealed that the talks had started in the autumn of 2012. See “İşte İmralı görüşmesinin tutanaklarının tam metni!”, in *T24*, 28 February 2013, <http://t24.com.tr/haber/iste-imralidaki-gorusmenin-tutanaklari/224711>.

⁴⁵ “Ahmet Türk, Öcalan’la yaptıkları görüşmenin perde arkasını anlattı”, in *T24*, 9 January 2013, <http://t24.com.tr/haber/ahmet-turk-ocalanla-yaptiklari-gorusmenin-perde-arkasini-anlatti/221335>.

deputies visiting Imralı.

While a very serious crisis occurred only a week after the new round commenced – Sakine Cansız, Fidan Doğan and Leyla Şaylemez, three well-known women in PKK circles were murdered by the Turkish citizen Ömer Güney in Paris on 10 January 2013 – the PKK and the BDP considered these murders a provocation committed by a third party and remained loyal to the new process. The following developments proved that both sides were determined to take the steps to open a new round. While Erdoğan announced on 12 February 2013 that he was ready to take all the political risks to achieve peace,⁴⁶ the AKP group in parliament enacted a law enabling defence in one's mother tongue in the courts,⁴⁷ which had become a source of crisis in the long-lasting KCK trials of the past few years. This was followed by the release of 8 soldiers and civil servants detained by the PKK in Iraqi Kurdistan. Meanwhile, the BDP deputies visited Öcalan in Imralı and PKK headquarters on Kandil a few times to facilitate communication between the PKK and its leader. It is through these visits that Öcalan conveyed his new proposal for peace and that the PKK leaders expressed their concerns about the new round. Eventually, Öcalan drafted a new proposal for peace and resolution and this new proposal was announced to the public on 21 March 2013 at the Newroz celebration of Diyarbakır, attended by hundreds of thousands of Kurds.

The Newroz message was full of novel insights. Öcalan publicly announced that the era of armed struggle was over and it was now time for political struggle. He also underlined the Islamic brotherhood of Kurds and Turks not only in Turkey but in the Middle East, meaning that he was in some ambiguous way sharing the regional vision of the AKP government.⁴⁸ Öcalan also called for a ceasefire and the withdrawal of PKK militants to Iraqi Kurdistan.

The PKK accepted Öcalan's new proposal and announced a unilateral ceasefire on 23 March 2013.⁴⁹ Meanwhile, the terms of the new agreement between the state and Öcalan/PKK became discernible. Sadullah

⁴⁶ SETA Foundation, *Timeline: Reconciliation Process*, cit.

⁴⁷ Ibid.

⁴⁸ Nathalie Tocci goes further and argues that “[t]he political visions of two men in Turkey – Öcalan and Erdoğan – are surprisingly converging, in that the former's historic vision of pan-Kurdish unity alongside a growing acceptance of Turkey's territorial integrity is beginning to dovetail with the latter's aspiration for Turkish regional hegemony within a fragmenting southern neighbourhood.” See Nathalie Tocci, “Turkey's Kurdish Gamble”, in *The International Spectator*, Vol. 48, No. 3 (September 2013), p. 73.

⁴⁹ “PKK ateşkes ilan etti”, in *Deutsche Welle*, 23 March 2013, <http://dw.de/p/183Ac>.

Ergin, Minister of Justice and a central figure in the third round of the peace process, stated that the process would consist of three phases: ceasefire and withdrawal of the PKK, democratisation, and disarmament and normalisation.⁵⁰ This was of course a particular wording of the terms of agreement. It soon became evident that the PKK wanted the government to take some steps testifying to its loyalty to the process before the PKK commenced its withdrawal. The government took these steps and first established a council of wise persons and then set up a commission in parliament to discuss the resolution process at the beginning of April 2013.⁵¹

Even though neither the council of wise persons nor the commission in the parliament met the PKK's expectations, the process went on and the PKK announced the withdrawal of its armed forces on 8 May 2013. During the withdrawal the Turkish army suspended its routine military operations against PKK militants, indicating that the AKP had either convinced or forced the army to abide by the agreement that the PKK's withdrawal had to be achieved in safety. Considering that a few hundred PKK militants had been killed during the withdrawal in 1999, this proved that the Turkish state was somehow determined to go ahead with the process.

On September 2013, however, the PKK made a second announcement and stated that the withdrawal had been halted because the government had not taken the steps it promised and had instead built new military installations in and around the places from which the PKK had withdrawn. Throughout the summer, the Turkish state had built new fortified military stations and dams on the routes the PKK had traditionally used while withdrawing to Iraq in autumn and entering into Turkey in spring of every year. Despite the pause in the withdrawal, the PKK remained loyal to the ceasefire and demanded that the construction of new dams and stations be stopped, that those who were imprisoned under the banner of KCK membership be released, and that a law providing legal grounds for the resolution process be enacted.

The PKK's determination generated its fruits. Immediately after the local elections of 2014, the AKP amended the law of the National Intelligence Organisation (MIT) and granted the MIT the authority to meet and negotiate with "terrorist organisations" and those who are imprisoned.⁵²

⁵⁰ "Bakan Ergin'den Öcalan açıklaması", in *Sabah*, 29 March 2013, <http://www.sabah.com.tr/gundem/2013/03/29/bakan-erginden-ocalan-aciklamasi>. This indicated that a new round would somehow progress as it was contemplated by Öcalan in 2009.

⁵¹ SETA Foundation, *Timeline: Reconciliation Process*, cit.

⁵² "MİT kanunu Meclis'ten geçti", in *Hürriyet*, 18 April 2014, <http://www.hurriyet.com.tr/gundem/26244381.asp>.

Likewise, KCK convicts began being released at around the same time and almost all were released by the end of 2014. This was followed by a more radical step: the AKP enacted a “framework law” for the resolution process in June 2014. Entitled “Law to End Terror and Strengthen Social Integration,” the framework law authorised the government and bureaucracy to determine the necessary steps to be taken and prepare the regulations needed to end terrorism and ensure social integration. Practically, the law was broad enough to specify all military, political, and legal steps needed to ensure disarmament and resolve the Kurdish question. The law also authorised officials to contact “terrorists.”⁵³

The process now had a legal basis, as was demanded by Öcalan and the PKK. The AKP took one more step and mentioned the resolution process in the program of the new government, established by Ahmet Davutoğlu, who became the chairperson of the AKP and the new prime minister after Erdoğan became the president in August 2014. The program underlined the government’s determination to take the necessary steps for the resolution process.⁵⁴ Öcalan announced that the 30 year-long war was about to be ended by means of negotiations.⁵⁵

Once again, the resolution process experienced a serious crisis only a few months later. On 6-8 October, the Kurdish people poured into the streets to protest against the week-long siege of Kobani in Syria by the IS and the government’s “apathy” towards or even “contentment” with the siege and the possible fall of Kobani. Almost a civil war, the Kobani events resulted in the death of more than forty civilians, most of whom were HDP supporters.

While shocking, the Kobani crisis had actually come step by step. The Kurdish people in Turkey, at least those who back the HDP and the PKK, were already angered by the government’s position with regard to the civil war in Syria. The government remained “unfriendly” towards the Democratic Union Party (PYD), an affiliate of the PKK, while supporting the Islamic groups fighting against the Baath regime in Syria. The events in 2014 further angered the Kurds in Turkey as they witnessed the atrocities committed by the IS in the Yazidi-Kurdish populated Shengal of Iraqi Kurdistan. This motivated hundreds of Kurds in Turkey to join the PYD forces in Kobani to fight against the IS. In only a few months, dozens of

⁵³ “Turkish gov’t submits bill to boost Kurdish peace bid, provide legal framework for PKK talks”, in *Hürriyet Daily News*, 26 June 2014, <http://www.hurriyetdailynews.com/Default.aspx?pageID=238&nID=68306&NewsCatID=338>.

⁵⁴ SETA Foundation, *Timeline: Reconciliation Process*, cit.

⁵⁵ Ibid.

Kurdish youth corps came from Kobani to the Kurdish towns in Turkey, making the siege of Kobani and in fact the whole Rojava issue a part of the Turkish Kurdistan issue. At the end of the day, the Kurdish citizens of Turkey witnessed their children, relatives, and fellow nationals being killed in front of the eyes of the world public and the Turkish state. Most angering was the fact that Erdoğan seemed content with the likelihood of Kobani's fall to the IS.

It was against this background that the Kobani crisis exploded. When it became evident that Kobani was about to fall into the hands of the IS after a two-month long siege, the PKK and HDP called upon the Kurdish masses to protest against the Turkish state's attitude. On the very same day, thousands of Kurds, who were already angered by the developments and the rumours that the Turkish state was backing the IS, poured into the streets to protest. The clashes took scores of lives in three days and ended only after Öcalan sent a message from prison asking the protests to stop. The clashes ended but left behind a huge crisis.

Only a few weeks after the break, however, both sides announced that the peace process had to be refreshed. This was possibly because they realised that one of the strongest alternatives to the peace process was no longer a state of governable clashes between the state and the PKK but a civil war. The Turkish state's change of attitude towards the PYD and permission to transfer peshmerga and heavy weapons to Kobani across the Turkish border eased the refreshing of the peace process.⁵⁶ In the end, both sides returned to the process a few weeks after the Kobani crisis.

The meeting of the HDP deputies with Öcalan at the beginning of December 2014 showed that the process was on. The deputies returned from Imrali with a draft for negotiations prepared by Öcalan. Even though it was unclear whether this draft was approved by the Turkish state, its release was important as it indicated that some sort of consensus between Öcalan and the state on the framework for negotiation had been reached or was reachable. The draft was taken by the HDP deputies to Kandil to be ratified.

Yet, it soon became evident that the government wanted the PKK to take the decision to disarm before the negotiations between the state and the PKK would commence. In response, the PKK clearly announced that the final decision for disarmament would be taken only after consensus

⁵⁶ Martin Chulov, Constanze Letsch and Fazel Hawramy, "Turkey to allow Kurdish peshmerga across its territory to fight in Kobani", in *The Guardian*, 20 October 2014, <http://gu.com/p/42tk4/stw>.

were reached between the parties about the terms of the resolution and that disarmament would be finalised only after the legal and constitutional changes presupposed by this consensus were made.⁵⁷ While the problem seemed insurmountable, a middle way was found and Öcalan's call for disarmament and his 10-article draft for negotiations were announced to the public in a meeting attended by members of the government and the HDP on 28 February 2015. While the members of government carefully avoided giving the impression that they approved Öcalan's draft for the negotiations, the very form of the meeting was important as it indicated that there were two formal sides in the process and that there was a ground for negotiations.

Afterwards, the PKK announced once more that they would implement the disarmament once the government took the steps set down in Öcalan's ten-article draft.⁵⁸ While the government expected Öcalan to announce a scheduled disarmament in his 2015 Newroz message, Öcalan did not go any further than what was announced on 28 February. He remained in line with the PKK and reiterated his ten-article draft for negotiation, calling for disarmament but without giving any strict schedule. It now became evident that the PKK would not take a disarmament decision without seeing the official commencement of and some advance in the negotiations – monitored by a “third eye.” The government seemed willing to overcome this obstacle and inserted the long-disputed third-eye into the talks to ensure the decision of disarmament. Such was the picture at the end of March 2015. In other words, albeit with disagreements, the process was moving along steadily.

ASSESSMENT: REASONS FOR AND THE BASIC CHARACTERISTICS OF THE RESOLUTION PROCESS

The current resolution process commenced and has proceeded as portrayed above. I will now try to provide an overall assessment of the process and “speculate” about its prospects. I will try to answer the following

⁵⁷ Fatih Polat and Hüseyin Deniz, “AKP'nin süreci seçime feda etmesine izin vermeyiz”, in *Evrensel*, 20 December 2014, <http://www.evrensel.net/haber/100197/akpnin-sureci-secime-feda-etmesine-izin-vermeyiz>.

⁵⁸ “Silah bırakma değil, silahlı mücadeleyi bırakma”, in *BirGün*, 31 March 2015, <http://www.birgun.net/haber-detay/silah-birakma-degil-silahli-mucadeleyi-birakma-77112.html>.

questions: What stimulated the Turkish state and the PKK to launch the resolution process and how is it that both sides have remained loyal to the process despite the serious problems and disagreements that have emerged in due course? Is there anything distinctive in the current resolution process making it possible to say that it is the first of its kind in Turkey? What have been the main problems that have prevented the process from reaching a conclusion?

Reasons? Numerous factors seem to have motivated the AKP to launch the resolution process. First, it had long been acknowledged in the core circles of the Turkish establishment that classical policies of assimilation plus repression were no longer viable and that the Kurdish question had to be tackled with a new policy. Second, the elections in 2007 and 2009 and the pro-PKK demonstrations in Kurdish towns in these years proved that the bonds between the Kurdish people and the PKK had not weakened and that the former had not withdrawn their demands despite policies of “no repression plus slim recognition” of the early 2000s. Third, having won an absolute victory in the 2007 and 2011 elections, the AKP felt confident enough to introduce and maintain the current resolution process even though it was evident that the Turkish public would not welcome such a process warmly. Lastly, there were non-domestic reasons too. The AKP governments pursued a “revisionist” regional policy to turn Turkey into “an energy hub and crossroads for pipelines” and make it more effective in the Middle East.⁵⁹ The AKP must have believed that ending the armed conflict with the PKK would have made it easier to attain this objective.

The AKP remained loyal to the process despite some serious setbacks for a different set of reasons. First of all, the break in the resolution process in 2011 proved that the PKK had the motivation to carry out a more energetic armed struggle, and that it could not be defeated by military means. Secondly, the Kobani crisis of October 2014 made it clear that one of the strongest alternatives to the resolution process was decline into civil war. Thirdly, the crisis in Syria and the one in Iraq between the Kurdistan Regional Government and the Iran-supported Maliki regime produced a situation that could possibly complicate and aggravate the Kurdish

⁵⁹ Cengiz Çandar, “The Kurdish Question: The Reasons and Fortunes of the ‘Opening’”, in *Insight Turkey*, Vol. 11, No. 4 (October-December 2009), p. 15, http://file.insightturkey.com/Files/Pdf/insight_turkey_vol_11_no_4_2009_candar.pdf. For a detailed assessment of the domestic and international reasons behind the inception of the peace process, see Johanna Nykänen, “Identity, Narrative and Frames”, cit., p. 86-87.

question in Turkey.⁶⁰

The PKK, on the other hand, had its own rationale to join the resolution process. To begin with, since 1993 the PKK had abandoned the ideal of establishing an independent Kurdistan and had announced that it was ready for a peaceful solution. In other words, the 2009 resolution process was in line with the overall strategy adopted by the PKK in 1993. Second, the PKK had already admitted that the political gains of the armed struggle had reached their limit and that further gains could be attained only through political struggle. Third, the armed struggle and the armed units have long become secondary instruments for the PKK. The PKK had long become a military and political complex with influence on a political party backed by almost half the Kurdish citizens in Turkey, appealing to a huge diaspora in Europe, and boasting a number of newspapers, several TV channels, and numerous NGOs.⁶¹ Hence, the PKK became confident that it could survive as a political party and further Kurds' cultural and political rights. Fourth, just like the AKP governments, the PKK was also concerned that one of the strongest alternatives to the resolution process was a civil war between Kurds and Turks and wanted to avoid this alternative. Lastly, recent regional developments have made a resolution process reasonable for the PKK. As the PKK found an opportunity to aggrandize itself in the Rojava in Syria, it became reasonable to maintain the resolution process in Turkey because returning to the armed struggle would have meant fighting on two separate fronts. Also, the PKK did not want to take the risk of infecting the Kurdish question in Turkey with the dynamics molding the Kurdish question in Iraq and Syria as this could have intensified the armed struggle in Turkey and culminated with the PKK's suspension of its loyalty to the principle of the territorial integrity

⁶⁰ Defining the situation immediately before the peace process resumed in 2013 as a situation of "non-hurting stalemate," Güneş Murat Tezcür argues that "[o]ne should seek for alternative dynamics other than the ones in the battlefield to understand the timing of the government's 2013 initiative." See Güneş Murat Tezcür, "Prospects for Resolution of the Kurdish Question: A Realist Perspective", cit., p. 73. Agreeing with Tezcür, I believe that it was mainly due to the regional developments that both sides found the resumption of the peace process reasonable.

⁶¹ As Akkaya and Jongerden suggest, the PKK today "is actually a party complex, a complex of parties and organizations comprising several parties (including the PKK as a party) and sister parties in Iraq, Syria and Iran, the co-party which separately organizes women, the armed organizations and the popular front Kongra-Gel." See Ahmet Hamdi Akkaya and Joost Jongerden, "The PKK in the 2000s: Continuity through Breaks?", in Marlies Casier and Joost Jongerden (eds.), *Nationalisms and Politics in Turkey. Political Islam, Kemalism and the Kurdish Issue*, London and New York, Routledge, 2011, p. 147.

of Turkey. The PKK must have considered that, had this happened, the mass support provided by the Kurds in Turkey would have diminished as a separatist solution has never been popular among Kurds in Turkey.

First of its kind? As stated at the outset, the assessments made by the AKP and the PKK indicate that the resolution process is designed to achieve the final disarmament of the PKK in return for the attainment of a better democracy and recognition of the cultural and political rights of the Kurds in Turkey. The fact that the PKK had already called a few ceasefires before the current process commenced in 2009 and that the Turkish government had already recognised some basic cultural rights for Kurds before the AKP came to power may give the impression that there is nothing distinctive about the current process. However, this is wrong since what has now been done with regard to both disarmament and recognition of rights is both substantially and qualitatively different from what was done beforehand. For instance, the launching of the TRT 6, broadcasting in Kurdish 24 hours a day, the establishment of Kurdish language and literature departments in universities, and allowing instruction in Kurdish in private high schools are substantial steps in the recognition of Kurds' rights. However, the steps taken in the sphere of disarmament are certainly more substantial. Here, the AKP governments have for the first time undertaken direct contacts with the PKK and its leader, resulting in the recognition of Öcalan and the PKK as "legitimate" partners in the resolution process. Likewise, unlike the PKK's withdrawal in 1999, the one in 2013 was achieved in safety, thanks to the pause in military operations against the PKK. This has also made the current process distinctive.

On the other hand, if the resolution process is assessed in terms of what is necessary for the resolution of the Kurdish question as the latter is represented by the PKK/HDP, then it may be posited that what has been done is of little significance as the PKK-HDP argues that the resolution of the Kurdish question requires the adoption of self-rule in Turkish Kurdistan, allowing instruction in Kurdish in public schools, and allowing the PKK to become a legal actor in Turkish politics.

Why not concluded, yet still surviving? To reiterate, the resolution process is designed to attain two objectives: the disarmament of the PKK and recognition of the Kurds' cultural and political rights. While the PKK leaders have constantly and the members of the AKP governments have occasionally acknowledged this dyadic nature of and the simultaneity in the process, in practice there have been two problems. First, while there has been an agreement on the terms of disarmament, there has never

been an agreement on the terms of the recognition of rights. Second, the AKP has wanted priority to be given to disarmament so as to break the link between disarmament and the recognition of Kurds' rights. While the PKK announced ceasefires and in the case of 2013 started to withdraw its armed forces and expected the governments to take some steps in the field of the recognition of rights, the AKP has occasionally argued that the issue of recognition of rights should be handled once the disarmament is settled and through a public discussion as this is not an issue to settle merely through the involvement of the PKK and the government. To sum up, the first reason impeding the conclusion of the process is the vital difference between the path proposed by the government and the one proposed by the PKK to carry out the resolution process.⁶²

However, it may certainly be argued that the difference between the two sides is actually deeper than this and it is about the content of the process. As Ali Bayramoğlu rightly argues, there seems to be a “paradigmatic difference” between the AKP and the PKK about the very terms of the resolution process.⁶³ In Bayramoğlu's view, the government's “expectations and targets regarding the solution process include disarming the PKK, it evaporating slowly, and solving the problem by way of democratic integration through the widening of an arena for individual rights and politics; an extraction of discriminatory laws; and new citizenship.” Whereas the main aims of the PKK and Öcalan “include self administration to a certain level in a given territory; the establishment of their own institutions; entry into politics for the those in the mountains and the release of Öcalan.”⁶⁴

As a matter of fact, one can show numerous texts or speeches pointing to this gap between the two sides. For instance, Hatem Ete, one of the prime minister's chief advisors and the few state officials handling the resolution process, stated in an interview that the disarmament was the

⁶² For instance, while Murat Karayılan, the head of the HPG (the PKK's armed wing) stated once that the disarmament would take place once constitutional reforms were implemented, Yalçın Akdoğan, one of the members of AK Party government who is in charge of the peace process, accused him of misunderstanding the process. Akdoğan claimed that the constitutional reforms would begin to be implemented once the disarmament was completed. See, respectively, Namik Durukan, “Silahsızlanma koşulu: Öcalan'a özgürlüktür”, in *Milliyet*, 1 May 2013, <http://www.milliyet.com.tr/d/t.aspx?ID=1701460>; “Yalçın Akdoğan: Karayılan süreci yanlış anlamış”, in *Akşam*, 26 April 2013, <http://www.aksam.com.tr/siyaset/yalcin-akdogan-karayilan-sureci-yanlis-anlamis/haber-199947>.

⁶³ Ali Bayramoğlu, *New Political Equilibrium and the Kurdish Question*, London, Democratic Progress Institute, 2014, p. 6, <http://www.democraticprogress.org/?p=2158>.

⁶⁴ Ibid.

only topic being discussed between the state and Öcalan and that the state would not negotiate anything other than this with him.⁶⁵ Instead, the PKK leaders and the HDP deputies have often stated that the resolution process involves three basic stages, withdrawal, democratisation, and disarmament, and that the democratisation stage involves both decentralisation in administration and education in Kurdish.

Moreover, the extent to which Öcalan and the state officials with whom he talked are authorised to finalise the terms of the agreement remained unclear for a long time. Since PKK circles often affirmed that Öcalan was the only person authorised to negotiate, this generated the impression in the Turkish public and the AKP government that the resolution process could be concluded by means of negotiations with Öcalan. However, it appeared that the PKK leaders had their own views and concerns about the terms of the process and that they had convinced Öcalan to acknowledge these concerns. This was sometimes presented by the AKP government and pro-AKP columnists as a schism between Öcalan and the PKK, with the latter unwilling to carry out the resolution process. However, the past two years have proven that the PKK wanted to inform Öcalan and be informed by him and that this was actually presupposed by Öcalan himself at the beginning of the third round.

However, the real problem lies on the other side. It has always remained unclear to what extent the state officials who meet with Öcalan are entitled to reach conclusions about the terms of a possible resolution. It is known that state officials have met with Öcalan countless times and that Öcalan prepared road maps, proposals, and frameworks for negotiations from these meetings. However, it has always remained unclear if and to what extent the state officials and the AKP governments approved Öcalan's texts.

The final reason precluding conclusion is that the AKP has often been squeezed between the requirements of the resolution process and those of success in the elections held during the process, and that it has prioritised the latter. In this sense, the fact that two elections and two referendums have taken place since 2009 has been a factor that has stretched the resolution process.

In spite of all these reasons, the resolution process has survived and this has its own reasons, in addition to those that motivated the two sides

⁶⁵ "Hatem Ete:Taslağın muhatabı devlet değil Kandil", in *Star Gazete*, 15 December 2014, <http://haber.star.com.tr/yazar/taslagin-muhatabi-devlet-degil-kandil/yazi-980745>.

to inaugurate the process. To begin with, neither side wanted to take the risk of being perceived by the public as the one that blocked the process. Second, both sides observed that the resolution process did not result in a weakening in their public support. Third, even though the AKP acted very slowly, it did still take some crucial steps, such as establishing the wise people council or enacting a framework law for the process. This made it very difficult for the PKK to withdraw from the process with the argument that the AKP had not done anything in return. Lastly, the talks between Öcalan and the state seem to have helped narrow the distance between the respective positions. There is an important difference between Öcalan's road map of 2009 and the ten-article draft of 2015, and that the latter is more acceptable to the state. This must have reinforced the state officials' trust in the process.

PROSPECTS: SUCCESS OR A FOURTH ROUND?

Despite all these problems prolonging the process, one could easily have maintained around the time of the Newroz in 2015 that the process was on its way and that it would have been concluded after the elections in June. It was evident that some key steps were taken in the last year. By the Newroz of 2015, the government had enacted a framework law for resolution and organised a joint hearing with the HDP deputies of the Öcalan-authored ten-article draft open to the public. The government had also agreed to insert a monitoring eye into the process and, more importantly, was content with the PKK's decision to cease the armed struggle against Turkey only, as the complete disarmament of the PKK in the current conditions in the Middle East had become unrealistic. That the PKK circles had also approved Öcalan's ten-article draft had given the impression that the process was on its way and could be concluded after the elections in June.

Instead, the whole picture is now different. It changed in only a few days following President Erdoğan's speeches about the course of the peace progress. First, Erdoğan stated that there was no longer any such thing as the Kurdish question thanks to the reforms implemented by the AKP government.⁶⁶ Later, he challenged the government's path in the resolution process and stated that he was not happy with the 28 February mee-

⁶⁶ "Cumhurbaşkanı Erdoğan: Kardeşim ne Kürt sorunu ya...", in *Radikal*, 15 March 2015, <http://www.radikal.com.tr/politika/-1314052>.

ting and the idea of inserting a third eye into the process.⁶⁷

Erdoğan's intervention came as a surprise as it indicated that there was a split between the government and the president over the way the resolution process was being carried out. The government's first response was that it was determined to carry out the process as planned.⁶⁸ After only a few weeks and a few meetings between the president and the members of the government, however, it appeared that the president had somehow persuaded the government that the third eye should not be brought in and that there should be no further advance before the elections in June 2015 or before the PKK took the decision to disarm.

HDP and PKK circles argue, rather convincingly, that the president's intervention into the process was due to the fact that Erdoğan realised and persuaded the AKP administration that, as of March 2015, the resolution process was no longer working to the benefit of the AKP. Instead, it has been helping the HDP in the last few months. Opinion polls show that the HDP might go beyond the 10 percent electoral threshold and gain more than 60 deputies in parliament. This could prevent the AKP from getting the majority needed in parliament to make constitutional changes and so realise Erdoğan's dream of a presidential system.

When the resolution process was put on hold at the end of March 2015, the expectation was that there would be no further move for the moment concerning the process and that the future of the process would be shaped by the results of the June elections. However, while the PKK and HDP side seem content with the picture before the elections and have not pushed for any further steps before the elections, the AKP side does not seem to be willing to reach the elections with the present picture, which is believed to be working in favour of the HDP. Instead, the resumption of military operations against members of the PKK launched in the mountains of Turkish Kurdistan after two years indicates that the government wants to arrive at the elections in June with a picture that is different from the present one. The speeches of AKP members and pieces written by columnists close to the AKP suggest that the government aims to change both its own and the HDP's current images. The image of "the AKP which negotiated with the PKK but failed to disarm it" is to be replaced with "the AKP determined to fight against terrorism." The current

⁶⁷ "Erdoğan: 10 maddeye de karşıyım!", in *Radikal*, 22 March 2015, <http://www.radikal.com.tr/politika/-1318912>.

⁶⁸ "Hükümetten Erdoğan'a rest!", in *Radikal*, 21 March 2015, <http://www.radikal.com.tr/politika/-1318566>.

image of the HDP is targeted as well. The current image of “the HDP as a new alternative in Turkish politics” and “the HDP as the only antidote to Erdoğan’s authoritarianism” is to be replaced with the image of “the HDP messing with terrorists.”

It seems that in the few weeks left before the elections there will be a struggle between the AKP and the HDP about their respective images in Turkish politics. While the HDP will try to maintain its image as the only party that is working hard for the settlement of the Kurdish question and that can stop Erdoğan’s dream of establishing a presidential system in Turkey, the AKP will try to present itself as more determined than ever in combatting the PKK and will try to ensure that the HDP is identified with terrorism.

Under these conditions, the prospects for the resolution process will be shaped by the results of the June elections. There are a few possible scenarios.

The first scenario is that the AKP will receive enough seats to enact a new constitution or take it to a referendum. If this happens, the AKP would draft a new constitution introducing a presidential system and become less willing to carry out the resolution process through negotiations with the PKK and Öcalan. Instead, it could embark upon resolving the Kurdish question by handing over less right to Kurds than demanded by the PKK/HDP and with less or no negotiation with the PKK and Öcalan. This could terminate the current resolution process until a fourth round commences.

The second and the most possible scenario is that the AKP may not win enough seats to introduce a new constitution and hence may try to gain the support of the HDP to enact a new constitution. In this case, the resolution process and negotiations could accelerate and be concluded in a few years. However, the Achilles heal of this scenario is the issue of the presidential system. The AKP could place “the presidential system in return for more rights for Kurds” dialectic at the heart of the negotiations. If the HDP remains resolute in its decision not to endorse the presidential system, it may be difficult to reach a consensus between the two sides about the terms of the resolution. In this case, the resolution process would stretch out again.

The third scenario would also arise if the AKP were unable to win enough seats to enact a new constitution. If the AKP and the HDP do not reach a consensus, the AKP could give up the idea of introducing a new constitution or could try to get the support of the MHP for a new constitu-

tion. In the first case, the AKP would be less enthusiastic about the resolution process, while in the second, the resolution process would certainly come to an end.

Lastly, there is a fourth scenario, which may arise if the AKP does not win enough seats to build a single-party government. This looks weaker than the first scenario, but if it were to come about, then the prospects for the resolution process would be shaped by the composition of the coalition government or, if a coalition government is not formed, by a new election.

18.

TTIP and EU-Turkish Economic Relations: Deepening the Customs Union

Kamil Yilmaz

Turkish aspirations to become a member of the EU date back to 1959. The long history of relations between the two sides has been characterised by oscillations. The Customs Union (CU) decision of the EU-Turkey Association Council on 22 December 1995 was an important milestone in this rocky relationship. Another critical juncture in history was turned thanks to the European Council decision on 17 December 2004 that opened the accessions negotiations with Turkey. Almost a decade apart, these two decisions made their mark on economic relations between the EU and Turkey in the path towards full membership.

Despite the deterioration in political relations between the two sides since the mid-2000s, the economic relationship remained more or less on track. In the early 2000s onward the EU started to sign free trade agreements with third countries, which forced Turkey to follow up with similar agreements, with some delay. But after a slow start, Turkey was able to adjust to the new rules of the game, until recently.

Since 2012, EU-Turkish relations have been haunted by the spectre of a new trade deal between the EU and the US, namely the so-called Trans-Atlantic Trade and Investment Pact (TTIP). TTIP is expected to be the most important preferential trade agreement (PTA) signed to date globally. Together, the US and the EU account for approximately 45 percent of global GDP and 48 percent of global trade. Turkey is one of the countries that will be adversely affected from TTIP. In reaction to the initiation of TTIP talks in 2013, the Turkish government declared its willingness to be part of the negotiation process, or to start negotiations towards a free trade agreement (FTA) with the US.

In this chapter, I focus on the future of the Turkish-EU economic relations in the wake of the initiation of US-EU negotiations on TTIP. First, based on secondary sources, I discuss the possible adverse effects of TTIP on the Turkish economy. Then, I discuss what Turkey, the US and the EU can do in order to minimise the adverse effects of TTIP on Turkey. In

particular, I analyze the possibility of an FTA with the US as well as the further intensification of the political and economic relations between Turkey and the EU. I also provide a brief assessment of how the CU contributed to the integration of the Turkish economy with the EU's. Finally, moving into the main focus of the essay, I argue that despite the existing political problems between the two sides, both Turkey and the EU have a substantial interest in deepening the existing CU rather than abandoning it, with both sides having invested so much for almost two decades.

THE IMPACT OF TTIP ON TURKEY

Having shown the importance of the CU for both Turkey and the EU, we can now evaluate the possible impact of TTIP on the EU, the US and other countries, including Turkey.

The US and the EU already have lower tariffs on imports from each other compared to imports from third countries. As a result, the removal of tariff barriers with the TTIP will not make a significant impact on the bilateral trade flows between the two sides of the Atlantic. The most important gains to both sides are expected to accrue as a result of the removal of non-tariff barriers (NTBs).¹ Furthermore, in terms of NTBs the US-EU bilateral trade depicts an unbalanced/asymmetrical picture; NTBs imposed by the EU on imports from the US are more restrictive than the ones imposed vice versa. Once the EU removes NTBs on imports from the US, the competitive effect will be felt more in the European market. According to Felbermayr and Larch's study, the US will have an income increase of 13.4 percent, while the income gains of the EU member countries will range between 2.6 and 9.7 percent.²

However, the resulting increase in the bilateral trade of the two countries will be at the expense of their respective trade with third countries. As the EU lifts the barriers to its imports from the US, American goods will start competing with goods from the EU's FTA partners, who previously enjoyed preferential treatment. The market share of the American goods will increase, while the respective market shares of the goods from the

¹ Gabriel J. Felbermayr and Mario Larch, "The Transatlantic Trade and Investment Partnership (TTIP): Potentials, Problems and Perspectives", in *CESifo Forum*, Vol. 14, No. 2, June 2013, p. 49-60, <http://www.cesifo-group.de/ifoHome/publications/docbase/details.html?docId=19093256>.

² *Ibid.*, p. 55.

EU's preferential trade partners will decrease. Turkey could face a similar trade diversion effect in the case of the US market, but the size of this effect is likely to be much smaller compared to the one faced in the EU market.

The impact of TTIP on the two countries' preferential trade partners will be the most significant. Turkey and the major developing and developed countries that are not part of the agreement will incur income losses. The impacts of TTIP are expected to be the largest in Canada and Mexico, whose long-run welfare losses are estimated to reach 9.5 percent and 7.2 percent of their respective GDPs. The long-run welfare effects on Turkey of a comprehensive liberalisation is estimated to be close to -2.5 percent of GDP.³

The econometrics-based analysis of Felbermayr and Larch produced quite high estimates of the impact of TTIP on various countries. Other studies that use computable general equilibrium (CGE) models came up with more modest and more realistic estimates of TTIP's impact. For example, the estimated real income gains in Francois et al. fall into the 0.10-0.48 percent of GDP range in the case of the EU, and in the 0.04-0.39 percent of GDP range in the case of the US.⁴

Another CGE-based study of the impact of TTIP was conducted by researchers from the Central Bank of Turkey.⁵ The study of Güneş et al. is relevant for our analysis because it focuses directly on the impact of TTIP on Turkey and considers two alternative scenarios. In the first scenario, where Turkey is unable to join the TTIP agreement (no FTA is signed with the US), Turkish GDP declines by a maximum of 4 billion dollars per year (half a percent of 2012 GDP), along with a maximum of half a percent decline in Turkish exports. In the second scenario, where it is assumed that a Turkish-US FTA is signed, Turkish GDP increases by 31 billion dollars (approximately 4 percent of 2012 GDP), along with close to a 7 percent increase in Turkish exports.

These estimates are quite important because rather than just focusing

³ Ibid.

⁴ Joseph Francois et al., *Reducing Transatlantic Barriers to Trade and Investment: An Economic Assessment*, London, Center for Economic Policy Research (CEPR), March 2013, <http://trade.ec.europa.eu/doclib/html/150737.htm>.

⁵ Didem Güneş, Merve Mavuş, Arif Oduncu, "AB-ABD Serbest Ticaret Anlaşması ve Türkiye Üzerine Etkileri" (The EU-US Free Trade Agreement and Its Impact on Turkey), in *CBT Research Notes in Economics*, No. 13/30 (26 November 2013), <http://www.tcmb.gov.tr/wps/wcm/connect/e23c8575-44bd-4eab-ab52-c14286482258/EN1330.pdf?MOD=AJPERES&CACHEID=e23c8575-44bd-4eab-ab52-c14286482258>.

on the losses Turkey would suffer from being left out of the TTIP process, they underline how significant the potential gains for Turkey could be in signing an FTA with the US. Furthermore, Güneş et al. also show that finalising an FTA deal between Turkey and the US would be beneficial for both the US and the EU as well. According to the study, the income gains could reach to 0.2-0.3 percent of the GDPs of the EU and the US, compared to the scenario without the Turkish-US FTA. While it might look small in percentage terms, in real terms the estimates amount to 30-50 billion dollars, which is not negligible and is quite close to the gains that will accrue to the Turkish side.

For Turkey, the main threat from TTIP will stem from the removal of the non-tariff barriers (namely, technical specifications, standards, etc.). As US exports will enter the EU market freely following the reduction in tariff and non-tariff barriers, Turkish exports to the EU (approximately 70 billion dollars a year) will be adversely affected through trade diversion. Furthermore, the possibility of trade deflection (US exports entering Turkey through the EU at zero tariffs) will also affect Turkey. However, given that the total amount of US exports to the EU is almost five times that of US exports to Turkey, the effect of the trade deflection will be less than the impact of the competition from American goods in the EU market.

At the moment almost all sectors are going on the offensive, arguing that they would be badly affected by TTIP. We know, however, that not all of these claims are true. Those sectors that are already having a hard time entering the US market due to high tariff and non-tariff barriers are grabbing this opportunity to push for an FTA deal with the US. Despite this fact, some sectors of the Turkish economy are likely to be affected. The petrochemicals, automotive, iron and steel, metal products, chemical and plastic materials, machinery and equipment, and textiles industries are among the Turkish manufacturing sectors that could be adversely affected by the US competition in the Turkish and EU markets.

TTIP AND PROSPECTS OF A US-TURKEY FTA

As I've already pointed out above, the empirical analysis of Güneş et al. has significant implications for the direction of economic policy. The fact that both the US and the EU will gain from the active involvement of Turkey in the TTIP process significantly changes the game plan for policy makers in all three countries. First, despite what the Turkish Government

and many business leaders claim, Turkish losses from the TTIP may not be very large. Yes, 4 billion dollars is not negligible, yet it is not as large as one would have thought after listening the Turkish officials speak on the subject. Second, the fact that both the EU and the US as well as Turkey will gain from Turkish involvement in the process (through a Turkish-US FTA) means that all sides should try to do their best in good faith to reach the best outcome.

Given the history of their political and economic relations with Turkey, American leaders cannot ignore the genuine requests of the Turkish government officials seeking to sign an FTA. The US side knows quite well that the details of an FTA between the two sides have to be worked out such that in the end it will bring gains to both sides. In that case, the Turkish side should also be ready to accept some of the Americans' possible demands.

While it makes a lot of sense for the Turkish side to pursue an FTA deal with the US, it is likely to prove quite difficult to finalise this deal given what the US may ask from the Turkish government in the negotiations. The US will be keen on including the agriculture and service sectors in the negotiations, along with the liberalisation of the public procurement laws and improvements in the protection of intellectual property rights as well as the protection of investors' rights. Each of these issues will prove difficult for the Turkish government, as they will increase the pressure on the government to address problems in these sectors with more effective domestic policies.

Another possible alternative for Turkey is to pursue the so-called "docking" clause advocated by the US for the eventual inclusion of Japan, Thailand and other countries in the Trans-Pacific Partnership (TPP), which is currently in the negotiation phase. It's been argued that Turkey could, in principle, ask the US and the EU to incorporate the necessary docking clause into the TTIP agreement. However, a closer look at the docking clause reveals that it would not be an easier alternative to pursue. To start with, there are substantial differences between the two PTAs. While the TTIP includes the US and the EU only, TPP includes close to a dozen countries in the Pacific Region. There are still many others that prefer not to be party to the TPP agreement at the moment. The US proposal, therefore, aims at keeping the door open for those countries that decided to stay out of the TTP agreement. TTIP, on the other hand, is negotiated exclusively between the two most advanced economies in the world. Leaving the door open for another country with a very different

economic structure and level of development is not viable. The docking clause implies that the country that joins in the future will accept the already agreed terms completely. It would not be in the best interest of Turkey to accept the final agreement and join the TTIP.⁶

Whether Turkey pursues an FTA deal with the US or asks the US and the EU to include a docking clause for an eventual Turkish partnership to the TTIP, the US government's decision will have to be ratified by the US Congress. While the Obama administration still sees Turkey as a "strategic partner," the political relations between the two sides are nowhere close to a partnership, albeit a strategic one. AKP's insistence in pursuing alternative policy perspectives in the Middle East (especially in Syria and Egypt) and in Ukraine irritates Turkey's allies, including the US. Consistent with these developments Turkey no longer has strong support in the US Congress. Indeed, a large number of Congress members have voiced their concerns over the apparent move of AKP towards a more authoritarian rule in Turkey as well as the increasing divergence between Turkish and American foreign policy moves. In such a political atmosphere, the ratification of an FTA with Turkey by Congress might prove to be quite difficult over the next couple of years. If the AKP government wants a more cooperative response from the US towards an FTA, it would need to be open to more cooperation with the US in its foreign policy in the Middle East and Ukraine. After all, closer economic relations between countries cannot be built upon troubled political relations.

The fact that Turkey has so far faced and will continue to face formidable difficulties in signing an FTA with the US pushes us to turn our attention to the EU side. Yes, it is true that Turkey will be affected once the EU-US TTIP agreement goes into effect. Equally important, however, are the FTAs the EU will sign with other countries, which will continue to have adverse effects on the Turkish economy. The EU should be ready to acknowledge this fact, and contemplate the possible legislative changes to minimise the adverse effects of these agreements on the Turkish economy. The most feasible alternative seems to be the one where Turkey holds negotiations with the third country in a parallel track to the negotiations between the country in question and the EU. By revising the "Turkey Clause," which has already been included in such agreements without any forces placed on the third country, the EU can make sure that

⁶ Kemal Kirişçi, "Turkey and the Transatlantic Trade and Investment Partnership - Boosting the Model Partnership with the United States", in *Brookings Turkey Project Policy Papers*, No. 2 (September 2013), <http://brook.gs/1wMU8Ix>.

the third country will have stronger incentives to start negotiations with Turkey and complete them soon after its negotiations with the EU have concluded.⁷

TTIP AND THE FUTURE OF EU-TURKISH RELATIONS

Having touched upon the role the EU can play in the initiation of FTA negotiations between the third country and Turkey, we can now turn to underline the deep economic relations between the EU and Turkey.

The Customs Union decision between Turkey and the EU went into effect in 1996. Both Turkey and the EU have gained substantially from deeper economic relations since 1996, and especially after 2004. Since 1996, the Turkish economy has become more integrated with the EU economy than any other non-member country in the European periphery. Once the CU went into effect, the opening up of the Turkish market to European competition forced Turkish firms to undertake new investments in the late 1990s and adapt to new economic conditions. When the economic and financial crisis hit Turkey in 2001 and the domestic demand collapsed, the Turkish manufacturing industry had already started producing higher quality products that could be sold in the European market. The forced adaptation to the new environment shaped by the CU, therefore, contributed significantly to the fivefold increase in Turkish exports, from 31 billion dollars in 2001 to 152 billion dollars in 2012.⁸

For the Turkish side, the integration with the EU economy and the harmonisation of its rules and regulations with those of the EU brought the most significant benefits. The harmonisation of the Turkish competition law, customs, quality and technical standards and statistics with those of the EU led to an upgrade of the institutional infrastructure facing the producers. The new environment provided incentives for Turkish producers to streamline their trade practices with one of the most developed regions of the world and hence improve the quality of their exports as well as the products sold domestically to Turkish consumers.⁹

⁷ World Bank, *Evaluation of the EU-Turkey Customs Union*, Report No. 85830-TR, 28 March 2014, p. 29-30, <http://hdl.handle.net/10986/20444>.

⁸ Kamil Yilmaz, "The EU-Turkey Customs Union Fifteen Years Later: Better, Yet Not the Best Alternative", in *South European Society and Politics*, Vol. 16, No. 2 (June 2011), p. 235-249.

⁹ The sophistication of Turkish exports increased 20 percent from 1997 to 2007. See World Bank, *Trading Up to High Income. Turkey Country Economic Memorandum*,

Furthermore, following the candidate country status, the Turkish economy benefited substantially from the direct investments undertaken by the European firms in manufacturing and services sectors. Between 2005 and 2013, Turkey received 109 billion-worth dollars of foreign direct investment inflows; 70 percent of those inflows originated from the EU member countries. The EU continues to be the single most important market for Turkish exporters, both in terms of the value of exports and the learning experience in export markets.

The EU also benefitted from increased integration, as Turkey has become the EU's fifth export market. European firms that increased their presence in Turkey directly or indirectly benefitted substantially from the more than fourfold increase in Turkish GDP, from 195 billion dollars in 2001 to 822 billion dollars in 2013. European banks invested billions of euros after the December 17, 2004 decision in Turkey, and they currently control some of the biggest private banks in Turkey. Many European firms use Istanbul as their regional headquarters. Subsidiaries or joint ventures of the European firms operating in Turkey export not only to Europe but also to the Middle East, Africa and Central Asia.

In the early 2000s, the EU started to negotiate bilateral preferential trade agreements with its major trade partners. Due to the asymmetric nature of the CU, the EU need not get Turkish approval before negotiating with the third countries. After a slow start, Turkish trade diplomacy gained substantial expertise in finding ways to protect the Turkish economy by negotiating similar free trade deals; since the early 2000s, Turkey has signed FTAs with 19 countries. Despite these successes, however, there were some countries, such as Algeria, Mexico and South Africa, with which Turkey could not finalise FTA deals.

Despite the diminishing appetite for reforms in Turkey and the sporadic outbursts of political tensions between the two sides, the EU would benefit from holding Turkey at bay in the medium term and eventually making it a full member of the EU. Without the EU anchor, Turkey would only deviate from the reformist path further, strengthening the recent tide towards a more authoritarian rule in the country. As the only stable and working democracy in a politically and economically unstable region, Turkey moving away from the EU membership path would further weaken Western influence in the region and lead to more tensions among different countries in the region, as well as between the region and the European Union itself. Subsidiaries of European companies in Turkey are

important players in both the domestic and export markets. In that regard, letting Turkey move away from the EU would hurt the profit potential of the European companies located in Turkey.

As we have highlighted above, the Turkish side is focusing on the possible effects of TTIP on its economy. What is at stake, however, is more than that. It has been almost two decades since the CU agreement was signed. Unlike the claims of its opponents at the time, the CU was not a major blow to Turkish economy. To the contrary, it provided Turkish businesses with significant incentives to invest and improve production technology and quality, which in turn helped them become more competitive.

Almost a decade after the CU decision, the European Council's December 2004 decision provided another major impetus to the process of integration of the Turkish economy with the European economy. Now, another decade after the European Council decision, business interests in the industrial sectors on both sides are aligned with each other, and there are many European firms operating in Turkey. It is in their interests to see the Turkish economy become fully integrated into the European economy.

Therefore, despite problems on the political front, the next step is to strengthen economic relations by deepening and widening the CU further. The deepening of the CU should address the full harmonisation of the technical and legal aspects of trade between the two sides and against the third parties.

On the Turkish side, the deepening of the CU entails full alignment of all technical regulations. While Turkish goods exported to the EU are assumed to comply with all technical regulations of the EU that is not the reality. The full adoption of Chapter 1 (Free Movement of Goods) of the *acquis* can be achieved by the compliance with all technical regulations of the EU. In addition, Turkey has to further harmonise its list of technical barriers to trade with that of the EU.

As part of the deepening, the European side should propose a solution to the visa problems and transit rights that cause all Turkish citizens who do business with the EU to suffer one way or the other. Another important outstanding issue that should be addressed by the EU pertains to restrictive transit road transport permits issued to Turkish trucks, which create obstacles to the free movement of goods.

Along with the deepening of the CU, both sides should undertake steps to widen the CU towards other sectors such as agriculture, services, public procurement, etc. Let us start with agriculture. Both the US and the

EU have voiced their concerns about very high import protection rates for Turkish agriculture. Protection rates are especially high for imports of tea, some dairy products, processed meat and live animals. Turkish agricultural tariffs reach as high as 130 percent in the case of fresh fruits and vegetables and squeezed fruit juice. According to the WTO, in 2011 the average Turkish tariff on agricultural imports was 41.7 percent, compared to 13.9 percent for the EU. Liberalising bilateral agricultural trade and adopting the EU's common external tariff for agriculture would imply a significant fall in import protection of Turkish agriculture for many products.¹⁰

Unfortunately, the widening of the CU to include agriculture should be gradual rather than quick. This is so because the agriculture sector is one of the least efficient sectors in Turkey. Dominated by small producers, the productivity of the agriculture sector is quite low. While the sector accounts for around 25 percent of employment, it contributes less than 10 percent of GDP. Compared to the EU and the US, where the sector's share in total employment (1-2 percent) is less than its share in output (approximately 3 percent), a crude measure of average productivity in Turkish agriculture is much lower than that of the EU and the US.

That is perhaps the reason why the EU mostly liberalised its imports from Turkey without asking for a reciprocating move by the Turkish side after the CU went into effect. However, we know that in all FTA negotiations the US brings agriculture to the negotiation table. Once the US brings agriculture to FTA negotiations, we can expect the EU to do so as well. According to a study by the World Bank, including the agriculture sector in a trade deal with the US or in the deepening of the CU will improve Turkish welfare and real income in the long run. While this may be correct, the economic and social costs of adjustment in the short-to-medium term may prove to be high for Turkish governments to carry. A drastic liberalisation of agriculture trade may lead to a significant increase in the Turkish unemployment rate, which is already high.

Even though manufacturing and agriculture remain important sectors of the economy, modern economies are dominated by the service sectors, and the Turkish economy is no exception to this rule. The service sectors account for close to two-thirds of the Turkish GDP, while the remaining one-third is accounted for by industry, construction and agriculture. Turkey is a net exporter of services, but the bulk of Turkish service exports are accounted for by construction and tourism services.

¹⁰World Bank, *Evaluation of the EU-Turkey Customs Union*, cit., p. 63.

As the CU helped Turkey improve the competitiveness of its industry in the late 1990s and throughout the 2000s, an FTA with the US and the widening of the CU to include services will help transform Turkish service sectors. This is especially the case with the sectors that provide crucial inputs in the production and marketing of manufacturing products both domestically and internationally, such as finance, transportation, communication and energy.

When we have a closer look at the service sectors, the picture that emerges is not very encouraging. The Turkish service sectors are characterised by the lack of competition. For example, while professional services (such as legal, financial, notary, etc.) account for approximately 20 percent of the value added in the country, there is very little competition in the sector, as prices are set by the government or by professional associations.

The Turkish domestic regulatory regime, which is crucial for the enhancement of competition in the service sectors, is one of the most restrictive among the OECD economies. For example, the practice of setting minimum fees for these services inhibits competition among the firms, which in turn leaves service prices high for the consumers and firms that demand these services. In addition, the existing barriers to entry in the potentially competitive service sectors inhibit the growth potential of the sectors as well as the Turkish economy as a whole.

It has been shown that falling prices will increase access to these services and hence improve the productivity of the downstream manufacturing industry firms. According to some estimates, limiting the restrictiveness of the regulatory regime and improvements in the competition framework of the service sectors will foster productivity growth, which in turn are estimated to generate 0.5-1.0 percentage points improvement in the average annual growth rate.¹¹ Conservative estimates indicate that reducing regulatory and competition constraints on professional and transport services would result in benefits of at least 557 million dollars in additional value added to the economy per year.¹²

Finally, in the case of the further deepening of trade relations between the two countries, both the EU and the US will ask Turkey to open up the markets for public procurement. In fact, the CU agreement of 1995 fore-

¹¹ World Bank, *Republic of Turkey Reform for Competitiveness Technical Assistance. Fostering Open and Efficient Markets through Effective Competition Policies*, Report No: ACS2430 (23 September 2013), p. 24-25, <http://hdl.handle.net/10986/17010>.

¹² *Ibid.*, p. 25.

saw the future expansion of the CU to include public procurement markets. However, as a result of the vague language of the respective article in the CU agreement, the Turkish government did nothing towards opening up the public procurement market to EU companies.¹³ However, with the Turkish government's venture towards a more opaque institutional framework in recent years, public procurement has become one of the areas about which the EU side complained the most in recent years. Perhaps the debate over the TTIP and the need for a more comprehensive effort to integrate the Turkish economy with the EU will convince the Turkish government to increase the transparency of public procurements and allow the participation of foreign companies in these markets.

CONCLUSIONS

The Turkish government should by now well understand that it would not be possible to include Turkey in the TTIP negotiation process directly. Turkey's best policy action is to negotiate an FTA with the US. The fact that the two sides have a strategic partnership should make such a deal easier. Furthermore, business representatives in both countries expressing their desire to establish stronger ties between the two sides will make such a move politically feasible as well.

The debate over the impact of TTIP on the Turkish economy provides an opportunity for the EU and Turkey to further the integration of the Turkish economy with that of the EU. As part of an effort to deepen the CU, the EU should ask for Turkey to implement the incorporation within the CU of the hitherto excluded services, agriculture, and public procurement, as well as stricter enforcement of the legislation on intellectual property rights. Without any doubt, these steps will force Turkish businesses to adapt to new rules and regulations while facing increased competition in the domestic market.

Last but not least, one should never lose sight of the importance of Turkey's political integration with the EU. It's been ten years since the EU decided to start accession negotiations with Turkey. As many commentators have observed, there has been little progress on the political front in bringing Turkey closer to full membership. Within the last nine years of accession negotiations, only 14 of the 35 chapters of the *acquis*

¹³Sübiday Togan, "On the European Union-Turkey Customs Union", in *CASE Network Studies & Analyses*, No. 426 (June 2011), <http://www.case-research.eu/en/node/55942>.

communautaire were opened; only one was closed. In the last four years in particular, only one chapter was opened. Along with a deeper economic integration, the EU should start opening chapters critical for political and institutional as well as economic integration of Turkey with the EU. Without opening Chapter 23 (Judiciary and fundamental rights) and Chapter 24 (Justice, freedom and security), the EU will have no ground in pressuring the Turkish government to reverse the limitations it recently imposed on individual rights, freedom of press, and political interventions in the justice system.

19.

Turkey's Trade in Search of an External Anchor: The Neighbourhood, the Customs Union or TTIP?

Kemal Kirişci and Sinan Ekim

Economically, Turkey is at a crossroads. One of the distinguishing aspects of Turkey's economic success story, according to a World Bank report published in December 2014, was the growth in its foreign trade.¹ In the course of the last three decades, Turkey became deeply integrated with the global economy. Its foreign trade increased from 19.3 billion dollars in 1985 to 400 billion in 2014. Reforms to liberalise the Turkish economy and transform it from an import-substitution to an export-oriented one played a critical role in this development. This helped the "openness" (the ratio of trade and services to GDP) of the Turkish economy to experience a dramatic increase, from 11 percent in 1970 to 58 percent in 2012.²

Turkey's Customs Union with the European Union, signed in 1995, played a critical role as well. Bilateral trade between Turkey and the EU increased almost sixfold from 28 billion dollars in 1995 to approximately 158 billion in 2014,³ making Turkey Europe's sixth largest trading partner and the EU Turkey's largest.⁴ The arrival of Foreign Direct Investment (FDI) from the EU, accompanied by the introduction of Customs Union standards and regulations into Turkey's manufacturing sector, also increased the demand for Turkish exports in the immediate neighborhood.⁵ These developments brought about an almost twentyfold increa-

¹ Martin Raiser and Marina Wes (eds.), *Turkey's Transitions. Integration, Inclusion, Institutions*, Report No. 90509-TR, Washington, World Bank, December 2014, <http://hdl.handle.net/10986/20691>.

² *Ibid.*, p. 64.

³ Unless otherwise stated, all the statistical information employed in this report has been calculated from data from TURKSTAT. The relevant excel data document can be obtained from the authors.

⁴ European Commission DG Trade, *European Union, Trade in goods with Turkey*, last updated 27 August 2014, p. 10, <http://trade.ec.europa.eu/doclib/html/113456.htm>.

⁵ The neighborhood is defined as Greece, Bulgaria, Moldova, Ukraine, Russia, Azerbaijan, Georgia, Iran, Iraq and Syria. Cyprus and Armenia are not included, as Turkey does

se in Turkey's foreign trade in this region between 1995 and 2012, over which time trade soared from 4 billion dollars to 92 billion. The Customs Union created a somewhat paradoxical situation: as Turkey's integration with its neighborhood expanded, the EU's place in Turkey's foreign trade dropped from a peak of 49 percent in 1995 to 38 percent in 2012. While the percentage of trade with Europe decreased, however, trade with the rest of the world picked up.

As violence in the Middle East persists and Russia remains embroiled in the Ukrainian crisis, this picture is quickly changing. Turkey's exports to the Middle East, with the exception of Israel, have dropped dramatically. In the case of Egypt and Iran, for instance, exports have plummeted 10 and 61 percent respectively between 2012 and 2014, while exports to the Arab world dropped by 5 percent. Turkey's exports to Syria and Iraq have not been doing well either.⁶ More recently, the deterioration of the situation in Libya has culminated in Turkish Airlines suspending its flights, and Turkish businesses being told to leave the country.⁷ Similarly, Turkey's exports to Russia and Ukraine between 2013 and 2014 fell by 15 and 21 percent, respectively. Given the chaos reigning in Turkey's neighborhood, these trends are likely to continue in the near future. Meanwhile, exports to the recession-stricken EU increased by 9 percent and to the US by 13 percent for the same period.

This is occurring at a time when Turkey appears to be stuck in a "middle income trap," and is about 2,000 dollars GDP per capita short from making it into the cohort of high-income countries.⁸ Why Turkey has become stuck in this "trap" is closely related to the deteriorating domestic political situation; the Turkish economy is also facing a wide array of structural challenges, ranging from a loss of competitiveness to chronic levels

not have direct and formal trade with these two countries.

⁶ Turkey's exports to Syria collapsed from 1.8 billion dollars in 2010 to less than half a billion in 2012. Since then it has increased again to 1.8 billion in 2014. All this trade now goes to rebel-held areas. The Syrian government suspended the free trade agreement with Turkey in 2011. Trade with Iraq has been adversely affected by the increased instability resulting from the violence perpetrated by the Islamic State. Whereas exports to Iraq in the last quarter of 2013 were valued at 3.5 billion dollars, they dropped down to 2.9 billion during the same period in 2014. 65 percent of Turkey's trade with Iraq, however, is concentrated in Northern Iraq and the Kurdistan region, where the Islamic State has not seized power. Mehmet Cetingulec, "Iraq crisis hits Turkish economy", in *Al-Monitor*, 18 June 2014, <http://almon.co/243o>.

⁷ "Turkish Airlines becomes last foreign carrier to end flights to Libya", in *The Guardian*, 6 January 2015, <http://gu.com/p/44jkb/stw>.

⁸ Martin Raiser and Marina Wes (eds.), *Turkey's Transitions*, cit., p. 18.

of current account deficits.⁹ In order to come out of this “trap,” Turkey needs to adopt a series of economic and political reforms. These must be geared towards boosting confidence in governance to attract the needed investments, but must also train the kind of human capital that can produce high technology exports. In the absence of such structural reordering, Turkey will continue to look like a typical successful manufacturing economy of the past century rather than one from the 21st.

Then, what should Turkey do to write another chapter to its economic success story, and become one of the ten largest economies by the centenary of the Republic in 2023, as Turkey’s leadership has promised?¹⁰ This chapter will argue that, in addition to the recommendations offered in the World Bank report, Turkey needs an external anchor that serves the function fulfilled by the Customs Union during the last two decades. These external anchors could be an upgraded Customs Union, Turkey “docking”¹¹ to the Transatlantic Trade and Investment Partnership (TTIP), and the conclusion of a free trade agreement between the US and Turkey.

Accordingly, the report is divided into three sections. The first section will briefly discuss TTIP and the challenges Turkey needs to tackle in order to join TTIP. The second section will look at the Customs Union and examine the hardships that are likely to accompany its upgrading. The third section will then put forward the view that the Turkish government should demonstrate the political will to upgrade the Customs Union, while advocating (preferably in coalition with other affected countries) the idea of keeping an open architecture for TTIP. In conclusion, the authors will argue that, just as the Customs Union played a critical role in Turkey’s integration into the global economy, upgrading it will have a similar im-

⁹ Ibid.; Galip Kemal Ozhan, “The Growth Debate Redux”, in Kemal Derviş and Homi Kharas (eds.), *Growth, Convergence and Income Distribution: The Road from the Brisbane G-20 Summit*, Washington, Brookings Institution, November 2014, p. 169-178, <http://brook.gs/10NC9rx>; Ziya Öniş and Mustafa Kutlay, “Rising Powers in a Changing Global Order: The Political Economy of Turkey in the Age of Brics”, in *Third World Quarterly*, Vol. 34, No. 8 (2013), p. 1409-1426; Bipartisan Policy Center, “Fragile or Favored? Prospects for Turkey’s Economy in 2015”, in *National Security Reports*, March 2015, <http://bipartisanpolicy.org/library/fragile-or-favored-prospects-for-turkeys-economy-in-2015>.

¹⁰ See the AKP’s Manifesto *Political Vision of AK Parti for 2023: Politics, Society and the World*, 30 September 2012, <http://www.akparti.org.tr/english/akparti/2023-political-vision>.

¹¹ “Docking” is a term that has been used to refer to countries joining TPP negotiations on the condition that they are prepared to accept what the previous round of negotiations has achieved. “Docking” is also increasingly being used to refer to the possibility of third countries joining TPP after the agreement comes into effect. In this report “docking” is used to refer to the possibility of Turkey acceding to TTIP, if TTIP is indeed concluded in a manner that would allow third countries to join it after its conclusion.

pact. The EU is also advised to respond, as closer economic cooperation with Turkey will benefit the EU too, especially in terms of GDP growth and employment ratings. Progress on this matter is also likely to strengthen Turkey's hand in the next round of deliberations regarding TTIP, or the prospects of negotiating a bilateral free trade area with the US.

THE SIGNIFICANCE AND PROBLEMS OF TTIP

Early in February 2015, the EU and the US concluded their eighth round of negotiations on TTIP.¹² Negotiators focused on issues of consistency in regulations, protection of human and plant health, and technical obstacles to trade. Despite speculations that the likelihood of an agreement emerging before the end of the Barack Obama administration is slim, the leadership on both sides remains committed to the project. There are calls for completing negotiations by the end of next year: the European Commissioner Cecilia Malmström and the US Trade Ambassador Michael Froman have both instructed their delegations to “intensify [their] talks and make as much progress as possible this year.”¹³

President Obama has also confirmed his commitment to forging closer economic cooperation with the EU, since he believes that TTIP will complement his efforts to conclude the Trans-Pacific Partnership (TPP) this year.¹⁴ The President sees these two “mega trade deals” not only as sources of economic growth, but also as an opportunity for “the West” to “write the rules” for the 21st century trade.¹⁵ It is with this in mind that he is pushing Congress to adopt the necessary legislation that will grant him the Trade Promotion Authority (TPA).¹⁶ TPA will allow him to submit TPP and TTIP to Congress for ratification as a whole without the possibility for Congress to introduce amendments.¹⁷ What is promising is that the

¹² See comments by EU chief negotiator Ignacio Garcia Bercero: European Commission, *TTIP Round 8 - final day press conference*, Brussels, 5 February 2015, <http://trade.ec.europa.eu/doclib/html/153110.htm>.

¹³ Ibid.

¹⁴ White House, *Remarks of President Barack Obama, As Prepared for Delivery State of the Union Address*, 20 January 2015, <http://wh.gov/i20Pr>. TPP involves twelve East Asian and Pacific countries together with the US. South Korea, who already has the most advanced free trade agreement with Washington, is likely to join TPP negotiations as well.

¹⁵ Barack Obama, “Writing the Rules for 21st Century Trade”, in *The White House Blog*, 18 February 2015, <http://wh.gov/ibFDB>.

¹⁶ White House, *Weekly Address: We Should Make Sure the Future Is Written by Us*, 21 February 2015, <http://wh.gov/ijx0k>.

¹⁷ For a discussion of TPA and the role of Congress see Ian F. Fergusson, “Trade Promo-

Republican members of Congress seem to be the President's staunchest allies.¹⁸ It is therefore becoming more likely that TPP negotiations will reach a conclusion by the end of 2015, even if the ratification process takes much longer.

The internal developments within the EU, however, are not as auspicious. There are undercurrents of skepticism and concerns about the neoliberal outlook of TTIP. Some Europeans are afraid of debasing their high standards on regulatory protection, as well as overturning EU laws on genetic engineering, environmental protection and food quality.¹⁹ The broad swath of the European public is also under the impression that the agreement is likely to benefit global corporations at the expense of local businesses, and may even pressure agricultural farms into bankruptcy. Another contentious issue has been that the investor-state dispute settlement (ISDS) regulation could allow investors to bypass domestic courts and take governments to international arbitration tribunals. Still, all European governments have given their mandates in favor of including some form of a reformed ISDS mechanism in TTIP.²⁰ These concerns are balanced by a supportive business world. BusinessEurope is a staunch advocate of TTIP, and its director-general stated that "TTIP offers the right platform for the EU and the US to agree on a 21st century investment chapter that includes ISDS."²¹ In general EU officials as well as Members of the European Parliament expect that TTIP will eventually be adopted, given that it would positively impact the EU's ailing economy in terms of both growth and employment.²²

There are a number of factors that imbue TTIP with significance. Firstly, TTIP negotiations aim to go well beyond traditional trade liberalisation focusing on lowering or removing customs tariffs. They address the more

tion Authority and the Role of Congress", in *CRS Reports*, No. RL33743 (23 January 2015), <http://fas.org/sgp/crs/misc/RL33743.pdf>.

¹⁸ Jonathan Weisman, "Left and Right Align in Fighting Obama's Trade Agenda", in *The New York Times*, 9 February 2015, <http://nyti.ms/1EU76w2>.

¹⁹ Christoph Pauly, "Free Trade Faults: Europeans Fear Wave of Litigation from U.S. Firms", in *Spiegel Online*, 26 January 2015, <http://spon.de/aeqdl>.

²⁰ Aline Robert, "France makes U-Turn on TTIP arbitration", in *EurActive*, 27 February 2015, <http://www.euractiv.com/node/312459>.

²¹ James Crisp, "ISDS Decision delayed till the end of TTIP talks", in *EurActive*, 13 January 2015, <http://www.euractiv.com/node/311234>. See also BusinessEurope, *Why TTIP matters to European Business*, April 2014, <http://www.besnesseurope.eu/content/default.asp?PageID=867>.

²² Statements made at meetings and during private conversations with the MEPs and officials from the European Commission in Washington, DC.

significant issue of non-tariff barriers (NTBs); aim to achieve greater regulatory coherence, possibly by way of mutual recognition of regulatory certifications and approvals; and aspire to move to a WTO-plus agenda to govern reciprocal investments and open up new sectors such as agriculture, government procurements and services to greater international competition. These new rules are expected to boost transatlantic investment and trade, which in return is expected to produce a favorable impact on economic growth and employment.²³ In 2013, the EU and US had engaged in trade in goods equaling 787 billion dollars,²⁴ corresponding to roughly 2.2 billion per day. If TTIP succeeds in creating a “truly seamless Atlantic market,”²⁵ it will comprise close to one billion consumers that will generate 34 trillion dollars-worth of economic activity (see Table 1), more than almost forty times the Turkish GDP.

Secondly, if TTIP enters into force, it will apply to a geographic area that generates more than 45 percent of world GDP, and close to 27 percent of world trade (see Table 1).²⁶ In this geography TTIP seeks to put into place a “new trade rulebook” on issues like labor, the environment, investment, competition policies and state-owned enterprises. These new standards will implement a “state of the art” trade regime and set a precedent for future trade negotiations. Countries excluded from both trading arrangements would either have to accept less favorable access

²³ For a selection of impact studies, see Gabriel Felbermayr, Benedikt Heid and Sybille Lehwald, *Transatlantic Trade and Partnership (TTIP): Who Benefits from a Free Trade Deal*, Gütersloh, Bertelsmann Stiftung, June 2013, <http://www.bfna.org/publication/transatlantic-trade-and-investment-partnership-ttip-who-benefits-from-a-free-trade-deal>. See also Joseph Francois et al., *Reducing Transatlantic Barriers to Trade and Investment: An Economic Assessment*, London, Center for Economic Policy Research (CEPR), March 2013, <http://trade.ec.europa.eu/doclib/html/150737.htm>. The European Commission has commissioned an additional and more thorough impact study: Ecorys, *Trade Sustainability Impact Assessment on the Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the United States of America (Final Inception Report)*, Rotterdam, 28 April 2014, <http://trade.ec.europa.eu/doclib/html/152512.htm>.

²⁴ Daniel S. Hamilton, “TTIP’s Geostrategic Implications”, in Daniel S. Hamilton (ed.), *The Geopolitics of TTIP*, in Daniel S. Hamilton (ed.), *The Geopolitics of TTIP. Repositioning the Transatlantic Relationship for a Changing World*, Washington, Center for Transatlantic Relations, 2014, cit., p. x., <http://transatlanticrelations.org/node/506>.

²⁵ Charles Ries, “The Strategic Significance of TTIP”, in *ibid.*, p. 10.

²⁶ Calculated from IMF International Financial Statistics, April 2014, <http://elibrary-data.imf.org>; and IMF World Economic Outlook Data, April 2014, <http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx>. If the trade within the EU is also taken into consideration the figure of 27 percent would increase by another 15 to 42 percent of world trade.

to these large markets, suffer from trade diversion and loss of welfare, or adopt the regulatory structure set forth in these two partnerships without having any say in their adoption.

Table 1 | Trade Indicators for TPP and TTIP in 2013 in billion dollar

	GDP	GDP as % of World GDP	Exports, Goods	Imports, Goods	Total Trade as % of World Trade
TPP*	10950	14.8	2751	2804	15.3
TPP* + Prospective	12172	16.5	3310	3320	18.2
United States	16800	22.7	1579	2329	10.8
European Union	17372	23.5	2374	2306	**12.9
TPP* + Prospective + TTIP	46343	62.6	7263	7955	41.9
World	73982	100	18026	18322	100

Notes: TPP* includes Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam; excludes USA.

Prospective indicates Korea.

**Excluding intra-EU trade. This figure increases to about 33% if the trade that occurs within the EU is also included.

Sources: IMF WEO, IMF DoTS, Eurostat.

Lastly, TTIP also has a geopolitical dimension that is sometimes overlooked.²⁷ It is seen as the most significant economic undertaking since the Marshall Plan, helping to revitalise and strengthen the transatlantic alliance at a time when the West faces growing economic difficulties at home as well as strategic challenges in Eastern Europe, the Middle East and Asia. TTIP is seen from this perspective as a project that would help revive the geostrategic weight of the transatlantic alliance in world affairs. This may explain why some have spoken about TTIP as an “economic NATO.” It is not surprising that US National Security Advisor Susan Rice recently referred to trade issues as of concern to US national security and emphasised the significance of concluding TPP and TTIP.²⁸

In this sense, TTIP's advocates see it as a project that will lend greater legitimacy to the Western form of governance in the eyes of the people of both the EU and the US, as well as populations worldwide. By helping to boost economic growth and employment domestically, TTIP is expected to help the US and European governments regain the legitimacy they lost

²⁷ See chapters in Daniel S. Hamilton (ed.), *The Geopolitics of TTIP*, cit.

²⁸ Speech and remarks delivered by US National Security Advisor Susan Rice at the Brookings event on *The United States National Security Strategy*, Washington, 6 February 2015, <http://brook.gs/1FncqWQ>.

during the financial and Eurozone crises. Externally, it will show the world that governance based on liberal democracy, liberal markets, rule of law and transparency offers greater prosperity and legitimacy than alternative forms of governance based on state capitalism and authoritarianism that are advocated foremost by China, Iran and Russia. In turn this will help to strengthen the liberal international order and revitalise the “rules-based order” led by “the West.”²⁹ This way TTIP becomes an effort to redress the balance in favor of the transatlantic community.³⁰

Hence, it is not surprising that a growing number of countries, such as Brazil, Canada, Israel, Mexico, Norway and Switzerland, are exploring ways to come onboard. Turkey is one such country, and may well have been one of the first, if not the first, country to raise the issue of being included in the negotiations and express interest in joining TTIP. This interest has been expressed on numerous occasions at both governmental and civil society levels. Moreover, Turkey has based its argument for its potential inclusion on the uniqueness of its case due to the Customs Union arrangement with the EU. This is addressed in more detail below.

However, so far the issues of TTIP’s enlargement in general and Turkey’s inclusion in particular remain unresolved. In terms of inviting third countries to the negotiation table, politicians are worried that it might complicate and dilute the process. Officials from the European Commission argue that the mandate they were given was limited to negotiating with only the US. The inclusion of other countries in the negotiations would require other mandates, which would translate into longer delays in arriving at a substantive outcome. Similarly, US officials have also been reluctant to support the extension of TTIP talks to third countries on the grounds that this would complicate an already difficult process.³¹ Some have also mentioned that negotiations to this end would divert attention away from TTIP talks and obstruct progress on this front. As it currently stands, it is therefore extremely unlikely that Turkey or any other country would be able to join TTIP negotiations in the same manner in which Canada, Japan and Mexico were “docked” into the ongoing TPP negotiations.

If “docking” into ongoing negotiations is not a viable option in the im-

²⁹ Michael Froman, “The Geopolitical Stakes of America’s Trade Policy”, in *Foreign Policy*, 17 February 2015, <http://wp.me/p40s1y-3lfi>.

³⁰ Daniel S. Hamilton, “America’s Mega-Regional Trade Diplomacy: Comparing TPP and TTIP”, in *The International Spectator*, Vol. 49, No. 1 (March 2014), p. 87.

³¹ Remarks made by Michael Froman during the 33rd American-Turkish Council’s annual conference on *U.S.-Turkey Relations: A Critical Partnership for a Changing World*, Washington, 1-4 June 2014. The conference program can be reached at <http://www.the-atc.org/2014>.

mediate future, an alternative is to advocate that TTIP adopt an “open architecture” for future membership. This idea has been advocated by a former deputy US Trade Representative, when she stated that “[j]ust as TPP is open to members of APEC, TTIP could be opened up to the other 28 members of the Organisation for Security and Cooperation in Europe (OSCE).”³² An open architecture would put in place provisions that keep open the possibility of third countries joining TTIP in due course as long as candidate countries are prepared to meet the high standards of TTIP. However, addressing this issue would require intense lobbying on the part of interested parties. In any event, defining the terms of the “open architecture” is likely to be a complex and difficult process.³³ Cecilia Malmström has recently confirmed this by stating that “[open architecture] could be possible. Other countries close to us could link in to the agreement, but first we need an agreement. So we will take a decision once the agreement is finished.”³⁴ The US side is already committed to an “open architecture” in the case of TPP as far as APEC countries go.

There is also the option of negotiating a bilateral free trade agreement between the US and Turkey. Actually, this has been an issue on the agenda of US -Turkish relations for some time. Madeleine Albright and Steven Hadley proposed an ambitious plan back in 2012 in the form of a “Turkish-American Partnership” that would incorporate “the TPP’s emphasis on market access, regulatory compatibility, business facilitation, assistance for small and medium-sized enterprises, and promotion of trade in cutting-edge technologies.”³⁵ During his visit to the United States in May 2013, the Turkish Prime Minister did raise the idea of negotiating a free trade agreement with President Obama, and the issue has subsequently come up on a number of occasions. However, the US side has been less than forthcoming. Concerns about outstanding trade issues ranging from access to the Turkish market to respect for intellectual property rights

³² Miriam Sapiro, “Why Trade Matters”, in *Global Views Policy Papers*, No. 2014-03 (September 2014), p. 13, <http://brook.gs/1yHCC9L>.

³³ Sinan Ülgen, “Locked in or Left Out? Transatlantic Trade Beyond Brussels and Washington”, in *Carnegie Papers*, June 2014, <http://carnegieendowment.org/publications/?fa=55777>.

³⁴ Ayhan Simsek, “EU: Turkey’s concerns over TTIP ‘legitimate’”, in *Anadolu Agency*, 23 February 2015, <http://u.aa.com.tr/469706>.

³⁵ Madeleine K. Albright, Stephen J. Hadley and Steven A. Cook, “US-Turkey Relations. A New Partnership”, in *Independent Task Force Reports*, No. 69 (May 2012), p. 13, <http://on.cfr.org/1jyH7hX>. For a survey of economic relations and the idea of a free trade agreement see Jim Zanotti, “Turkey: Background and U.S. Relations”, in *CRS Reports*, No. R41368 (1 August 2014), <https://fas.org/sgp/crs/mideast/R41368.pdf>.

and erosion of the rule of law in Turkey plays a role in this position.³⁶ In the meantime, a High Level Committee (HLC) set up in 2013 is providing a venue for a dialogue between officials from the Turkish Ministry of Economy and the Office of the US Trade Representative, and provides for an intergovernmental forum where both sides can develop the idea of a free trade agreement between Turkey and the US. Beyond this forum, the United States Chamber of Commerce (USCC) and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) have also been working on the idea of a bilateral FTA. In a forthcoming report USCC is advocating the idea of a formal “T-TIP+3” process that would bring Turkey, Canada and Mexico into a “second T-TIP round” or a “comprehensive US-Turkey FTA following the conclusion of any T-TIP agreement between the United States and the EU.”³⁷

In the meantime, Turkey could focus on upgrading its Customs Union with the EU – which is likely to become an effective external anchor for boosting Turkish foreign trade. Also, because of the new sectors it is likely to address such as services and public procurement, there will be at least some overlap with TTIP as far as regulatory issues are concerned, such as certification of industrial products. Furthermore, upgrading the Customs Union would be perceived by Washington as a demonstration of Turkey’s political will to reform. It could therefore open up another avenue to explore: a bilateral free trade agreement with the United States as another potential external anchor.³⁸ An upgraded Customs Union, combined with an advanced FTA with the US, would remedy the negative repercussions of being excluded from TTIP.

³⁶ Trade-related concerns are raised in the US Trade Representative report *2014 National Trade Estimate Report on Foreign Trade Barriers*, March 2014, <https://ustr.gov/about-us/policy-offices/press-office/reports-and-publications/2014-NTE-Report>. During Secretary of Commerce Penny Pritzker’s visit to Turkey in October 2014, she referred specifically to barriers to free trade in government procurement, commercial offset requirements in the defense, aviation and medical sectors, and in connection with good manufacturing practice (GMP) certification requirements in the pharmaceutical sector.

³⁷ US Chamber of Commerce and Union of Chambers and Commodity Exchanges of Turkey, *Achieving a U.S.-Turkey Free Trade Agreement: A Shared Vision and Recommendations for a Plan of Action*, forthcoming.

³⁸ Josh Stanton, Kara Sutton and Julie Guillaume, “A New Year’s Resolution on Turkey”, in *B/Briefs*, February 2015, <http://www.bfna.org/publication/bbrief-a-new-years-resolution-on-turkey>.

EU, TURKEY AND THE CUSTOMS UNION

Turkey's deep integration into the global economy and its close ties to the EU through the Customs Union are the primary drivers of Turkey's concerns about not wanting to be shut out of TTIP. Besides trade, the EU continues to be the largest foreign direct investor in Turkey. Almost 69 percent of the 83.5 billion dollars of FDI funds that were invested in Turkey between 2007 and 2013 originated from EU countries.³⁹ During the same period, 60 percent of Turkey's FDI funds abroad were invested in the EU. The EU continues to be Turkey's largest export market. As mentioned earlier on, over the course of the last two years the EU's share in Turkish overall exports has been increasing as Turkey loses markets due to the chaos reigning in its neighborhood.

The Customs Union was negotiated in 1995 with the understanding that it would be a transitional arrangement to strengthen the Turkish economy while Turkey moved towards full membership in the EU.⁴⁰ The idea of a Customs Union did not receive an exuberant welcome in Turkey at the time. Many questioned the benefits of this initiative, asserting that Turkish industry would not be able to withstand the competition from the EU; Turkey would simply "become a market" in what would evolve into an exploitative relationship rather than a true "partnership."⁴¹ Instead, there is greater recognition today that the Customs Union contributed greatly to Turkey's economic development: by "encouraging" Turkey to adopt the EU regulatory standards and granting it preferential access to the EU's internal markets, the Customs Union increased the competitiveness of Turkish manufactured products.⁴²

Nevertheless, not every grievance has been alleviated. One major issue, in this regard, stems from the fact that Turkey was also required to adhere to the EU's common commercial policy. This stipulated that every time the EU negotiated and signed a new free trade agreement with a

³⁹ Central Bank of the Republic of Turkey (CBRT) statistics, accessed 4 November 2014, <http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/STATISTICS/Balance+of+Payments+and+Related+Statistics>.

⁴⁰ Kamil Yılmaz, "The EU-Turkey Customs Union Fifteen Years Later: Better, Yet Not the Best Alternative", in *South European Society and Politics*, Vol. 16, No. 2 (June 2011), p. 235-249.

⁴¹ Mehmet Ali Birand, *Türkiye'nin Avrupa Macerası 1959-1999* (Turkey's European Adventure), Istanbul, Doğan Kitap, 2000, p. 41.

⁴² For a general assessment of the gains for Turkey from the CU, see World Bank, *Evaluation of the EU-Turkey Customs Union*, Report No. 85830-TR, 28 March 2014, <http://hdl.handle.net/10986/20444>.

third party, Turkey must launch its own initiative to conclude a similar agreement with that country. This was initially put in place to ensure that Turkey could enjoy the same set of rights enjoyed by the EU in terms of market access and eliminate the risk of possible trade diversions. However, the absence of any clear provisions in the Customs Union that encourage third parties to negotiate such FTAs with Turkey and hence promote greater coordination between the EU and Turkey has worked to Turkey's disadvantage. In practice, this has resulted in goods from these third parties entering Turkey via the EU without reciprocal preferential access being granted for Turkish goods.⁴³

Until a few years ago, this situation did not constitute a major problem, since the countries in question either had relatively small economies or Turkey was able to sign its own parallel free trade agreements with them. However, as the EU began to sign as well as initiate FTA negotiations with major countries in world trade, the picture began to change. For example, Turkey failed despite repeated efforts to initiate negotiations with Algeria, Mexico and South Africa after those countries signed their respective agreements with the EU in the early 2000s. Similarly, Turkey is experiencing difficulties in engaging countries such as Canada, India, Japan and Vietnam for similar purposes. Canada has concluded its FTA with the EU, and its negotiations with Japan have progressed to an advanced stage. So far, these countries have not responded favorably to Turkey's efforts to initiate talks. They appear, perhaps not to anyone's astonishment, to want to benefit from accessing the Turkish market without opening up their own markets to Turkey.⁴⁴

The frustration resulting from this, coupled with the instances of being left out of TTIP negotiations, have dragged Turkish ministers to the verge of suspending the terms of the Customs Union.⁴⁵ Additionally, Turkey

⁴³ For detailed discussion of this problem, see *ibid.*; Onur Bülbül and Aslı Orhon, "Beyond Turkey-EU Customs Union: Predictions for Key Regulatory Issues in a Potential Turkey-U.S. FTA Following TTIP", in *Global Trade and Customs Journal*, Vol. 9, No. 10 (2014), p. 444-456; Sait Akman, "The European Union's Trade Strategy and Its Reflections on Turkey: An Evaluation from the Perspective of Free Trade Agreements", in *Sosyal Bilimler Enstitüsü Dergisi*, Vol. 12, No. 2 (April 2010), p.17-45, <http://doaj.org/toc/80f52c49b41d-4cbfa6f7ab6d08d58a04/12>; Mustafa Kutlay, "The Changing Policy of the European Union towards Free Trade Agreements and its Effects on Turkish Foreign Trade: A Political Economy Perspective", in *USAK Yearbook of International Politics and Law*, Vol. 2 (2009), p. 117-132.

⁴⁴ World Bank, *Evaluation of the EU-Turkey Customs Union*, *cit.*, p. 26.

⁴⁵ Most recently Volkan Bozkîl the Minister for EU Affairs and Chief Negotiator, threatened the prospects of suspension. See Şeyma Eraz, "Turkey to suspend EU Customs Agreement if isolated from talks", in *Daily Sabah*, 11 November 2014, <http://www.daily->

also suffers from preference erosion as more and more countries access the EU market through FTAs on better terms, which either squeezes Turkish goods out of these markets or renders them at a competitive disadvantage. In either case, it leads to trade diversion and loss of welfare for Turkey.⁴⁶ Furthermore, the EU is signing with a growing number of countries "second generation" FTAs, in the form of Deep and Comprehensive Free Trade Agreements, which cover sectors such as services and agriculture. A case in point are the trade agreements with South Korea and Canada, as well as with Georgia, Moldova and Ukraine. These agreements provide a much deeper integration with the EU than that provided by the Customs Union.

In the event that TTIP comes into force without Turkey's inclusion or without addressing its concerns, it will mean that US products will be able to enter the Turkish market freely without duties, while Turkey will continue to face duties and other limitations, especially in the form of NTBs, in the American market.⁴⁷ One immediate consequence of such trade deflection is that the current trade deficit of roughly 6 billion dollars that Turkey has with the US will grow larger. Furthermore, some trade diversion could result from European, South Korean, and other potential TPP countries' goods entering the US market preferentially, therefore forcing out Turkish goods. This is certainly not implausible; the top export items from Turkey to the US (vehicles, machinery, iron and steel products, and cement) greatly overlap with the major exports items of the EU and South Korea as well as a number of other Asia-Pacific countries. Furthermore, there would also be serious preference erosion for Turkey as US products, especially in the automobile and heavy vehicle sectors, dominate the EU markets.⁴⁸

Other grievances are connected to the disadvantages Turkish business

sabah.com/economy/2014/11/11/turkey-to-suspend-eu-Customs-agreement-if-isolated-from-talks.

⁴⁶ According to the World Bank the absence of FTAs with for example Mexico and South Africa has led to a loss of exports amounting to 226 million dollars a year. See World Bank, *Evaluation of the EU-Turkey Customs Union*, cit., p. 28.

⁴⁷ For a detailed discussion of these impacts on Turkey, see Faik Öztrak and Osman Berke Duvan, *AB-ABD Arasında Gerçekleştirilecek Transatlantik Ticaret Ve Yatırım Ortaklığı Anlaşması: Türkiye Ekonomisi Üzerine Etkileri* (The Future Transatlantic Trade and Investment Partnership Agreement between the EU and the US: Impact on Turkey's Economy), Istanbul, Toplumcu Düşünce Enstitüsü, 20 January 2014, p. 36-38, <http://www.toplumcudusunceenstitusu.org/makale-detay/45/ab-abd-arasinda-gerceklestirilecek-transatlantik-ticaret-ve-yatirim-ortakligi-anlasmasi->.

⁴⁸ For a brief list of manufacturing sectors that would be impacted, see Kamil Yılmaz, "TTIP and EU-Turkish Economic Relations: Deepening the Customs Union", in this volume.

people experience due to visa requirements for travelling to the EU.⁴⁹ Furthermore, the Turkish government has also complained about the limited transit quotas for trucks that transport Turkish goods to EU member countries.⁵⁰ In addition to fomenting frustration within the business community, these practices have come under the accusation that they constitute an NTB against Turkey's exports to the EU.

There have, however, been some positive developments. Since the World Bank report lent legitimacy to these complaints and confirmed the benefits both sides would derive from upgrading the Customs Union, the European Commission and the Turkish government instituted a dialogue. This dialogue has already born its first fruit, as both sides formally decided in March 2015 to start negotiations to upgrade the Customs Union as soon as the European Commission obtains a "mandate" from EU member countries.⁵¹ Furthermore, the EU and Turkey are also engaged in a process that may culminate in the liberalisation of visa for Turkish nationals in return for Turkey accepting to implement the terms of a Readmission Agreement signed in December 2013.⁵²

FUTURE STRATEGIES FOR TURKEY

There is tacit understanding that Turkey's call to partake in TTIP negotiations will not receive an answer. This is also accompanied by the likelihood that, should TTIP negotiations be concluded by the end of 2016, the

⁴⁹ Kees Groenendijk and Elspeth Guild, *Visa Policy of Member States and the EU towards Turkish Nationals After Soysal*, Third edition, Istanbul, Economic Development Foundation (IKV), 2012. For a comprehensive analysis of the visa issue, see European Stability Initiative, "Trust and Travel: How EU member states can ease the visa burden for Turks", in *ESI Reports*, 24 February 2014, http://www.esiweb.org/index.php?lang=en&id=156&document_ID=147.

⁵⁰ See Turkish Government, *An analysis on the impact of road transport quotas* (ECE/TRANS/SC.1/2013/4), 30 August 2013, <http://undocs.org/ECE/TRANS/SC.1/2013/4>. See also the IKV report of the international conference on *Global value chains: implications on trade and investment policies*, Istanbul, 14 March 2013, http://oldweb.ikv.org.tr/icerik_en.asp?konu=haberler&id=498.

⁵¹ Barçın Yınanç, "Turkey and EU agree to update Customs Union", in *Hürriyet Daily News*, 19 March 2015, <http://www.hurriyetdailynews.com/Default.aspx?PageID=238&NID=79863&NewsCatID=412>.

⁵² Diba Nigar Göksel, "Turkey's Visa Free Travel Process with the EU: Trap or Gift?", in *GMF On Turkey Series*, 19 December 2014, <http://www.gmfus.org/node/7649>. In the same series see Kemal Kirişci and Sinan Ekim, "EU-Turkey Visa Liberalization and Overcoming 'the Fear of Turks': The Security and Economic Dimensions", 13 February 2015, <http://www.gmfus.org/node/7997>.

partnership will not come into force before 2018-19.⁵³ This offers Turkey a window of opportunity to develop the necessary political will, and convince the EU to start discussing the terms of upgrading of the Customs Union. However, this is not going to be an easy exercise for a number of reasons. The first concern is connected to sectors into which the Customs Union would need to be expanded, namely agriculture and public procurement. A considerable proportion of the Turkish population is employed in the agricultural sector, yet the sector is still inefficient compared to that of the EU. Turkish agriculture risks suffering from EU competition. Similarly, public procurement is an area that the EU is very much interested in, but is a sector that suffers from transparency problems in Turkey. Nihat Zeybekçi, the Minister of the Economy, as well as Volkan Bozkır, the Minister of EU Affairs, have spoken about Turkey's readiness to incorporate these areas into an upgraded Customs Union together with services, if the EU showed its willingness to engage constructively with Turkey's complaints.⁵⁴ It appears that the necessary political will on both sides was finally mustered on a broad agenda that includes these three sectors, and Turkey's demands were agreed upon with the recent decision to work towards upgrading the Customs Union.

The question of Cyprus, not surprisingly, will weigh heavily on these efforts. Since trade issues fall under the European Community's jurisdiction, a decision will have to be reached on a qualified majority basis. The same challenge exists with respect to getting a mandate for the European Commission to start negotiations for upgrading the Customs Union. However, whether the politics of EU-Turkish relations will allow for this is difficult to judge.⁵⁵ After all, it was Turkey's reluctance to extend the

⁵³ Personal interview with a member of the EU Delegation in Washington, 11 February 2015.

⁵⁴ These remarks were made by Zeybekçi and Bozkır during their addresses at the Brookings Institution on 15 May 2014 and at the German Marshall Fund on 5 February 2015, respectively. For the transcript of Zeybekçi's talk, please see: *TTIP in Light of Turkish Trade Policy and Economic Relations with the United States*, <http://brook.gs/1FnJ1vs>; for more information on Bozkır's event, see *Unknown Frontier: Turkey, TTIP, and the EU Customs Union*, <http://www.gmfus.org/node/7844>.

⁵⁵ These points were raised by a former high-ranking member of the European Commission during a private meeting on the Turkish economy and Customs Union held at the Brookings Institution on 18 February 2015. However, a current member of Federica Mogherini's Cabinet has noted that because an upgraded Customs Union would amount to an international treaty it would require a unanimous decision from the membership. These issues were also discussed at an off-the-record meeting with EU's Director General for Neighbourhood and Enlargement Negotiations Christian Danielsson, at German Marshall Fund Washington office on 26 March 2015.

Customs Union to Cyprus that precipitated the EU decision in December 2006 to suspend eight chapters from accession negotiations. Since then, Cyprus has blocked the opening of a number of additional chapters to negotiations. Hence, it is not too far-fetched to assume that the fate of the Customs Union is closely connected to, if not hinges on, the resolution of the Cyprus conflict. In order to surmount this obstacle, some responsibility devolves upon the European governments. If Cyprus removes its sanctions on the negotiations, the EU will be able to open to discussion Chapters 23 and 24, which cover human rights, fundamental freedom and the judiciary. Inarguably, Turkey's commitment to democratic principles would immensely benefit Cyprus, whereas "a de-democratizing Turkey in an unraveling neighborhood" would constitute trouble for both the EU and Cyprus.⁵⁶

Furthermore, the erosion of democracy and rising authoritarianism in Turkey has adversely affected Turkish-EU relations. This was particularly visible in December 2014, when the Turkish President Recep Tayyip Erdoğan rebutted EU criticism of repression of the freedom of the media and declared that Turkey did not need the EU. This had come within a week of the visit of Federica Mogherini, the EU's new foreign policy chief, to Turkey, when she emphasised the strategic importance of EU-Turkish relations. Erdoğan's rebuttal killed the opening of a new chapter for negotiations by an enthusiastic Italian Presidency of the EU.⁵⁷

This picture, then, does not bode well for the immediate future. However, there are at least four realities that Turkey has to face when approaching the issue of upgrading the Customs Union. Firstly, TTIP and TPP will profoundly impact the international economic order and define the rules of the emerging 21st century global trading order. In spite of the deeply seated anti-Western feelings in Turkey, there is the reality that Turkey has benefitted handsomely from being a part of the international trading system that was put into place by "the West" in the aftermath of World War II. Secondly, Turkey is fortunate to have this unique relationship with the EU through the Customs Union, especially at a time when its neighborhood is drifting into ever-growing instability. As discussed ear-

⁵⁶ Martti Ahtisaari et al., "An EU-Turkey Reset", in *Project Syndicate*, 13 March 2015, <http://po.st/aDhItC>.

⁵⁷ A member of Federica Mogherini Cabinet made this point. Since then Volkan Bozkır, the Minister for EU Affairs, has declared that Turkey is ready to have Chapter 17, which deals with economic and monetary policies, open for negotiations. Sevil Erkuş, "Ankara expecting EU to open chapter 17 soon", in *Hürriyet Daily News*, 19 March 2015, <http://www.hurriyetdailynews.com/Default.aspx?pageID=238&nID=79869&NewsCatID=338>.

lier, this relationship played a critical role in developing Turkey into an economic player on the world-stage and, more recently, enabled Turkey to redirect its exports from the neighborhood's shrinking markets into those of the EU. Recent surveys have also revealed that, after a protracted downward trend, support for forging closer relations with the EU is increasing amongst the Turkish population.⁵⁸ Turkey's business world has also taken a similar approach, championing not only the upgrading of the Customs Union but also the joining of TTIP.⁵⁹

If Turkey is going to surmount the structural challenges to come out of the "middle income trap," it will need an external anchor – or in the words of Martin Raiser, "more integration."⁶⁰ Under the prevailing circumstances, upgrading the Customs Union appears to be the most realistic option. This development might also increase the prospects of Turkey negotiating a bilateral FTA with the US. This has been on the cards for some time but the US has been less than forthcoming, preferring to wait and see whether Turkey will address some of the longstanding issues in Turkish-US economic relations. An upgraded Customs Union would address most of these issues. In the meantime, Turkey's leadership, rather than pursuing a unilateral approach, should focus on building a coalition with countries that are likely to be adversely impacted by TTIP and advocate an "open architecture." Lobbying collectively as a group of countries that have long been part of the Western liberal economic order stands a greater chance of extracting a positive response from the EU and the US than Turkey acting on its own.

⁵⁸ Kemal Kirişçi, "Turkey's Strategic Choices", in *The Buzz | The National Interest*, 19 December 2014, <http://nationalinterest.org/node/11898>; see also Turkey's profile in the German Marshall Fund's *Transatlantic Trends Survey 2014*, Washington, <http://trends.gmfus.org/?p=5698>. Trends may also be observed in the survey run by the Centre for Economics and Foreign Policy Studies (EDAM), "Turks in favour of cooperation with the European Union", in *Public Opinion Surveys of Turkish Foreign Policy*, No. 2015/2 (February 2015), <http://www.edam.org.tr/en/File?id=2164>. See also Kadir Has University, *2014 Türkiye Sosyal-Siyasal Eğilimler Araştırması* (Social and Political Trends in Turkey, 2014), 20 January 2015, <http://www.khas.edu.tr/news/1119/455/Khas-2014-Tuerkiye-Sosyal-Siyasal-Egilimler-Arastirmasi-Sonuclari-Aciklandi.html>.

⁵⁹ Two excellent reports in this regard are the 2013 ECTF II surveys produced by EU-ROCHAMBRES and TOBB: *Corporate Preparations in Turkey for EU Membership: The view of the Turkish private sector*, Second edition, <http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=6145>; and *EU-Turkey Relations: Perspectives from the European Business Community*, <http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=6146>.

⁶⁰ Martin Raiser, "European economic integration is the key to Turkey's past and future", in *Future Development blog*, 11 March 2015, <http://brook.gs/1FnSGCf>; Martin Raiser, "The Turkey-EU Customs Union at 20: Time for a facelift", *ibid.*, 16 March 2015, <http://brook.gs/1FnSPWo>.

CONCLUSION

The chaos reigning in Turkey's neighborhood comes at a time when the Turkish economy is beset by structural difficulties. These are making the possibility of breaking out of the "middle income trap" more challenging. In turn, the AKP government's aspiration to put Turkey among the ten largest economies of the world by 2023 becomes unrealistic. This situation will arise at a time when TPP and TTIP will usher in a new international economic order to replace the one put in place by the victors in the aftermath of Second World War. These mega-regional free trade agreements are not only about creating a new generation of regulatory standards; they will constitute the "new normal" of tomorrow. By extending its mandate into the fields of labor rights, environmental protection, rule of law and transparent governance, TTIP is also meant to reassert the supremacy of the "core values" of the liberal model of governance against those of the new players in the global league, foremost Russia and China. Docking into TTIP, modernising the Customs Union, or signing into existence an FTA with the US would therefore be equivalent, in force and effect, to Turkey's subsequent incorporation into the Western institutions after 1945. Just as the latter had done, actualising one of the three options would restore health to the Turkish economy and help Turkey address, and eventually overcome, its current economic and political challenges. In this sense, the authors have argued that upgrading the Customs Union with the EU appears to be the most realistic external anchor for moving forward.

Meanwhile, Turkey will benefit from heeding the advice of the World Bank, EU and the US by addressing its governance challenges, and reforming its economy is likely to bring Turkey closer to its objectives. Of course, the EU and the US will need to do their share, too. There is a growing recognition that letting Turkey participate in the mega-regional trade agreements will work to their benefit too. For instance, the Turkish economy has the capacity, even if modestly, to raise the employment levels across the EU, the US, as well as its neighborhood. After all, Turkey is a major importer of goods and services from especially the EU, and is likely to become one in the case of the US too, if a bilateral trade agreement could be reached. Also, the strategic significance of anchoring Turkey in the "West" and reaffirming its status as a member of the transatlantic alliance should be obvious to the policy-makers in Brussels and Washington D.C.

However, what is missing is a corresponding determination to follow

up on these thoughts with actions. This would require a vision similar to the one that guided the leadership in the United States in the latter part of the 1940s and the then European Economic Community (EEC) in 1963, when the EEC and Turkey signed the Ankara Agreement with the clear understanding that Turkey would gain full membership into what subsequently evolved into the European Union. Such a vision would set in motion a train of reforms, and prompt a series of actions that would culminate in the upgrading of the Customs Union and eventually Turkey's inclusion into TTIP. Taken together, these two initiatives could provide the agency needed to firmly affix Turkey in the transatlantic community, an outcome that would forge a win-win situation for the EU, the US, Turkey and Turkey's neighborhood – essentially, for everyone involved.⁶¹

⁶¹ For an eloquent expression of this point by Stuart E. Eizenstat, the former ambassador to Brussels during the negotiation of the Customs Union between Turkey and the EU. See transcripts of the Brookings event on *Turkey's economic transition and transatlantic relations*, Washington, 18 February 2015, p. 30-38, <http://brook.gs/1M17Edk>.

20.

The Turkish Economy at a Crossroads: Unpacking Turkey's Current Account Challenge

Mustafa Kutlay

The Turkish economy has achieved substantial progress over the last decade. Following the 2001 economic crisis, Turkey's financial system was restructured and public finance was subjected to solid discipline. In the private realm, big business accelerated integrationist policies in a relatively more coherent way than before. With the exception of 2009, when the waves of the global financial crisis hit Turkey's shores, the Turkish economy maintained high growth rates. What differentiated the Justice and Development Party (AKP) era from previous periods was high economic growth within a single-digit inflation environment. Turkey had achieved respectable growth rates in previous sub-periods of its economic history as well.¹ Yet the high inflation rates in these times created substantial negative spillover effects that eroded the positive contributions of economic growth. Thus the post-2001 period refers to high growth-low inflation equilibrium in comparison to previous episodes. Parallel to Turkey's growing economic success, the AKP governments have made it their goal for Turkey to carry on with this performance so that it joins the ranks of the world's "top ten economies" by 2023.²

Turkey's economic performance during the AKP era, however, does not constitute a monolithic bloc. After 2011, the country found itself in a new political-economic equilibrium. In the June 2011 general elections the AKP managed, for the third time, to outperform its rivals by obtaining almost 50 percent of the total votes, becoming an exceptional success

¹ According to a recent World Bank report Turkey grew 4.1 percent in 1980s, 4.0 in 1990s, and 4.6 in 2000s. Martin Raiser and Marina Wes (eds.), *Turkey's Transitions. Integration, Inclusion, Institutions*, Report No. 90509-TR, Washington, World Bank, December 2014, p. 6, <http://hdl.handle.net/10986/20691>.

² For the details of the government's "2023 vision," see the AKP's Manifesto *Political Vision of AK Parti for 2023: Politics, Society and the World*, 30 September 2012, <http://www.akparti.org.tr/english/akparti/2023-political-vision>.

story for a political party in contemporary Turkish politics. The party has become the only institutional political actor to succeed in winning three subsequent general elections with increasing shares of the vote. Thus the post-2011 period signified an era of “electoral hegemony” in which the power of a party becomes so strong that it “exceeds simply being a strong majority government.”³ In this period, however, the Turkish economy started to demonstrate certain structural weaknesses that eclipsed Turkey’s growth performance. This chapter aims to discuss these economic challenges, their causes, and the government strategies to overcome them, with particular reference to the current account deficit from a political economy perspective. The following section places Turkey into a comparative perspective with BRIC and near-BRIC peers. The third section unpacks Turkey’s persistent current account deficit. The fourth section analyzes the government policies to tackle Turkey’s structural economic problems. The final section concludes the chapter.

A COMPARATIVE OVERVIEW: TURKEY VIS-À-VIS THE BRICS AND NEAR-BRICS

Many studies appreciate Turkey’s economic performance between 2002 and 2014.⁴ As a matter of fact, the performance of the Turkish economy in this period has been rather impressive, judging by its own historical standards. A recent World Bank report highlights that “Turkey’s [recent] economic success has become a source of inspiration for a number of developing countries, particularly, but not only, in the Muslim world. The rise of Turkey’s economy is admired, all the more so because it seems to go hand in hand with democratic political institutions and an expanding voice for the poor and lower middle classes.”⁵ In addition, Turkey’s political and economic transformation also has further repercussions for international politics.

³ E. Fuat Keyman, “The AK Party: Dominant Party, New Turkey, and Polarization”, in *Insight Turkey*, Vol. 16, No. 2 (Spring 2014), p. 23, <http://www.insightturkey.com/the-ak-party-dominant-party-new-turkey-and-polarization/articles/1426>. See also E. Fuat Keyman and Şebnem Gümüüşçü, *Democracy, Identity and Foreign Policy in Turkey. Hegemony Through Transformation*, Basingstoke and New York, Palgrave Macmillan, 2014.

⁴ See, for instance, Erdal Tanas Karagöl, “The Turkish Economy During the Justice and Development Party Decade”, in *Insight Turkey*, Vol. 15, No. 4 (Fall 2013), p. 115-129, <http://www.insightturkey.com/the-turkish-economy-during-the-justice-and-development-party-decade/articles/1373>.

⁵ Martin Raiser and Marina Wes (eds.), *Turkey’s Transitions*, cit., p. 3.

The global system is passing through an interregnum period. The unipolar structure that rests on the primacy of the US is gradually heading towards multipolarity in which emerging powers are accumulating more power in the economic and political governance mechanisms of the interstate system.⁶ A group of challengers such as BRICS (Brazil, Russia, India, China, South Africa) and near-BRICS (South Korea, Mexico, Indonesia, Turkey) build wealth and power thanks to their stupendous growth performance. As an emerging regional power in the Middle East and North Africa with a strong spearhead role between Eurasia and Europe, Turkey also joined the ranks of rising powers with important potential to contribute to the emerging world order in the rest of the century. Therefore, it would be apt to compare Turkey's economic performance *vis-à-vis* the BRICS and other near-BRICS. From this point of view, there are intriguing questions left unanswered, such as just how far Turkey has been carried by this success inside the international system and what needs to be done to ensure that the current economic performance is maintained. Providing answers to these questions requires one to look at Turkey from a comparative perspective that brings other peer countries into the frame, rather than just through an essentialist approach that continually evaluates Turkey by itself.

The February 2001 crisis represents a real turning point in Turkish politics and the economy, not only because it was the deepest crisis in the history of the country but also due to the structural changes that took place during the post-crisis period. In the fiscal and financial realms, the crisis was exploited as an opportunity to initiate substantial and sustainable reforms that informed the fundamental restructuring of state-market relations as part of a comprehensive reform package entitled *Strengthening the Turkish Economy: Turkey's Transition Program*, the aim of which was to "fundamentally [transform] the functioning of the state."⁷ The AKP government, in its first term in office, implemented the reform program without any major deviation. Further underpinned by the extraordinarily favorable global liquidity conditions and availability of cheap foreign capital until the 2008 global economic crisis, the Turkish economy expanded rapidly.⁸ Accordingly, in current prices, GDP increa-

⁶ For a debate on the decline of the US hegemony, see Simon Reich and Richard Ned Lebow, *Good-Bye Hegemony! Power and Influence in the Global System*, Princeton, Princeton University Press, 2014.

⁷ Turkish Undersecretariat of the Treasury, *Strengthening the Turkish Economy. Turkey's Transition Program*, Ankara, TCMB, May 2001, p. 34, <http://www.tcmb.gov.tr/wps/wcm/connect/9d473f48-f02c-4631-94e7-ee64593f250d/strengtningecon.pdf>.

⁸ Ziya Öniş and İsmail Emre Bayram, "Temporary Star or Emerging Tiger? The Recent

sed from 233 billion dollars in 2002 to 820 billion in 2013. Turkey's total trade also skyrocketed from 114 to 476 billion dollars in the same period. As a result, the GDP per capita rose to 10,782 dollars in 2013, a three-fold increase in current prices. Despite the fact that in constant prices, a more proper way of calculation, real GDP "rose by 64 percent during 2002-2012, and real GDP per capita by 43 percent,"⁹ it is still considered a remarkable record of growth.

From 2002-2007, Turkey was one of the highest-growing countries with 6.8 percent real annual growth (see Table 1 in the Annex). However, Turkey's economic growth was subjected to ups and downs during post-2007. The economy shrank by 4.8 percent in 2009 due to the global financial crisis, which was followed by a spectacular 8.85 percent in 2010-2011. Starting from 2012, lower growth rates became the "new normal" in the Turkish economy. The economy demonstrated meager growth performance during 2012-2013 with 2.1 and 4.1 percent real growth rates, respectively. Although Turkey's 10th National Development Plan targets an average growth rate of 5.5 percent per annum between 2013 and 2018,¹⁰ the recent projections point to a lower growth performance.

The economic growth from 2002-2013 contributed to the overall welfare of the country and had, in a low inflation environment, "significant trickle-down effects."¹¹ According to major indicators, income inequality was improved. The Gini co-efficient, which measures the income inequality in a country, improved from 0.42 in 2003 to 0.38 in 2013. Similarly, individuals living below 4.30 dollars per day declined from 23.75 to 2.06 percent of the population.¹² According to a recent World Bank study, "Turkey's middle class, while still a minority at just over 40 percent of the population, has more than doubled since 1993."¹³ These indicators suggest that the spillover effects of the economic growth contributed to the

Economic Performance of Turkey in a Global Setting", in *New Perspectives on Turkey*, No. 39 (Fall 2008), p. 47-84.

⁹ Dani Rodrik, "How Well Did the Turkish Economy Do Over the Last Decade?", in *Dani Rodrik's weblog*, 20 June 2013, http://rodrik.typepad.com/dani_rodriks_weblog/2013/06/how-well-did-the-turkish-economy-do-over-the-last-decade.html.

¹⁰ Turkish Ministry of Development, *The Tenth Development Plan (2014-2018)*, approved on 1 July 2013, p. 62, <http://www.mod.gov.tr/Pages/DevelopmentPlans.aspx>.

¹¹ Ziya Öniş, "The Triumph of Conservative Globalism: The Political Economy of the AKP Era", in *Turkish Studies*, Vol. 13, No. 2 (June 2012), p. 140.

¹² Turkish Ministry of Development, *Türkiye Ekonomisinde Haftalık Gelişmeler (Weekly Economic Developments in Turkey)*, updated 17 April 2015, p. 52 and 55, <http://www.kalkinma.gov.tr/Pages/content.aspx?List=904e77ea-ee8e-4414-9f76-88aa7a7e855f&ID=633>.

¹³ Martin Raiser and Marina Wes (eds.), *Turkey's Transitions*, cit., p. 4-5.

expansion of a middle class in Turkey even if one takes into consideration that there are measurement errors related to official statistics.

From a comparative perspective, however, Turkey's growth performance is neither a story of outstanding success nor a failure. The comparative analysis suggests that Turkey's economic success in this period did not lead to substantial improvement of its relative economic power in the hierarchy of international state system. For instance, the share of the Turkish economy was 0.8 percent of the total world GDP in 2003, which reached 1.1 percent in 2006 and remained stagnant afterwards at this level (see Table 3 in the Annex). The relative export performance also paints a similar picture. Turkey's share in world exports increased from 0.7 percent of world total to just 0.9 percent in the period in question.¹⁴ The comparison with developed countries also shed fresh light on Turkey's relative development performance. While a medium-income Turkish citizen was five times poorer than a medium-income American citizen in 1960, there has been no significant change in the intervening half century. This is because according to the data for 2010, a medium-income Turkish citizen is still four times poorer than his US counterpart. South Korea, on the other hand, tells a complete success story. For instance, a medium-income person in South Korea in 1960 was on average ten times poorer than his US counterpart. But by 2010, this had fallen to 1.7 times. Consequently it could be said that in the medium- and long-term perspective, Turkey had shown a definite improvement, but comparatively speaking it is still a country that has maintained its status. In the last decade, however, Turkey has appeared to be stirring, as there has been a 4 percent improvement relative to the US.¹⁵

In summary, the AKP governments have made certain achievements in the economic realm, especially in comparison to Turkey's own historical standards. The uninterrupted and relatively inclusive growth performance of the economy positively informed the overall welfare of the population.¹⁶ However, Turkey is not an outlier in comparison to BRICS and other near-BRICS peers as it paints a mediocre picture, seeing only a modest improvement in Turkey's share in total world GDP and exports. Furthermore, as I will try to demonstrate below, Turkish economy suffe-

¹⁴ Author's calculation based on the World Bank database.

¹⁵ Mustafa Kutlay, "Turkey's Growth Performance: Making Stability Sustainable", in *The Journal of Turkish Weekly*, 13 September 2012, <http://www.turkishweekly.net/columnist/3660>.

¹⁶ Temel Taşkın, "GDP Growth in Turkey: Inclusive or Not?", in *Central Bank Review*, Vol. 14, No. 2 (May 2014), p. 31-64.

red from certain structural weaknesses and encountered mounting challenges, the most challenging of which is the current account deficit.

STRUCTURAL CHALLENGES: UNPACKING THE CURRENT ACCOUNT DEFICIT

High current account deficits have become one of the most important structural weaknesses of the Turkish economy in the post-2000 period. Turkey's current account deficit gradually increased from 2.5 percent of GDP in 2003 to 7.9 percent in 2013, with ups and downs in the meantime. In 2011, it skyrocketed to almost 10 percent, which is an alarmingly high ratio by any international standards.¹⁷ In absolute terms, Turkey's current account deficit was 436.7 billion dollars in total during 2004-2014. Current account deficit has always been an integral aspect of Turkey's economic problems and has played a role in all the economic crises that Turkey has experienced over the last 50 years.¹⁸ However, it became a much more pronounced problem over the last decade in comparison to other sub-periods. For instance, studies show that the average current account deficit to GDP ratio was 0.73 percent in the 1990-2002 and 5.09 percent in the 2003-2011.¹⁹ A comparative analysis also suggests that Turkey has the highest deficit among BRICS and other BRICS countries (see Table 4 in the Annex). Except South Africa, all other economies in the BRICS and near-BRICS category have better current account performance than Turkey.

The root causes of Turkey's current account deficit are deep-seated and structural, necessitating an in-depth analysis. First and foremost, many pundits agree that the structure of foreign trade is at the root of current account deficits in Turkey.²⁰ Stated differently, foreign trade deficits stand out as a major factor that feeds current account deficits. Starting from

¹⁷ For an in-depth debate that claims that 5-6 percent deficit creates "sustainability" problems, see Gian Maria Milesi-Ferretti and Assaf Razin, "Sustainability of Persistent Current Account Deficits", in *NBER Working Papers*, No. 5467 (February 1996), <http://www.nber.org/papers/w5467>.

¹⁸ Ziya Öniş and Barry Rubin (eds.), *The Turkish Economy in Crisis*, London, Frank Cass, 2003; Ziya Öniş, *State and Market. The Political Economy of Turkey in a Comparative Perspective*, İstanbul, Boğaziçi University Press, 1998.

¹⁹ Turan Subaşat, "The Political Economy of Turkey's Economic Miracle", in *Journal of Balkan and Near Eastern Studies*, Vol. 16, No. 2 (2014), p. 152.

²⁰ For a collection of essays on the dynamics of Turkey's current account deficit, see Turan Subaşat and Hakan Yetkiner (eds.), *Küresel Kriz Çerçevesinde Türkiye'nin Cari Açık Sorunsalı* (The Current Account Deficit Problem of Turkey under the Global Crisis), Ankara, Efil Yayınevi, 2010.

the liberalisation of the Turkish economy after 1980, Turkey gradually integrated with the rest of the world via foreign trade. As a result, trade's share in GDP increased from 15 percent to more than 50 percent over the last 35 years. One of the major characteristics of this period, however, was a gradually widening gap between exports and imports. For instance, the trade deficit in 1990 was around 9.3 billion dollars, which reached to 84.5 billion dollars in 2014. During this period, the export-over-import ratio remained below 65 percent, except in crisis years. The asymmetric nature of Turkish foreign trade emerges, therefore, as the leading factor in the negative current account balance (see Figure 1 in the Annex).

Trade figures suggest that the production structure of the Turkish economy refers to a sub-optimal balance: Turkey exports mainly consumption goods, while importing investment and intermediary goods. According to İnsel and Kayıkcı, “[f]or the last two decades, 7 percent of *exports* [...] was made up by investment goods, 44 percent was made up by intermediate goods, and 48 percent was made up by consumption goods [...]. In the same period] 19 percent of *imports* was made up by investment goods, 70 percent was made up by intermediate goods, and 10 percent was made up by consumption goods.”²¹ Thus the structure of Turkish foreign trade leads to a vicious cycle since Turkey's exports are heavily dependent on imported intermediate goods.²² In other words, imports move closely with overall economic performance due to high intensity of imported items in the production and export processes, which in turn pave the way for the perpetuation of trade and current account deficits. According to a study conducted by the Central Bank of Turkey, which surveyed 145 major manufacturing companies, imports in total inputs account for 87 percent in petrochemicals, 83.4 percent in electronics, 83 percent in transportation vehicles, more than 80 percent in electronics and metals, and 59 percent in the automotive sectors.²³

The inadequate export performance is closely related to the technological composition of manufactured exports. In order to break up Turkey's

²¹ Aysu İnsel and Fazıl Kayıkcı, “Evaluation of Sustainability of Current Account Deficits in Turkey”, in *Modern Economy*, Vol. 3, No. 1 (January 2012), p. 45, <http://dx.doi.org/10.4236/me.2012.31006>.

²² Daniel Gros and Can Selçuki, “The Changing Structure of Turkey's Trade and Industrial Competitiveness: Implications for the EU”, in *Global Turkey in Europe Working Papers*, No. 3 (January 2013), <http://www.iai.it/en/node/165>.

²³ Şeref Saygılı et al. “Türkiye İmalat Sanayiinin İthalat Yapısı” (The Structure of Imports of the Turkish Manufacturing Industry), in *TCMB Working Papers*, No. 10/02 (March 2010), p. 67-68, <http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/PUBLICATIONS/Research/Working+Papers/2010/10-02>.

export dependence on imported goods, a structural change is necessary. The share of high technology exports in Turkey's total manufactured exports is less than 2 percent, well below the world average. Turkey is also the worst-performing country among peer economies in terms of high-technology production (see Table 5 in the Annex). Although non-negligible improvements have also been achieved during the liberalisation period, Turkey's export structure still relies on low- and medium-technology products. For instance, while the share of goods based on natural resources and low-technology in total exports was 63 percent in 2002, this ratio declined to 56 percent in 2010. Additionally, the share of mid-tech manufactured goods rose to 44 percent, a number that in 2002 was only 37 percent. The share of high-tech exports, however, remained stagnant at around 1.8 percent from 2002-2012.²⁴

Turkey's discouraging performance in high-technology exports partially emanates from the inadequate quality of the country's education system that leads to the poorly equipped human resources. It is repeatedly emphasised in the relevant literature that "a well-designed and high quality education system improves human capital, facilitates and promotes research and development, and supports diffusion of frontier technologies."²⁵ According to these standards, Turkey's education system has certain deficiencies regarding the quantity and quality of schooling. The average Turkish citizen over the age of 25 has completed only 7.6 years of schooling, four years lower than the OECD averages.²⁶ In terms of PISA test results Turkey is usually the worst performer in mathematics, reading, and science among OECD countries.²⁷ It is not a coincidence that the economic success of South Korea over the last half-century is closely related to the improvement in its education system promoting innovation and creative thinking. South Korea currently outperforms all other OECD countries in PISA tests. In contrast, the poor quality of the Turkish education system hampers feedback mechanisms between universities and

²⁴ Mustafa Kutlay, "Turkish Political Economy Post-2011: A Turbulent Period", in Valeria Talbot (ed.), *The Uncertain Path of the 'New Turkey'*, Milano, Istituto per gli studi di politica internazionale (ISPI), 2015, p. 54, <http://www.ispionline.it/it/node/12799>.

²⁵ Gökhan Yılmaz, "Turkish Middle Income Trap and Less Skilled Human Capital", in *İktisat İşletme ve Finans* (Economics, Business and Finance), Vol. 30, No. 346 (2015), p. 24, <http://dx.doi.org/10.3848/iif.2015.346.4330>.

²⁶ Mehmet Şimşek, "How Turkey Will Escape the Middle Income Trap", in *The Wall Street Journal*, 30 September 2014, <http://www.wsj.com/articles/how-turkey-will-escape-the-middle-income-trap-1412100409>.

²⁷ Gökhan Yılmaz, "Turkish Middle Income Trap and Less Skilled Human Capital", cit., p. 26.

the industry, leading to shortages in qualified human resources – which is considered sine qua non for the production of high value-added goods. The education system in Turkey fails to train the kind of human capital that the domestic economy needs to create innovation-led high technology production.

The second root cause of Turkey's growing current account deficit, following the structure of foreign trade, is Turkey's energy dependence. Turkey imports more than 90 percent of the energy it consumes. As energy prices soared worldwide in the post-2003 that coincided with Turkey's high growth period, the cost of energy imports also increased significantly. According to calculations, energy imports cost approximately 6 percent of GDP in a year.²⁸ The higher growth rates boosted the demand for energy, and the skyrocketing energy prices, in turn, further amplified Turkey's current account deficit. Figure 2 (see Annex) demonstrates the important role of energy in Turkey's current account performance.

The government has developed certain strategies to reduce Turkey's dependence on energy imports in the medium-term. Accordingly, the Ministry of Energy and Natural Resources adopted a recent strategy document for 2015-2019 that set the aims of diversifying Turkey's energy supply routes and source countries, increasing the share of renewables, achieving the inclusion of nuclear energy in the energy mix, and improving energy security.²⁹ Furthermore, as part of its energy self-sufficiency strategy, the government plans to build three nuclear power plants. In April 2015, Turkey launched the construction of its first nuclear power plant in Akkuyu, located in the southern province of Mersin. The power plant, an approximately 20 billion dollars project, is to be built by Russia's Rosatom.³⁰ If implemented properly, the diversification strategies and nuclear investments are expected to help mitigate Turkey's current account problem.

Third, there are other dynamics at work that deteriorate Turkey's already poor current account performance. The savings rates, historically quite low, have followed a downward trend over the past decade, and the current rate of savings in Turkey – about 14 percent – is exceptionally

²⁸ "Saved by the Well", in *The Economist*, 17 January 2015, <http://econ.st/1yfyQJe>.

²⁹ Turkish Ministry of Energy and Natural Resources, *2015-2019 Strategic Plan*, Ankara, 2015, <http://www.enerji.gov.tr/en-US/Activity/MENR-Strategic-Plan-2015-2019-Presentation>.

³⁰ "Turkey Launches Construction of First Nuclear Power Plant, Akkuyu in Mersin", in *Daily Sabah*, 14 April 2015, <http://sabahdai.ly/2Myk4h>.

low.³¹ This rate hovered around 19 percent over the past decade, which is below the average of developing markets (27.5 percent).³² Due to low savings rates, Turkey relies on external financing to promote investments and sustain high growth performance. This makes the Turkish economy vulnerable vis-à-vis external shocks and erratic capital flows. Historically informed analysis suggests quite conclusively that economic crises follow a similar sequencing in Turkey: high economic growth exacerbates the current account deficit, and a sudden stop of capital inflows for any reason triggers economic turmoil.³³ Thus one important aspect of the post-2002 concerns the financing of current account deficit in Turkey.

It should be stated at the outset that foreign direct investment (FDI) inflows in Turkey, inarguably the most desirable way of financing external deficits, increased dramatically over the last decade. The Turkish economy attracted 138 billion dollars of FDI between 2002 and 2013, while FDI was just 13.6 billion dollars between 1980 and 2001.³⁴ However, a significant portion of the FDI was realised due to the intense privatisation implementations. The bulk of the foreign investments, therefore, did not adequately contribute to the green field investments and the expansion of employment opportunities.³⁵ The changing composition of current account financing, nevertheless, decreased policymakers' sensitivity to the risks associated with current account deficits. That being said, Turkey's dependence on foreign capital flows remains as a source of economic and political instability. Despite improvements in the quality of external financing, a strong fiscal balance, and a better-regulated financial system, one should not underestimate that the circle of "crisis – high growth –

³¹ Although this paper does not attempt to discuss the reasons for low private savings in Turkey, I should nevertheless underline that the problem has structural, institutional, and cultural dynamics. A World Bank report found that "private saving is closely linked to the real interest rate, gross private disposable income, the young age dependency ratio, and inflation." The cultural traditions that encourage "informal instruments of savings" that are held "under the pillow" and overreliance on house purchases are also among the important determinants of saving ratios in Turkey. See World Bank, *Sustaining High Growth: The Role of Domestic Savings*. Report No. 66301-TR, December 2011, <http://hdl.handle.net/10986/12264>.

³² Sena Eken and Susan Schadler, *Turkey 2000-2010: A Decade of Transition Discussions Among Experts*, Istanbul, DEİK Publications, November 2012, p. 36, <http://en.deik.org.tr/Contents/FileAction/3130>.

³³ Korkut Boratav, *Türkiye İktisat Tarihi 1908-2009* (Economic History of Turkey 1908-2009), Revised ed., Ankara, İmge Kitabevi, 2003.

³⁴ Author's calculations based on Undersecretariat of the Treasury statistics.

³⁵ İzak Atiyas, "Recent Privatization Experience of Turkey. A Reappraisal", in Ziya Öniş and Fikret Şenses (eds.), *Turkey and the Global Economy. Neo-liberal Restructuring and Integration in the Post-crisis Era*, London and New York, Routledge, 2009, p.101-122.

increasing current account deficit – crisis” still constitutes an imminent fragility of the Turkish economy. In summary, for the reasons highlighted above, current account deficit has turned out to be one of Turkey’s urgent structural weaknesses. As a result the government tries, not surprisingly, to take a series of measures to address the problem. The next section discusses these measures and offers a critical assessment as to whether they will be sufficient to rectify the imminent structural problems of the Turkish economy.

MEASURES TAKEN TO OVERCOME THE CURRENT ACCOUNT DEFICIT

Following the 2001 economic crisis, Turkey developed a robust regulatory state compatible with the fundamental principles of the post-Washington Consensus.³⁶ Accordingly, the Turkish banking system was placed under the strict supervision and surveillance of the independent regulatory institutions.³⁷ The regulatory policies were implemented successfully to the extent that Turkey became one of the rare countries that did not have to bail out its banking system during the 2008 global financial crisis.³⁸ The regulatory shift in its financial system and public finances, however, was not complemented by a pronounced industrial transformation strategy. As a result, prudently-crafted and patiently-implemented selective industrial policies were not included in the policy mix to ensure the transformation of Turkey’s trade structure.³⁹ It is therefore fair to argue that the AKP government in its first term put the emphasis on the regulatory rather than the developmental aspect of the state capacity. However, the

³⁶ This part draws from Ziya Öniş and Mustafa Kutlay, “Rising Powers in a Changing Global Order: The Political Economy of Turkey in the Age of BRICs”, in *Third World Quarterly*, Vol. 34, No. 8 (2013), p. 1409-1426.

³⁷ Caner Bakır and Ziya Öniş, “The Regulatory State and Turkish Banking Reforms in the Age of Post-Washington Consensus”, in *Development and Change*, Vol. 41, No. 1 (January 2010), p. 77-106, http://home.ku.edu.tr/~cbakir/Docs/emergence_limits_regulatory_state.pdf.

³⁸ Ziya Öniş and Ali Burak Güven, “Global Crisis, National Responses: The Political Economy of Turkish Exceptionalism”, in *New Political Economy*, Vol. 16, No. 5 (November 2011), p. 585-608.

³⁹ Erol Taymaz and Ebru Voyvoda, “Marching to the beat of a Late Drummer: Turkey’s Experience of Neoliberal Industrialization since 1980”, in *New Perspectives on Turkey*, No. 47 (Fall 2012), p. 83-113; Mustafa Kutlay, “Internationalization of Finance Capital in Spain and Turkey: Neoliberal Globalization and the Political Economy of State Policies”, in *New Perspectives on Turkey*, No. 47 (Fall 2012), p. 115-137.

transformations taking place in the global post-crisis political economy scene and the alarmingly high current account deficits triggered a reshuffling in Turkish policymakers' perspectives as well. They now are trying to formulate a hands-on industrial approach to address poor current account performance. The declared aim is to transform Turkey's production and exports structure in a gradual yet decisive manner toward high technology. To this end, the then Turkish Prime Minister set an overambitious target for Turkey's industrial transformation strategy: "By 2023," declared Erdoğan, "we want Turkey to be one of the top ten economic areas of the world [...] Over the next 15 years we want to increase per capita income from \$10,500 to \$25,000."⁴⁰

The government has taken certain steps in this direction. First, the *Turkish Industrial Strategy Document: Towards EU Membership* was adopted in 2011 under the auspices of the Ministry of Science, Industry, and Technology, along with the involvement of the relevant public and private bodies.⁴¹ The long-term goal of the industrial plan is to position Turkey as "the production base of Eurasia in medium- and high-tech products." In line with this overall objective, three basic strategic targets have been determined: (1) to increase the ratio of mid- and high-tech sectors in production and exports, (2) to transition to high value-added products in low-tech sectors, and (3) to increase the weight of companies that can continuously improve their skills. These industrial policy objectives are designed to target Turkey's recalcitrant current account deficit through high value-added products, which is expected to decrease the dependence of exports on imports.

The second aspect of Turkey's industrial strategy involves the implementation of investment stimulus packages. In 2012, the AKP government announced a new package to encourage investments that aims at reducing dependence on imported intermediate goods, thereby alleviating the current account deficit, improving the research and development (R&D) base of the domestic economy, and mitigating regional imbalances. The stimulus package, which divides Turkey into six regions, enables each region to receive different amounts of incentives in proportion to regional socio-economic inequalities, including corporate tax incentives, cuts in social security premiums, free land, and access to cheap credit. The in-

⁴⁰ Recep Tayyip Erdoğan, "Turkish Economy meets EU Entry Criteria", in *The Huffington Post*, 28 November 2012, <http://huff.to/Seljto>.

⁴¹ Turkish Ministry of Industry and Trade, *Turkish Industrial Strategy Document 2011-2014*, 2010, <http://www.sanayi.gov.tr/Files/Documents/TurkiyeSanayiStratejisiIngilizce.pdf>.

vestment stimulus packages complement already-existing R&D policies, whereby the AKP governments have poured considerable amounts of money into research and innovation over the last decade. Official figures indicate that R&D expenditures significantly increased between 2002 and 2012, jumping from 3 billion dollars to 12.7 billion. The full-time equivalent number of R&D personnel increased from 28,964 to 105,122, and the number of researchers rose from 23,995 to 82,122.⁴² The industrial strategy document and the accompanying investment stimulus packages are intended to build Turkey's R&D capacity. Though it is still early to assess the success of public investments in R&D activities, the stagnation of Turkey's high-technology share in total manufactured exports hints that there is a long way ahead for the Turkish economy to catch up to the world averages in high value-added production and overcome its current account problem. Furthermore, the Table 6 (see Annex) demonstrates that Turkey's R&D expenditure in GDP is still well below the world average and the expenditures of peer countries, despite the fact that Turkey's GDP has been doubled over the last decade.

The third aspect of the policy measures concerns the nature of state-business relations. The literature suggests that the institutional configuration of state-business relations is an important variable that informs the developmental performance of late-industrialised countries.⁴³ Accordingly, institutionalised cooperation mechanisms between state bureaucrats, universities, and business representatives – “governed interdependence,” to use Weiss' terminology – help in transforming the production and trade structure of a country towards the high-technology frontier.⁴⁴ From a historical perspective, however, state-business relations in Turkey tilted to a “market-repressing” rather than a “market-enhancing” institutional equilibrium, which in turn hampered the creation of a transparent and rule-based economic environment.⁴⁵ A relatively isolated rather than insulated and meritocratic economic bureaucracy and polarisation-driven state-business relations are inclined to deteriorate economic stabi-

⁴² The data have been retrieved from the Undersecretariat of the Treasury.

⁴³ Peter Evans, *Embedded Autonomy. State and Industrial Transformation*, Princeton, Princeton University Press, 1995.

⁴⁴ Linda Weiss, *The Myth of the Powerless State. Governing the Economy in a Global Era*, Cambridge, Polity Press, 1998; Linda Weiss, “The State in the Economy: Neoliberal or Neo-activist?,” in Glenn Morgan et al. (eds.), *The Oxford Handbook of Comparative Institutional Analysis*, Oxford, Oxford University Press, 2010, p. 183-209.

⁴⁵ Ayşe Buğra, *State and Business in Modern Turkey. A Comparative Study*, Albany, State University of New York Press, 1994.

lity.⁴⁶ Furthermore, the relationship between different private economic interest groups is generally antagonised because major business associations are organised along ideological lines.

The recent pro-activism toward capacity-enhancing reforms targeted certain structural changes in this realm as well. First, the institutional structure of the Turkish economic bureaucracy was reorganised. The Ministry of Industry has been restructured and renamed the *Ministry of Science, Industry and Technology*, in order to make the role of “science” and “technology” more explicit for Turkey’s industrial transformation strategy. Second, a new state institution, the Ministry of Development, has been created to coordinate Turkey’s economic development policies. Furthermore, the industrial strategy document acknowledges the importance of the “embedded autonomy” of the state⁴⁷ by underlining state-private business cooperation, as well as the internal coherence and synchronisation of state bureaucracies:

To ensure [the] effectiveness of the industrial strategy, it is important to establish a high-level cooperation between the public and private sector. [...Moreover] the cooperation and coordination among the public institutions is as important as the cooperation between the public and private sectors.⁴⁸

These developments indicate that economic stakeholders in Turkey are aware of the “rise of global developmental liberalism”⁴⁹ in the post-crisis political economy landscape. Similarly, it also implies that the state invests in capacity-enhancing measures, not only in the regulatory but also in the industrial realm, to address Turkey’s current account deficit. It remains to be seen whether the responses outlined will be sufficient in generating the kind of impact needed to overcome over-fragmentation in state-business relations. However, the evidence so far suggests that the measures have not yet created a virtuous cycle to overcome deep-seated structural problems. On the contrary, the increasingly harsh political criticisms directed to the Turkish Industry and Business Association (TUSİAD), Turkey’s biggest business association representing the mainstream capitalist establishment of the country, by Recep Tayyip Erdoğan particularly since

⁴⁶ Metin Heper (ed.), *Strong State and Economic Interest Groups. The Post-1980 Turkish Experience*, Berlin, Walter de Gruyter, 1991.

⁴⁷ For the concept of “embedded autonomy,” see Peter Evans, *Embedded Autonomy*, cit.

⁴⁸ Turkish Ministry of Industry and Trade, *Turkish Industrial Strategy Document...*, cit., p. 134.

⁴⁹ Paul Cammack, “The G20, the Crisis, and the Rise of Global Developmental Liberalism”, in *Third World Quarterly*, Vol. 33, No. 1 (2012), p. 1-16.

mid-2013 injected a new wave of instability and polarisation in Turkey's domestic political economy landscape, which in turn, hampered the kind of synergy needed to ensure reform-oriented cooperation.⁵⁰

On the other side, the post-1980 period, especially the AKP era, witnessed the emergence and rapid consolidation of a conservative business class vis-à-vis the dominant economic establishment of the country. The newly emerging business elite in the inlands of Turkey, the so-called Anatolian Tigers, injected new activism in industrial production and foreign trade spheres. The new business elite, particularly the large-scale companies, took advantage of lucrative state incentives, public tenders, and extensive political support. However, the newly consolidating business actors have not demonstrated the expected performance in terms of the transformation of Turkey's economic structure and composition of foreign trade. As Buğra and Savaşkan have discussed in detail, the government-backed "new capitalist class" mainly concentrated on low value-added sectors, with construction activities being the main engine of the expansion of their wealth.⁵¹ The capital accumulation model over the last decade, therefore, heavily relied on construction-related activities at the expense of technological and industrial production. This, in turn, also contributed to the widening current account deficits in Turkey. Şevket Pamuk, professor of economics at Turkey's Boğaziçi University, underlines this point cogently as follows:

"Industry has great importance for Turkey because it is necessary to produce not only for the expansion of domestic but also foreign markets to ensure the improvement of economic conditions. Yet industry is a laborious business. It is even more difficult to compete internationally [in the industrial realm]. It requires huge investments and positive outcome is not guaranteed in advance. In short, the easiest and fastest path to create new rich people passes through the construction sector, not through industrial production. As the share of industry decreased, however, Turkey's most important

⁵⁰ For two illustrative examples, see "Turkish President Erdoğan Slams TÜSİAD Chairwoman over Economy Remarks", in *Hurriyet Daily News*, 11 April 2015, <http://www.hurriyetdailynews.com/?pageID=238&nID=80923&NewsCatID=345>; "Turkish PM Erdoğan Slams Top Business Group Head for Probe Warnings", in *Hurriyet Daily News*, 24 January 2014, <http://www.hurriyetdailynews.com/?pageID=238&nID=61543&NewsCatID=338>.

⁵¹ For an in-depth review of the new economic class in Turkey see, Ayşe Buğra and Osman Savaşkan, *New Capitalism In Turkey. The Relationship between Politics, Religion and Business*, Cheltenham and Northampton, Edward Elgar, 2014.

economic problem today, current account deficit, also deepened.”⁵²

As the quotation implies, it is very difficult to mitigate current account problems by just relying on traditional non-tradable sectors. Thus the increasingly dominant growth strategy creates imminent risks in terms of sustainable growth and high-tech oriented export performance. As a result, the discussion so far suggests that there have been major achievements and apparent challenges in the Turkish economy during the AKP era. Despite certain measures taken by the government, Turkey still encounters relatively high current account deficit, reflecting the structural weaknesses of the economy.

CONCLUSION: THE WAY AHEAD

It is fair to claim that the Turkish economy is at a crossroads. In the post-2001 period Turkey achieved remarkable economic growth that contributed to the improvement of GDP per capita, income inequality, and solid public finances along with a strictly regulated financial system. The Turkish economy, with 6.8 percent annual growth rate between 2002 and 2007, grew higher than the previous sub-periods in Turkish economic history. The annual growth rate declined to 3.2 percent annually during 2008-2014 due to a series of domestic and external factors. Significant structural problems were also accumulated in the same period. High current account deficits, which hovered around 8 percent in 2013, became the Achilles’ heel of the economy.⁵³ This chapter argued that Turkey’s current account deficit is mainly a structural phenomenon. Accordingly, chronic trade deficit lies at the root-cause of the problem. It is obvious that one needs to take fluctuations in oil prices and foreign exchange rates into consideration for a thorough assessment. For instance, the recent drop

⁵² Author’s translation from Ezgi Başaran’s interview with Professor Şevket Pamuk, “2007 sonrası partiye yakın zengin bir zümre yaratmak en büyük ekonomik hedef oldu” (To create a rich class close to the party was the biggest economic goals after 2007), in *Radikal*, 1 December 2014, http://www.radikal.com.tr/yazarlar/ezgi_basaran/-1242057.

⁵³ Although it is not directly discussed in this paper, I should note that Turkey’s delicate position in the Transatlantic Trade and Investment Partnership (TTIP) negotiations between the EU and the US is also likely to have substantial impacts on the structure and overall performance of Turkish foreign trade in the incoming years. For in-depth analyses on TTIP and Turkey, see Kemal Kirişçi and Sinan Ekim, “Turkey’s Trade in Search of an External Anchor: The Neighbourhood, the Customs Union or TTIP?”; and Kamil Yılmaz, “TTIP and EU-Turkish Economic Relations: Deepening the Customs Union”, in this volume.

in oil prices and depreciation of Turkish lira precipitated a fall in current account figures. Yet the problem will persist as long as the structure of Turkish foreign trade remains intact. In order for this not to happen, the high-technology content of the exports sector should be increased.

This final point is also closely related to the middle-income trap. The middle-income trap is defined as the slowdown tendency in rapidly growing economies after their per capita income has reached a certain threshold.⁵⁴ It suggests that once countries have reached the middle-income plateau, achieving high-income levels turns into a much more difficult target. For instance, World Bank research estimates that, of the 101 middle-income countries in 1960, only 13 reached high-income status by 2008.⁵⁵ There is a quasi-consensus among pundits that Turkey is approaching the middle-income trap,⁵⁶ which necessitates the implementation of inclusive policies and the creation of market-enhancing inclusive institutions in the fields of democratic governance, education, industrial relations, the judiciary, and technology in order to break out of the middle-income trap.⁵⁷ Thus overcoming current account deficit via structural reforms will also enhance Turkey's capacity to cope with the middle-income trap over the incoming years. This implies that addressing Turkey's structural economic problems goes far beyond the economic realm. The

⁵⁴ Barry Eichengreen, Donghyun Park, and Kwanho Shin, "When Fast Growing Economies Slow Down: International Evidence and Implications for China", in *NBER Working Papers*, No. 16919 (March 2011), <http://www.nber.org/papers/w16919>; Barry Eichengreen, Donghyun Park, and Kwanho Shin, "Growth Slowdowns Redux: New Evidence on the Middle-Income Trap", in *NBER Working Papers*, No. 18673 (January 2013), <http://www.nber.org/papers/w18673>.

⁵⁵ World Bank and the Development Research Center of the State Council, P.R. China, *China 2030. Building a Modern, Harmonious, and Creative High-income Society*, Washington, The World Bank, 22 March 2013, p. 12, <http://hdl.handle.net/10986/12925>.

⁵⁶ Güven Sak, "Turkey Trapped in the Middle", in *Hurriyet Daily News*, 15 December 2012, <http://www.hurriyetdailynews.com/?pageID=449&nID=36894&NewsCatID=403>; Kemal Kirişçi, "Getting Out of the 'Middle-Income Trap'", in *Hurriyet Daily News*, 18 February 2015, <http://www.hurriyetdailynews.com/?pageID=238&nID=78488&NewsCatID=396>; Sadık Ünay, "Smart Economic Planning and New Turkey", in *Daily Sabah*, 6 June 2014, http://www.dailysabah.com/columns/sadik_unay/2014/06/07/smart-economic-planning-and-new-turkey.

⁵⁷ The term "inclusive institutions" is defined in Acemoğlu and Robinson. This paper refers to the term with reference to their definition. See Daron Acemoğlu and James Robinson, *Why Nations Fail? The Origins of Power, Prosperity and Poverty*, London, Profile Books, 2012, p. 430. For an in-depth debate see S. Erdem Aytaç, "Türkiye: Dengeli ve Sürdürülebilir Yüksek Büyüme Peşinde" (Turkey: Balanced and Sustainable High Growth Pursuit), in Fikret Şenses, Ziya Öniş, and Caner Bakır (eds.), *Ülke Deneyimleri Işığında Küresel Kriz ve Yeni Ekonomik Düzen* (Country Experiences in Light of the Global Financial Crisis and New Economic Order), İstanbul, İletişim, 2013, p. 375-398.

creation of a genuinely pluralistic political order that feeds the deepening of democratic practices, the reformation of the education system in order to promote free and creative thinking, and the consolidation of a legal system that guarantees political accountability and transparency will inform high quality and sustainable growth of the Turkish economy.

ANNEXES

Table 1 | GDP growth (annual %)

	1991-1995	1996-2000	2001	2002-2007	2008	2009	2010-2011	2012	2013
Brazil	3.08	1.96	1.3	3.8	5.2	-0.3	5.1	1	2.5
China	12.28	8.62	8.3	11.23	9.6	9.2	9.85	7.7	7.7
Indonesia	7.86	0.98	3.6	5.3	6	4.6	6.35	6.3	5.8
S. Africa	0.88	2.8	2.7	4.6	3.6	-1.5	3.35	2.5	1.9
S. Korea	7.82	4.56	4	4.8	2.3	0.3	4.9	2.3	3
India	5.14	6.04	4.9	8	3.9	8.2	8.25	4.7	5
Mexico	1.56	6.78	-0.2	3	1.2	-6	4.7	4	1.1
Russia	-8.98	1.78	5.1	7.5	5.2	-7.8	4.3	3.4	1.3
Turkey	3.32	4.14	-5.7	6.8	0.7	-4.8	8.85	2.1	4.1

Source: World Bank.

Table 2 | GDP (billion dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Brazil	552	664	882	1,089	1,367	1,654	1,620	2,143	2,477	2,249	2,246
China	1,641	1,932	2,257	2,713	3,494	4,523	4,990	5,930	7,322	8,229	9,240
Indonesia	235	257	286	365	432	510	540	709	846	877	868
S. Africa	168	219	247	261	286	273	284	365	404	382	351
S. Korea	681	765	898	1,012	1,123	1,002	902	1,094	1,202	1,223	1,305
India	618	722	834	949	1,239	1,224	1,365	1,708	1,880	1,859	1,877
Mexico	713	770	866	967	1,043	1,099	895	1,052	1,170	1,186	1,261
Russia	430	591	764	990	1,300	1,661	1,223	1,525	1,905	2,017	2,097
Turkey	303	392	483	531	647	730	615	731	775	789	820
World	38,151	42,938	46,468	50,334	56,695	62,169	58,884	64,548	71,449	72,905	74,900

Source: World Bank.

Table 3 | Share of Countries in World GDP (%)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Brazil	1.4	1.5	1.9	2.2	2.4	2.7	2.8	3.3	3.5	3.1	3.0
China	4.3	4.5	4.9	5.4	6.2	7.3	8.5	9.2	10.2	11.3	12.3
Indone- sia	0.6	0.6	0.6	0.7	0.8	0.8	0.9	1.1	1.2	1.2	1.2
S. Africa	0.4	0.5	0.5	0.5	0.5	0.4	0.5	0.6	0.6	0.5	0.5
S. Korea	1.8	1.8	1.9	2.0	2.0	1.6	1.5	1.7	1.7	1.7	1.7
India	1.6	1.7	1.8	1.9	2.2	2.0	2.3	2.6	2.6	2.5	2.5
Mexico	1.9	1.8	1.9	1.9	1.8	1.8	1.5	1.6	1.6	1.6	1.7
Russia	1.1	1.4	1.6	2.0	2.3	2.7	2.1	2.4	2.7	2.8	2.8
Turkey	0.8	0.9	1.0	1.1	1.1	1.2	1.0	1.1	1.1	1.1	1.1

Source: World Bank.

Table 4 | Current Account Balance (% of GDP)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Brazil	1.6	1.3	0.1	-1.7	-1.5	-2.2	-2.1	-2.4	-3.6
China	5.9	8.5	10.1	9.3	4.9	4	1.9	2.6	2
Indone- sia	0.1	3	2.4	0	2	0.7	0.2	-2.8	-3.4
S. Africa	-3.4	-5.3	-7	-7.4	-4	-1.9	-2.3	-5.2	-5.8
S. Korea	1.4	0.4	1.1	0.3	3.7	2.6	1.6	4.2	6.1
India	-1.2	-1	-0.7	-2.5	-1.9	-3.2	-3.3	-4.9	-2.6
Mexico	-1	-0.8	-1.4	-1.8	-0.9	-0.4	-1.1	-1.3	-2.1
Russia	11	9.3	5.6	6.3	4.1	4.4	5.1	3.5	1.6
Turkey	-4.4	-6	-5.8	-5.5	-2	-6.2	-9.7	-6.1	-7.9

Source: World Bank.

Table 5 | High-technology Exports (% of Manufactured Exports)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Brazil	16.5	12.0	11.6	12.8	12.1	11.9	11.6	13.2	11.2	9.7	10.5
China	23.7	27.4	30.1	30.8	30.5	26.7	25.6	27.5	27.5	25.8	26.3
Indonesia	16.7	14.8	16.4	16.5	13.5	11.0	10.9	12.9	9.8	8.3	7.3
S. Africa	5.2	4.8	5.5	6.7	6.5	5.6	5.1	5.4	4.3	5.1	5.5
S. Korea	31.5	32.3	32.9	32.5	32.1	30.5	27.6	28.7	29.5	25.7	26.2
India	6.2	5.9	6.0	5.8	6.1	6.4	6.8	9.1	7.2	6.9	6.6
Mexico	21.4	21.4	21.3	19.6	19.0	17.2	15.7	18.2	16.9	16.5	16.3
Russia	19.2	19.0	12.9	8.4	7.8	6.9	6.5	9.2	9.1	8.0	8.4
Turkey	1.8	1.9	1.9	1.5	1.9	1.9	1.6	1.7	1.9	1.8	1.8
World	22.2	21.1	20.9	20.8	20.8	17.5	16.7	18.2	17.6	16.5	17.6

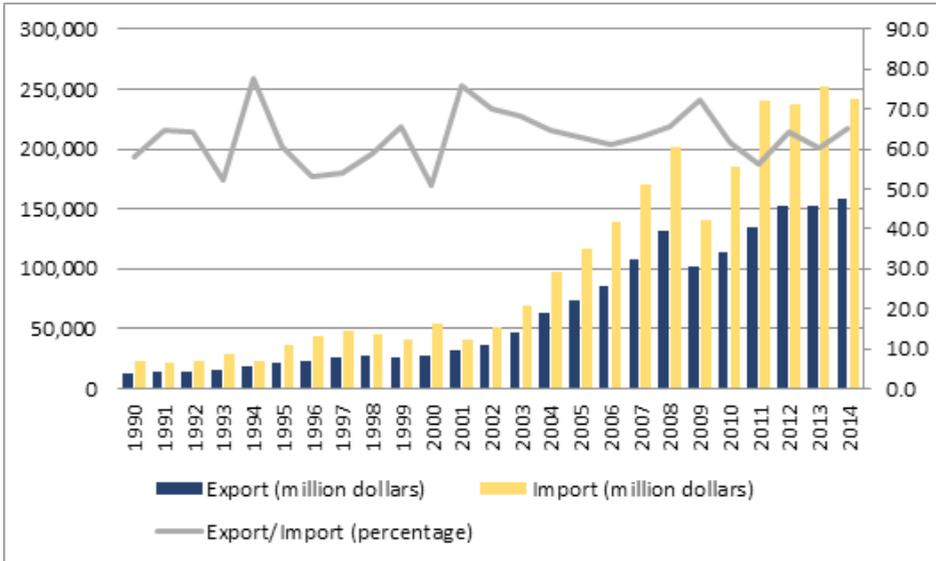
Source: World Bank.

Table 6 | R&D Expenditure (% of GDP)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Brazil	1.0	1.0	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	...
China	1.1	1.1	1.2	1.3	1.4	1.4	1.5	1.7	1.8	1.8	2.0
Indonesia	...	...	...	...	...	...	...	0.1	...	...	...
S. Africa	...	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.8	...	...
S. Korea	2.4	2.5	2.7	2.8	3.0	3.2	3.4	3.6	3.7	4.0	...
India	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	...
Mexico	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	...
Russia	1.2	1.3	1.2	1.1	1.1	1.1	1.0	1.3	1.1	1.1	1.1
Turkey	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.8	0.8	0.9	...
World	2.1	2.1	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	...

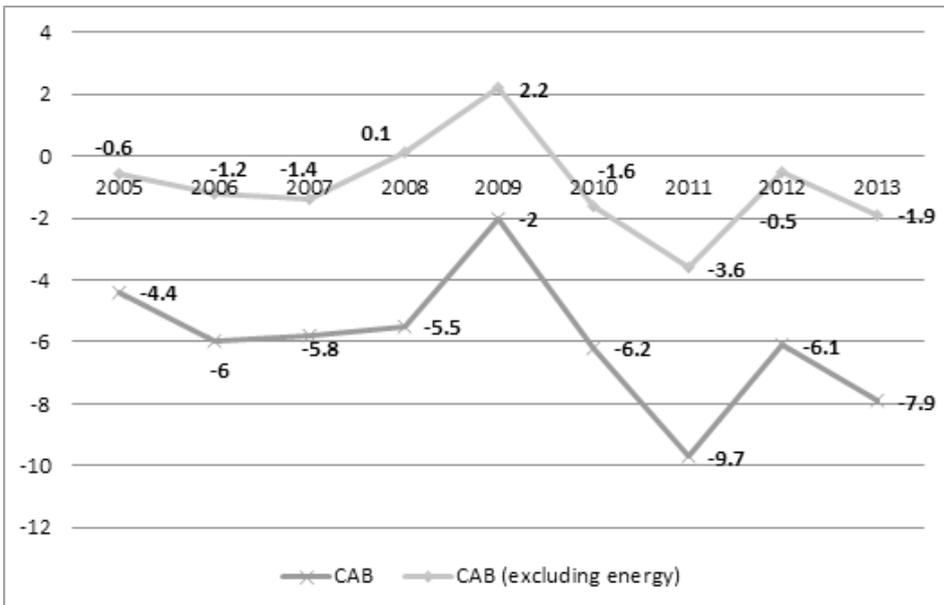
Source: World Bank.

Figure 1 | Turkey's Chronic Trade Deficit



Source: Ministry of Economy.

Figure 2 | Turkey's Current Account Balance (% of GDP)



Source: Undersecretariat of Treasury.

21.

Reverting Structural Reforms in Turkey: Towards an Illiberal Economic Governance?

Işık Özel

Turkey always swings at extremes. It builds major institutions overnight and dismantles them the next. One day it is applauded for its fervent reforms, and the following day it is criticised for lethargy. Ample liberties are granted one day, only to be taken away the next. There is constant change, be it for good or bad, and it appears that this swing of institutionalisation and de-institutionalisation is here to stay.

The Turkish economy has often been praised for having weathered the storm when it was hit by the global financial crisis that erupted in 2008, as it continued to grow (except in 2009). Yet, this performance was not sustainable, as the rates of growth have begun to diminish in recent years. The relative resilience and stability of the Turkish economy in the aftermath of the global crisis was, by and large, brought about by the structural reforms undertaken during Turkey's homegrown crisis in 2000-2001. Robust public finances, a strong banking system, a well-designed regulatory framework, new institutions in various issue areas and sound monetary policies implemented by the Central Bank, which had recently acquired its independence, played key roles in facilitating such initial resilience. Paradoxically, some of those reforms and resulting institutions that helped guard the Turkish economy against the vagaries of the recent crisis are now being dismantled or bypassed in practice.

Currently, widespread political interference in economic institutions and actors raises serious doubts about the sustainability of Turkey's structural reforms. In a way, the stumbling of the EU accession process and the consequent weakening of the EU anchor on reforms set such interference at ease. Since 2013, tension between some of these new institutions and political actors has been on the rise, especially in cases where the policies of the former do not perfectly conform to the policy objectives of the latter. This tension has taken a rather personalised tone as the po-

liticians often threaten the chiefs of these institutions, asserting that they will “teach them a lesson” as a penalty for their disobedience and even fire them from their reputable posts. For instance, in 2013, former Minister of the Economy Zafer Çağlayan menaced Mr. Erdem Başçı, the Governor of the Central Bank (CB), by uttering that “[h]e is just a civil servant. He has come to this position by a decree, and he can go away by another one.”¹ By 2015, the same governor was implicitly accused by “being a traitor” by President Recep Tayyip Erdoğan for not having diminished the interest rates.² Increasing conflicts indicate that structural transformations might be easily deformed and/or entirely reversed unless a strong political will can keep them intact, particularly when the interests of political actors lie in alternative constellations.

In this chapter, I will survey some of the most important reforms of the post-2001 governance and point out the ways in which some of those reforms have already been reverted. As a parallel trend to the increasing authoritarianism of Turkey’s political regime, the Turkish economy has embarked on an illiberal path in which intervention in the market and its players is on the rise, policy-making is increasingly more centralised (centered around the Prime Ministry’s office), and patronage distribution is shaped by the dynamics of intensified polarisation even in the business community.³ Needless to say, the ongoing deadlock in the EU-accession negotiations has accelerated this illiberal trend marked by major backlashes.

REFORMING WHEN THE STAKES ARE HIGH

The Turkish economy and some of its central institutions have gone through major transformations in the last three decades. After having become the poster child of the international financial institutions like the IMF and the World Bank in the 1980s for having launched a bold market reform and liberalisation program as early as 1980, the Turkish economy

¹ “Çağlayan, Başçı’ya tepkisini sertleştirdi” (Çağlayan, though response to Başçı), *Dünya*, 4 February 2013, p. 1, 4.

² “Erdoğan, Babacan’ı açık açık hedef aldı” (Erdoğan directly targeted at Babacan), *Cumhuriyet*, 2 March 2015, <http://www.cumhuriyet.com.tr/haber/ekonomi/224649>.

³ Ersin Kalaycıoğlu, “The Challenge of à la Turca Presidentialism in Turkey”; and Meltem Müftüler-Baç and E. Fuat Keyman, “Turkey’s Unconsolidated Democracy: The Nexus between Democratisation and Majoritarianism in Turkey”, in this volume; Işık Özel, *State-Business Alliances and Economic Development. Turkey, Mexico and North Africa*, London and New York, Routledge, 2014.

went through a treacherously long “lost decade” in the 1990s, marked by a lethargic reform process coupled with excessive financialisation, prevalent regulatory failures and substantial macroeconomic instabilities. From the early 1980s up until the 2000-2001 crisis, institutional reforms were largely disregarded while existing institutions were often bypassed through tactful use of pragmatism.⁴

Eventually, the Turkish economy succumbed to collapse in 2000-2001 as the most severe crisis of Turkish history erupted.⁵ This homegrown crisis became an alarm bell for Turkish state and non-state actors alike, triggering a critical turning point in which economic governance was nearly transformed. No longer characterised by lax regulation coupled with imprudent macroeconomic policy-making, governance has evolved towards strict regulation and supervision along with prudent macroeconomic policy-making. Thus, the crisis created a “window of opportunity” for the design and implementation of a broad range of institutions and the bringing about of macroeconomic stabilisation, a process largely monitored by two major external actors, the IMF and the EU – often referred to as the “double anchors” regarding the role of their respective conditionalities in recent reforms in Turkey.⁶ The EU anchor played a crucial role in the set-up of some of the major institutions, especially on the eve and aftermath of the launching of the accession process in 2005.⁷ Nonetheless, the “anchor-credibility dilemma” still persists ten years into the accession process, as the protracted and “cyclical” nature of the accession has further eroded the prospects for sustained reforms.⁸

Yet, it would be a mistake to reduce the reform process to an imposi-

⁴ Ziya Öniş, “Crises and Transformations in Turkish Political Economy”, *Turkish Policy Quarterly*, Vol. 9, No. 3 (Fall 2010), p. 45-61, http://turkishpolicy.com/pdf/vol_9-no_3-onis.pdf.

⁵ In the 1990s, Turkey’s macroeconomic (mis)management caused a spiral of extensive indebtedness, chronic inflation and sluggish growth. It resulted in 3 major crises in 1994, 1999 and 2001, during which growth rates were -6.1%, -6.1% and -9.5%, respectively. See Turkish Statistical Institute: <http://www.tuik.gov.tr>.

⁶ Ziya Öniş, “Crises and Transformations in Turkish Political Economy”, cit.

⁷ Tevfik Nas, *Tracing the Economic Transformation of Turkey from the 1920s to EU Accession*, Leiden and Boston, Martinus Nijhoff, 2008; Nathalie Tocci, *Turkey’s European Future. Behind the Scenes of America’s Influence on EU-Turkey Relations*, New York, New York University Press, 2011.

⁸ Atila Eralp, “The Role of Temporality and Interaction in the Turkey-EU Relationship”, in *New Perspectives on Turkey*, Vol. 40 (2009), p. 149-170, http://www.ces.metu.edu.tr/docs/eralp_article.pdf; Luigi Narbone and Nathalie Tocci, “Running Around in Circles? The Cyclical Relationship between Turkey and the European Union”, in *Journal of Southern Europe and the Balkans*, Vol. 9, No. 3 (December 2007), p. 233-245; Mehmet Uğur, *The European Union and Turkey. An Anchor/Credibility Dilemma*, Aldershot, Ashgate, 1999.

tion by external actors. The enactment and implementation of these challenging reforms was only possible by the commitment of and increasing coordination within the state actors, as the severity of the crisis curtailed resistance from the veto players.⁹ The 2001 crisis, which further endangered the country's credibility following a decade of macroeconomic instabilities, fostered a thin pro-reform coalition led by a small group of bureaucrats and politicians. Most important of this group was Kemal Derviş, the Minister of State in charge of economic affairs, who is endowed with special authorities. Derviş launched a comprehensive reform program called "Transition Program to a Strong Economy" in the midst of the crisis, yielding credible signals to the international organisations and investors.¹⁰

The reforms undertaken in this critical turning point not only entailed macroeconomic stabilisation through the use of new fiscal and monetary policies, but also a broad range of new institutional arrangements in economic governance, including a new regulatory framework to set the rules for the market players. Unexpectedly, a highly-divided legislature enacted in less than a year nineteen significant laws in the sphere of structural reforms in 2001. These laws entailed the controversial independence of the Central Bank, public debt management, transparency of public procurement, diminishing subsidies, re-structuring of the public banks, and the establishment of independent regulatory and supervisory agencies in several sectors (and reform of the existing ones) to make and execute secondary legislation, among many other reforms.¹¹ From energy, banking and telecommunications to sugar, nine independent regulatory agencies (IRAs) agencies were either established or reformed in the aftermath of the crisis, with considerably high levels of autonomy and authority.¹²

A key structural reform was the independence of the Central Bank through an amendment of the respective law in 2001, at a moment when the ability to provide credible signals to international creditors was an urgent need.¹³ Preventing the Bank's provision of advances and credits to

⁹ Işık Özel, *State-Business Alliances and Economic Development*, cit.

¹⁰ Caner Bakır and Ziya Öniş, "The Regulatory State and Turkish Banking Reforms in the Age of Post-Washington Consensus", in *Development and Change*, Vol. 41, No. 1 (January 2010), p. 77-106, http://home.ku.edu.tr/~cbakir/Docs/emergence_limits_regulatory_state.pdf.

¹¹ Tevfik Nas, *Tracing the Economic Transformation of Turkey ...*, cit.

¹² Gül Sosay, "Delegation and Accountability: Independent Regulatory Agencies in Turkey", in *Turkish Studies*, Vol. 10, No. 3 (September 2009), p. 341-363.

¹³ Işık Özel, "Is It None of Their Business? Business and Democratization, the Case of Turkey", in *Democratization*, Vol. 20, No. 6 (2012), p. 1081-1116.

the Treasury and other public entities, the new law facilitated the implementation of a sound monetary policy, helping macroeconomic stabilisation to be attained after decades of instability.¹⁴

One of the most important features of these reforms was the limitation of executive discretion, a rather revolutionary change given the legacy of discretionary policy-making in Turkey's economic governance.¹⁵ Politicians' succumbing to limit their discretion in economic governance through delegating their authority to agencies endowed with high levels of autonomy was, indeed, a novelty in Turkish governance. It was challenging for incumbent politicians to let go of some of the handy tools in their discretion, be it control over the Central Bank to use monetary policy instruments to further political goals or the regulation and supervision (or lack thereof) of the state-owned banks, which had helped to distribute patronage effectively to the respective constituencies. As revolutionary as it was, successive incumbents could not bear such limitation for long, as the following sections will indicate.

HITTING THE WALL: REFORMS AND STUMBLING BLOCKS

Turkish regulatory reforms, which were launched rather rapidly, also staggered rapidly. They encountered political and bureaucratic resistance since they took substantial authority out of the hands of the government and various bureaucratic agencies. Furthermore, implanting independent regulators into the bureaucratic apparatus was a challenging task given Turkey's highly-centralised administrative system and the prevalent use of executive discretion at the disposal of the governments. Indeed, these agencies contradicted the principles of "the unitary administrative structure" and "the indivisibility of the administration" put forward by the Constitution.¹⁶ Thus, they were instituted with a special status through "affiliation" with respective ministries, causing major tension due to the agencies' authority and independence and opening the door for poli-

¹⁴ C. Emre Alper and Ozan Hatipoğlu, "The Conduct of Monetary Policy in Turkey in the Pre- and Post-Crisis Period of 2001 in Comparative Perspective: A Case for Central Bank Independence", in Ziya Öniş and Fikret Şenses (eds.), *Turkey and the Global Economy. Neo-liberal Restructuring and Integration in the Post-Crisis Era*, London and New York, Routledge, 2009, p. 50-72.

¹⁵ Izak Atiyas, "Economic Institutions and Institutional Change in Turkey during the Neoliberal Era", in *New Perspectives on Turkey*, Vol. 47 (September 2012), p. 57-81.

¹⁶ Seriyse Sezen, *Türk Kamu Yönetiminde Kurullar. Geleneksel Yapılanmadan Kopuş*, Ankara, Türkiye ve Orta Doğu Amme İdaresi Enstitüsü, 2003.

tical manipulation and de-facto intervention. Often framed as “concerns for democratic legitimacy” of these new implants, politicians questioned their mere existence, let alone their independence. These concerns gained further ground as they addressed Turkish politicians’ historically-embedded fear of bureaucracy. Then, the resistance was captured by the concerns about the “hegemony of bureaucracy over politics”.¹⁷

The coalition government’s embarking on the structural reform path and relatively rapid stabilisation of the market could not thwart its defeat at the ballot box in 2002. From then on, the Justice and Development Party (AKP), under the leadership of Recep Tayyip Erdoğan, took on the incumbency, a post it has held unto as of the writing of this chapter. AKP governments initially “owned” and even helped expand the authority of some of the agencies. Yet as early as 2005, they became frustrated by the extent of authority, financial resources and autonomy that these agencies have, including that of the Central Bank. They then began to curtail the autonomy of those agencies, thus re-centralising authority based on the premise of enhancing the democratic legitimacy of economic governance. The global financial crisis that erupted in 2008 provided further justification for the second AKP government to expand its maneuvering capacity in order to respond more flexibly to the crisis.

As a result of such frustration by the government, formal and informal rules about the regulatory agencies have gone through many amendments regarding their autonomy, authority and links with the executive. First, most began to operate as “extensions of the ministries” out of *de facto* interventions of the government, including those over the election of their boards as well as hiring and firing practices.¹⁸ AKP governments increased their control over the regulatory agencies, impairing their autonomy through *de jure* changes. Two decrees (No. 643 and No. 649) issued in 2011 made the regulatory agencies perfectly permeable to respective ministries’ intrusion,¹⁹ meaning that the agencies’ autonomy, now limited by executive discretion, thus became history only a decade after its institutionalisation. Currently, there are discussions taking place

¹⁷ Işık Özel, “Is It None of Their Business?”, cit.

¹⁸ European Commission, *Turkey 2010 Progress Report*, SEC(2010)1327, 9 November 2010, <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52010SC1327>; Işık Özel, “Differential Europe within a Nation: Europeanization of Regulation across Policy Areas”, in *Journal of European Public Policy*, Vol. 20, No. 5 (2013), p. 741-759.

¹⁹ According to the Decree KHK/649 (17 August 2011), “the [respective] minister has the authority over all transactions and activities of the related, attached and affiliated agencies” which, by definition, include the IRAs. <http://www.resmigazete.gov.tr/eskiler/2011/08/20110817-1.htm>.

regarding the dismantling of some regulatory agencies.²⁰ The AKP governments have been rather unapologetic about these moves, epitomised by Deputy Prime Minister Ali Babacan's following statement: "It is time for the independent agencies to re-delegate their authority."²¹

CONTESTING THE CENTRAL BANK'S INDEPENDENCE

Interestingly enough, against the backdrop of the increasing subordination of regulatory agencies to the executive, the Central Bank (CB) has mostly sustained its *de jure* independence. This somewhat "untouchable" status can be explained by the Turkish economy's persistent dependency on foreign capital inflows, for which the independence of the Central Bank has foremost significance in yielding credible signals for the investors.²² Yet, things are never that simple in Turkey. The *de jure* independence does not necessarily guarantee that the government and the president will not intervene in the business of the Central Bank – at times on a daily basis.

The AKP governments have been vocally critical of the CB's policies, particularly the policies on interest rates. Since the late 2000s, they have often threatened the independence of the CB due to an urge to intervene in monetary policy instruments. Publicly visible conflicts between the Ministers of Economy and the CB Governors, which have occurred periodically, indicate that the CB's independence might be at stake in the medium term. Expanding criticism over the acts of the CB exemplifies the absence of a belief in the virtues of CB's independence.

Such criticism has gone beyond the boundaries of the government since the former PM Recep Tayyip Erdoğan became president in 2014. Although the new Prime Minister Davutoğlu often emphasises his trust in CB's independence, the tone of Erdoğan's criticism has become increasingly harsher. It is directed against purportedly high interest rates set by the CB, the CB's Governor Başçı, and, lately, Mr. Ali Babacan, the Deputy-Prime Minister in charge of Economic Affairs, who has defended the CB's policies along with its autonomy. President Erdoğan has often accused the CB and its governor of allying with "the interest lobby," a rather loaded concept in recent Turkish politics that refers to big businesses (often secularist,

²⁰ Işık Özel, "Is It None of Their Business?", cit.

²¹ Songül Selvi, "Enerji piyasasında özerklik tarih oluyor" (Autonomy becomes history in the energy market), *Radikal*, 24 February 2011, <http://www.radikal.com.tr/ekonomi/-1040994>.

²² Işık Özel, "Is It None of Their Business?", cit.

thus presumably in opposition to AKP) with major financial interests. In March 2015, the President, embarking on a threatening tone, asserted that “[y]ou cannot make decisions because the interest lobby applauds them.”²³ He then stated that “those who pursue a high-interest-rate-policy are traitors” and “they should pull themselves together,” this time addressing both Başçı and Babacan.²⁴ Following such tension, Governor Başçı gave a brief to the President about the CB’s policies, helping to ease the tension for the time being.²⁵ The contestation of bureaucrats’ authority and the taming of them whenever capture becomes difficult echoes the conflict between “those who were elected vs. appointed,” which has been embedded in Turkish politics since the 1950s.²⁶

The interaction between bureaucracy and the government has historically been marked by a constant battle. Its roots go back to the transition from the single-party regime, of which bureaucracy had been one of the main pillars, to the multi-party regime in 1950. Having become the “party of the state” during the single-party regime, the Republican People’s Party (CHP) had encroached into all bureaucratic agencies.²⁷ Following the transition, bureaucracy mostly preserved its loyalty to the CHP, causing intense resentment towards the new incumbent Democrat Party (DP), which constructed its identity based on a counter-bureaucracy stance as well as entrenchment against the secularist-Kemalist state establishment.²⁸ Often depicted by a “center-periphery” dichotomy, the CHP represented the “bureaucratic center” whereas the DP represented the “democratic periphery” and the “national will” – a discourse which still prevails in the AKP’s incumbency.²⁹ From the 1950s onwards, center-right par-

²³ Burhanettin Duran, “Faiz lobisi alkışlıyor diye karar alamazsın”, in *Sabah*, 2 March 2015, <http://www.sabah.com.tr/yazarlar/duran/2015/03/02/faiz-lo-bisi-alkisliyor-diye-karar-alamazsin>.

²⁴ “Erdoğan, Babacan’ı açık açık hedef aldı” (Erdoğan directly targeted at Babacan), cit.

²⁵ “Erdoğan’dan Merkez Bankası yorumu: Tatlıya bağladık”, in *BBC Turkish*, 12 March 2015, <http://bbc.in/1EMGA8b>.

²⁶ Şerif Mardin, “Center-Periphery Relations: A Key to Turkish Politics?”, in *Daedalus*, Vol. 102, No. 1 (Winter 1973), p. 169-190; Ergun Özbudun, *Contemporary Turkish Politics. Challenges to Democratic Consolidation*, Boulder and London, Lynne Rienner, 2000.

²⁷ Metin Heper, “State, Democracy and Bureaucracy in Turkey”, in Metin Heper (ed.), *The State and Public Bureaucracies. A Comparative Perspective*, Westport, Greenwood Press, 1987, p. 131-145; Şerif Mardin, “Center-Periphery Relations: A Key to Turkish Politics?”, cit.

²⁸ Ergun Özbudun, *Contemporary Turkish Politics*, cit., p. 31.

²⁹ Şerif Mardin, “Center-Periphery Relations: A Key to Turkish Politics?”, cit.; Işık Özel, *State-Business Alliances and Economic Development*, cit.

ties including the AKP have often addressed the tension between the Kemalist elite – the bureaucracy and the military – and common people by using religious symbols as well as the secular vs. anti-secular cleavage as a major point of reference. Likewise, top-level agencies in the economic bureaucracy have been subject to the successive governments' attempts "to conquer the state through controlling the bureaucracy," a persistent process during the AKP's rule.³⁰

All in all, one can argue that political intervention in bureaucratic agents as well as the markets and its players is almost in the genes of politicians in Turkey. Swift transitioning between institutionalisation and de-institutionalisation, i.e. reversing the institutional set-up, whenever the strong veto players' interests are at play is another important historical legacy. The difference in the current context regarding the AKP's political economy is not only the level of arbitrary intervention, but also the depth of the Turkish market's international and regional connectedness. Such exposure may be positive in good times, but it may be extremely risky in bad times. As the policy credibility of Turkey depreciates through worsening economic indicators such as increasing rates of inflation, unemployment and current account deficit, intensifying political pressure on economic institutions exacerbates the perception of the Turkish economy's vulnerability – a vital issue for an economy that is highly dependent on foreign capital inflows.

The challenge facing Turkey today is the risk of jeopardising some of the key institutions that helped its economy recover from a severe crisis. In this process of institutional erosion, not only the independence of the regulatory agencies is imperilled; some of the key legal institutions established in the recent past under the fervent reform programmes either drift apart, become layered, or are entirely reversed. Public procurement law³¹ is a striking example of this process, as it has been subject to numerous changes (precisely thirty-seven revisions) since its inception in 2002 in accordance with the EU's and the World Trade Organisation's standards. These changes engendered an amorphous character facilitating misuse by politicians as well as private actors, opening new spaces for *crony capitalism*.

For the time being, Turkey's prospects for EU membership might be dim, but economically it is highly integrated in the EU and global markets. Thus, "pricing" the political intervention by the market players – global, regional and domestic alike – might result in high cost for the Turkish eco-

³⁰ Işık Özel, *State-Business Alliances and Economic Development*, cit.

³¹ For an English version see: http://www1.ihale.gov.tr/english/4734_English.pdf.

nomy and politics. Nevertheless, the potential cost is not only Turkey's, as the cost of excluding Turkey might be fairly high for the EU as well.

Conclusions

*Senem Aydın-Düzgit, Sinan Ekim,
Meltem Müftüler-Baç, E. Fuat Keyman*

It must strike the “Turkey-watchers” as a great irony that only four years ago, in the lead-up to another general election, Turkey was applauded for successfully fusing secularism, democracy, and Islam. In its first two terms in government, the Justice and Development Party (AKP) presented itself as an agent of change that would set Turkey on a pro-EU agenda centred around democratisation. Allowing for a freer exploration of religious identities, breaking the hold of the military command on Turkey’s political system, and removing several anti-democratic elements from the constitution were all much-needed reforms that were finally delivered under Recep Tayyip Erdoğan’s leadership. On top of these developments, apart from a slight recession during the financial meltdown of 2009, a restructured and strengthened Turkish economy continued to expand at an unprecedented rate.¹

Certainly, the Turkish state between 2002 and 2011 was not without flaws, especially when analysed against the EU *acquis*. Yet, it seemed to be moving along a promising pattern. As the situation currently stands, however, Turkey has squandered away the credibility generated through its earlier successes. The brutal crackdown on protests, severe restrictions on freedom of expression, as well as several remarks on gender (in) equality have exposed the illiberal tendencies of the leadership that had previously been exalted as a model for the Muslim world. The prospect of Turkey’s transformation into one of the top-ten largest economies in the world by 2023, as the leadership has promised, is slipping further away. Since Erdoğan’s consolidation of power in 2011 and especially the Occupy Gezi movement of 2013, Turkey has been burning its bridges with the “western” world – at a time when the public and the economy need Europe more desperately than they have done since the AKP’s ascent to power.

¹ See Mustafa Kutlay, “The Turkish Economy at a Crossroads: Unpacking Turkey’s Current Account Challenge”, in this volume.

MARCH TOWARDS AUTHORITARIANISM

The AKP's more liberal treatment of religious identity had initially been justified by virtue of being embedded within a framework of human rights. Instead of a rights-based approach, however, change has proceeded "on the basis of Islamic references."² Through such initiatives as removing the ban on the headscarf, launching debates on the importance of the *Imam Hatip* schools (secondary schools that train imams), stimulating conservative values, and separating male and female student dormitories, Turkey's social institutions have been transformed under the influence of Islam.³ Neutralising the military as a political agent also seems to have been connected to Erdoğan's project of social engineering: rather than reorienting Turkey along a more democratic dimension, it has eliminated the "traditional guardian" of the Kemalist state-order.⁴ The bloom has thus faded from the rose of the AKP's hybrid model, as Turkey drifts towards "electoral authoritarianism" of a pronouncedly Islamic character.⁵ As expected, this is hampering Turkey's accession process into the EU.

In 2014, the domestic and international audience once again watched Erdoğan undertake continued efforts to transform Turkey into an authoritarian state built around himself. Much of Turkey rumbled in the summer of 2014 with Erdoğan's bid for the presidency. On 28 August 2014, Erdoğan was sworn into office as the first President ever to be elected by the people in the history of the Turkish Republic. It is now rumbling more loudly in the lead-up to the general elections on 7 June 2015, which may introduce a presidential system with enhanced powers vested in the office of the President. The "internal security package" that has occupied the forefront of the parliamentary agenda since late February 2015 is another cause for concern. If it passes, it will catapult Turkey into a police state, further distancing the country from the realm of liberal democracies.

Since the corruption scandal of December 2013, the AKP has pursued

² Ayhan Kaya, "Islamisation of Turkey under the AKP Rule: Empowering Family, Faith and Charity", in *South European Society and Politics*, Vol. 20, No. 1 (December 2014), p. p. 63, <http://dx.doi.org/10.1080/13608746.2014.979031>.

³ Ibid.

⁴ Steven A. Cook, "The Weakening of Turkey's Military", in *CFR Expert Briefs*, 1 March 2010, <http://on.cfr.org/1JA9MAR>.

⁵ Ergun Özbudun, "AKP at the Crossroads: Erdoğan's Majoritarian Drift", in *South European Society and Politics*, Vol. 19, No. 2 (June 2014), p. 155-167, <http://dx.doi.org/10.1080/13608746.2014.920571>.

various measures to change the composition and the power of the Constitutional Court (tasked with reviewing legislation's conformity to the constitution) and High Council of Judges and Public Prosecutors (responsible for the appointment of judges and prosecutors).⁶ These measures had already undermined the independence of the judiciary. The internal security package now expands the power of law-enforcement agencies to clamp down on anti-government demonstrations, conduct arbitrary arrests and carry out unwarranted searches, hinting at an even more "selective application" of the rule of law. The judiciary's neutrality was called into question most recently in April 2015, when the Istanbul prosecutor Mehmet Ali Kiraz was targeted for his role in an investigation into the death of Berkin Elvan, a 15-year-old who was wounded during the Gezi protests in July 2013, entered a coma, and died last March. The whole incident is being interpreted as an attempt by the government to conceal the circumstances of Elvan's death. That this is all happening in the lead-up to the national elections in June 2015 is alarming; it highlights how Turkey's judicial and security apparatus merely serve as "instruments of revenge" to punish the regime's opponents.⁷

WHAT IS THE EU DOING WRONG?

These internal developments are not the only obstacles to Turkey-EU negotiations. To be sure, the accession process will continue to unfold against a complicated political environment in Europe. The rising popularity of anti-enlargement parties, manifested through their victory in France, Britain, and Denmark at the European Parliament elections in May 2014, points at the rampant scepticism towards the European project. Given the constitutional checks-and-balances in place, it is virtually impossible for any of these parties to withdraw their country from either the EU or the Eurozone; even at the direst point of its financial meltdown, Greece was not able to go that far. Yet, governments across the EU will somehow have to accommodate these right-wing sentiments, possibly by hardening their stance vis-à-vis EU enlargement and further integration of the newest members.

Scotland's referendum for independence in September 2014 came as

⁶ Ergun Özbudun, "Pending Challenges in Turkey's Judiciary", in this volume.

⁷ Kemal Kirişçi and Melis Cengiz, "A Glimmer of Hope for the Future of Turkish Democracy?", in *Brookings Opinions*, 9 March 2011, <http://brook.gs/1JAas8X>.

another “wake-up call” for the governing elite. Indeed, it was only one of the many waves of secessionist movements that have since threatened the very unity of Europe, including those in Catalonia, Veneto, and Flanders. If the incumbents do not respond to the demands of their population, who are clearly unhappy with the *modus operandi* of the system, forces of disintegration are likely to be strengthened. Coupled with the election of the anti-EU *Syriza* in Athens in January 2015 and the re-election of David Cameron’s conservatives in England in May 2015, these developments run the risk of slowing down the pace of European enlargement in the coming years.

The EU is still battling the after-effects of the Eurocrisis, and the public is wary of overstressing the capacity of its resources. The crisis has also prompted the EU to shelve enlargement for the time being. As the President-elect of the European Commission Jean-Claude Juncker announced in September 2014, while engagement negotiations will continue, no enlargement projects will be realised within the next five years.⁸ These structural constraints will therefore hamper Turkey-EU relations, as the EU has practically declared that it would be disinterested in overcoming the inertia in the accession process until at least 2020.

In terms of structural issues, the so-called Greek/Cypriot element remains a thorn in the flesh of bilateral relations, which is not likely to be plucked out in the near future. Cyprus is still blocking the opening of Chapter 23, on Judiciary and Fundamental Rights, and Chapter 24, on Justice, Freedom and Society. The concern here is that, even though Turkey aligns its democratic practice with those protected by the European Court of Human Rights, factors beyond its control will continue to hold Turkey and Brussels apart. The 27 April 2015 election to the Turkish-Cypriot presidency of leftist-moderate Mustafa Akıncı, who vows the end of the island’s four-decade-long division, might bring about reconciliation between the two sides of the island. Unlike his conservative predecessor Derviş Eroğlu, Akıncı supports the efforts for a federal Cyprus, and could project a much-needed fresher voice into the podium. Until Akıncı’s victory makes a difference, however, the problem Cyprus will haunt Turkey’s membership prospects.

Problems also exist within the realm of foreign policy, most recently vis-à-vis the rise of the Islamic State (IS) and the Ukrainian crisis. The former presents a formidable challenge for both Turkey and the EU, but

⁸ European Commission, *The Juncker Commission: A Strong and Experienced Team Standing for Change*, 10 September 2014, <http://europa.eu/!FM46Yd>.

they have shown reluctance to advance into a deeper form of collaboration. What is preventing Turkey's closer cooperation is a lack of trust in the EU. The EU is not incorrect to criticise Turkey for its lenient behaviour towards foreign fighters transiting through its territory; yet, it has shown little interest in helping Turkey with its own problem, namely the burden of accommodating the refugees who are fleeing the Syrian conflict in skyrocketing numbers. Brussels has also expressed its disquietude with Erdoğan's continuing positive relations with Putin in the aftermath of the Ukrainian crisis. Given Turkey's dependence upon Russia for its oil and natural gas imports, however, it is more difficult for Turkey to harden its stance towards its largest energy supplier.⁹ From Turkey's vantage point, then, the EU seems to be demanding a sort of cooperation that will further its own agenda without much concern for Turkey's priorities in the region.

CAN A POINT OF CONVERGENCE BE FOUND?

What Turkey needs to see is that a sense of common interest is driving EU-Turkey cooperation, and that if it carries out its promises, so will the leaders in Brussels. In this regard, Turkey has much to do. To push ahead with the accession process, it will have to deliver enough substance to verify its commitment to the EU principles. To be sure, Prime Minister Ahmet Davutoğlu still stresses the centrality of Turkey's EU membership to the government's agenda.¹⁰ Turkey's "National Action Plan for EU Accession," announced on 18 September 2014 by Turkey's Minister of EU Affairs Volkan Bozkır, also confirms the determination to reinforce the foundation of democracy and harmonise Turkey's institutions with those of the EU states.¹¹ At the end of the day, opening and closing of chapters will depend on Cyprus's vote; yet, as Minister Bozkır has stated, this roadmap would focus Turkey on negotiation chapters, which could then be opened if and when the bureaucratic obstacles are finally lifted.

⁹ Adam Balcer, "Dances with the Bear: Turkey and Russia After Crimea", in this volume.

¹⁰ "New government to focus on EU and Kurdish bid", in *Hürriyet Daily News*, 1 September 2014, <http://www.hurriyetdailynews.com/Default.aspx?pageID=238&nID=71147&NewsCatID=338>.

¹¹ Turkish Ministry for EU Affairs, *National Action Plan for EU Accession, Phases I and II* (30 October and 1 December 2014, respectively), <http://www.ab.gov.tr/index.php?p=1&l=2>.

In this respect, the EU could play the role of motivator – and to its own benefit, too – by exploring avenues of collaboration beyond the parameters set by the accession process. Working with Turkey on compliance with the EU’s political criteria, for instance, would contribute to the fight against Islamophobia. The proliferation of anti-Islamic organisations, most notably the Patriotic Europeans against the Islamisation of the West (PEGIDA) in Germany, is marshalled as evidence that Islamophobia has a firm social grounding in Europe. According to a number of statistical surveys, an overwhelming number of Europeans define Islam as a threat and/or consider Islam as incompatible with the “western” format of modernity.¹² To this end, the leaders need evidentiary support to prove that Islam is not incompatible with European norms. Perhaps more so than ever, the EU needs in its neighbourhood a Muslim state based on the rule of law. If Turkey once again demonstrated that democracy could thrive in a Muslim society, it could evolve into an indispensable ally for Brussels.

The EU could also build up its credibility by discussing how to forge ahead with joint plans of action on issues of common interest, such as the Syrian conflict. It is true that the ouster of Syrian president Bashar al-Assad remains Turkey’s primary concern, and the leadership has put this forward many times as a pretext to remain on the sidelines of the military coalition against the IS. It is unlikely that this will change in the near future. Yet, there is more to being part of a coalition than targeting the ultimate defeat of either Assad or Islamic extremism, such as “the responsibility to protect” the populations under the direct assault of the IS. This requires humanitarian assistance, establishment of “safe zones” for displaced people, and settling refugees – all of which are domains in which Turkey and the EU could work in tandem. For instance, increasing the number of refugees the EU members are allowed to take in would alleviate the burden Turkey has been struggling under. In return, Turkey should implement measures for stricter border monitoring to address the EU’s concerns over the transit of jihadists to and from Syria via Turkey. This will also cut the jihadists’ supply routes and will bring the coalition one step closer to routing the IS without any boots on the ground, and thus satisfy the objectives of both the EU and Turkey.

¹² Yasemin el-Menouar, “Muslims in Germany have close ties to society and state”, in *Bertelsmann Stiftung Religion Monitor*, 8 January 2015, <https://t.co/ldmukJ2i5V>.

HAS TURKEY LOST ITS APPETITE? ECONOMY MIGHT REFRESH ITS PALATE

At the end of the day, such points serve merely to open windows of opportunity for cooperation beyond the strict confines of the accession process. For Turkey's membership negotiations to move ahead, the leadership ultimately has to decide whether it is willing to develop the political will to change. Thus far, the EU is not convinced. When the EU's new policy chief Federica Mogherini criticised the state of media freedom in Turkey, for instance, Erdoğan curtly rebutted that the EU should "mind its own business and keep its opinions to itself."¹³ His remarks arrived on the heels of Mogherini's visit to Turkey, when she emphasised the importance of closer cooperation between the two sides, thereby "killing" the opening of new chapters for negotiations.

This brings up a fundamental issue that underpins Erdoğan's dismissive attitude towards the EU: the AKP believes its future lies in the leadership of the Middle East and the Muslim world, and not with the EU.¹⁴ In this sense, there is a large enough electorate to pay lip-service to the assertions that European values are diametrically at odds with those of the Muslim states.

What the government does not seem to understand is that the current dynamics in the Middle East are not conducive for Turkey to realise this ambition. Up until two years ago, the AKP could at least have justified its "turn" to the East. In the aftermath of the Arab Spring, however, Turkey's foreign policy of "zero problems with its neighbours" has foundered. More profoundly, the frustration that results from its failure manifests in aggression, which has pushed Turkey into isolation. Abdullah al-Thani's government no longer welcomes Turkish elements in Libya; Erdoğan's critical discourse against Abdel Fattah al-Sisi in Cairo has also led to the suspension of diplomatic ties; and the President's inflammatory remarks against Tehran's neo-imperialist ambitions in the region have damaged Turkey's standing in Iran. Turkey's influence in Iraq has also been curbed, at least on paper, by the rise of the Islamic State (IS).

The economic prospects of the Middle East also do not look promising. In light of falling oil prices, the International Monetary Fund (IMF) pre-

¹³ "Media Freedom RIP?", in *The Economist*, 16 December 2014, <http://economist/1xpAZRG>.

¹⁴ Steven A. Cook, "One Hundred Years After Gallipoli: From Atatürk to Erdoğan", in *Foreign Affairs Snapshots*, 18 March 2015, <https://www.foreignaffairs.com/node/1114351>.

dicts “tepid” growth for the markets along the Persian Gulf and therefore a less lucrative trade in the region.¹⁵ With an economy based on exports, Turkey cannot afford to disregard these realities on the ground. Judging by the current state of its economy (the devaluation of the lira as well as the lower-than-expected growth rate of its GDP), it is also imperative that Turkey acts as promptly as possible. Whether this is in line with the AKP’s intentions or not, Europe is currently the only stable entity in Turkey’s neighbourhood.

Unless Turkey becomes economically anchored to the “west,” the result is very likely to be a further reduction in the country’s welfare. This requires that Turkey seek admission into the mega-regional Trans-Atlantic Trade and Investment Partnership (TTIP), which is currently being negotiated between the EU and the United States. The TTIP is expected to create a “seamless trans-Atlantic market” that will bring about the deeper integration of the EU and the US.¹⁶ More significantly for Turkey, those states that are left out of this agreement will suffer trade diversion, and will be granted access to these markets on largely unfavourable terms.¹⁷ Against the chaos reigning in its neighbourhood and given the unviability of relying on Middle Eastern markets for economic gain, it is crucial for Turkey to be included in this new economic order and secure a continuous, healthier trade with the EU.

The caveat for the leadership is that it still has to address its backsliding on democratic standards. This is the most crucial aspect of the TTIP. The agreement is not only about regulating inter-continental trade, it is meant to assert the core values of the liberal state system against those of the new players in the global league, foremost China, Iran, and Russia.¹⁸ Analysed from this vantage point, the TTIP aims to lend greater legitimacy to the “western” form of governance, and demonstrate to the world that liberal markets and rule of law are the founding blocks of prosperous and legitimate states.¹⁹ It is therefore unrealistic to assume that, putting aside the structural setback of the Cypriot/Greek vote, the EU will be forthcoming towards Turkey’s participation, if the latter’s rule-of-law

¹⁵ IMF, *World Economic Outlook. Uneven Growth: Short- and Long-term Factors*, April 2015, <http://www.imf.org/external/pubs/ft/weo/2015/01>.

¹⁶ Kamil Yılmaz, “TTIP and EU-Turkish Economic Relations: Deepening the Customs Union”, in this volume.

¹⁷ Ibid.

¹⁸ Kemal Kirişçi and Sinan Ekim, “Turkey’s Trade in Search for an External Anchor: The Neighbourhood, the Customs Unions or TTIP?”, in this volume.

¹⁹ Ibid.

architecture continues to crumble.

In this sense, Turkey needs to fine-tune its policies against the realities of the region – and the economic prospects could serve as the trigger. As the situation currently stands, this demands that Turkey consolidate its democracy. Such a move would not only help bring about a new burst of popularity for the AKP domestically, it is also Turkey's strongest bid for inclusion in the transatlantic trade-zone. Should Turkey fail to do so, it will suffer even more severe delays in its accession process as well as a shattering blow to its welfare, since Turkey is unlikely to find other opportunities in the neighbourhood to safeguard its economic well-being.

HOW TO PUSH AHEAD?

Turkey is far too important for the EU to lapse into irrelevance and simply fade into oblivion. This is why the current domestic and international situation Turkey finds itself in does not portend well for either side; its dynamic role on the world stage has diminished, once-promising economic prospects look bleaker, and the government's anti-democratic gestures have effectively hollowed out the previous commitment to balancing Islam, secularism, and democracy. A sense of uncertainty now prevails within Turkish society, which will persist until after the general elections in June 2015.

It is very likely that the AKP will collect the highest number of votes on 7 June; whether the number will correspond to the super-majority that is needed to amend the constitution, however, cannot be answered until after the elections. Some have thrown their weight behind the People's Democratic Party (HDP, the main Kurdish party in Turkey's spectrum), citing the call by Abdullah Öcalan, the jailed leader of the Kurdistan People's Party (PKK), for disarmament and his commitment to the peace process as a harbinger for "a tangible democratic push."²⁰ The anticipation is that the HDP, if it manages to break through the 10 percent threshold to enter parliament, will consolidate enough votes in opposition to Erdoğan's presidential project, and push through a train of reforms that will amend Turkey's governing structure.

It is extremely difficult to predict the composition of the leadership

²⁰ Gönül Tol and Omer Taspinar, "Could Kurds Be the Liberal Alternative Turks Have been Looking For?", in *Middle East Institute*, 6 March 2015, <http://www.mei.edu/node/19207>.

that will be formed after 7 June 2015. Yet, the conventional wisdom dictates that things cannot stand still. As discussed above, setbacks in Turkey's democracy are not the only obstacles to Turkey's accession process. Yet, given the blatant disregard for democratic norms, they would seem to carry the greatest weight. This is why Turkey should comply with the EU's political criteria: to strengthen its hand in the negotiations. The more powerful factors that prevent Turkey and Europe from engaging in a constructive dialogue (i.e., the Cypriot/Greek element) will then come to the fore more starkly when Turkey adopts a state-order along European patterns.

This is well within the AKP's capabilities. It was only a few years ago that Turkey was applauded in the "west" for successfully infusing Islamic values with principles of democratic governance, and became an object of emulation across the Islamic world for this hybrid model of Islamic democracy. In hindsight, this might not have been the AKP's ultimate objective; yet, it still put in place a workable blueprint for the Muslim countries that are going through a transition into democracy. The most realistic way forward is then for the leadership to take a leaf out of its own book, and recreate the model it had forged into existence in its first term. How the EU will respond cannot be said for certain. Yet, what is clear is that this is the best option for Turkey, in a moment when the country desperately needs to be anchored to the "west."

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