

## TURKEY UPDATE

*December 24, 2008***TURKISH POLITICS IN 2008**

The year had begun with the Justice and Development Party (JDP), which has been in office since November 2002, riding high after its second successive election victory in July 2007. However, with the invalidation by the Constitutional Court of its legislative move in February to lift the headscarf ban in universities and its 'near death experience' between March and July, when it faced and ultimately avoided closure by the Constitutional Court, the JDP appears to be less certain of its future direction.

While it continues to be the most popular Turkish political party according to every poll and reflects and reinforces growing religious sentiment in the country, the JDP seems effectively constrained from using its majority in the Turkish Grand National Assembly (TGNA) to modify what it regards as the harsher aspects of secularism; most notably the restrictions on wearing the Islamic headscarf many of its supporters regard as discriminatory. Consequently, as 2008 comes to an end, Turkish politics may be entering one of its transitional phases after a relatively long period of stability and predictability.

**CONFRONTATION AND ADJUSTMENT**

In the 2007 elections, the JDP had taken full advantage of widespread resentment against the Turkish General Staff (TGS) warning to the JDP to refrain from electing Abdullah Gul to the presidency. The party had also been able to rely on a superior organization and grassroots operation as well as a charismatic leader with a populist touch. In addition, the JDP had benefited from the absence of effective leadership in the opposition and its inability to adjust to the changing political landscape. The Republican People's Party (RPP), under its long-time leader Deniz Baykal, had shifted from propagating social democratic views to an uneasy combination of opposition to the European Union (EU) and the United States and vehement defense of secularism. The Nationalist Action Party (NAP), led by Devlet Bahçeli, had failed to match Prime Minister Recep Tayyip Erdoğan's ability to tap into the surge of nationalism.

The JDP had prudently avoided an open confrontation with the defenders of secularism throughout most of its first term. However, encouraged by obtaining almost half the votes cast in the elections and elevating Gul to the presidency, the JDP grasped at the thorny issue of the Islamic headscarf law. The move was understandable from the JDP's point of view as the majority of Turkish women wear a headscarf; seventy per cent of Turks favor lifting the ban and members of the party face constant pressure from their wives and daughters as well as their supporters. Nevertheless, the action was portrayed by the JDP's opponents as a threat to secularism. The legislation lifting the headscarf ban in universities was duly invalidated by the Constitutional Court and then cited as the central charge in the closure case brought against the JDP by the Prosecutor General.

The JDP was ultimately able to survive as only six of the eleven judges instead of the required seven voted for closure in July. However, while allowing the JDP to stay in office, all but one of the judges also concluded that the JDP had become 'the center of anti secular activities.' Consequently, in addition to undercutting the power

of the JDP-dominated TGNA to legislate, the Constitutional Court restricted the party's room for maneuver by laying the groundwork for a new case for future activities. Erdogan's immediate reaction to the verdict was to once again deny the anti secularism charge. As a pragmatic politician, however, Erdogan surely recognized that the JDP had been put on notice.

In view of the tensions, which have often characterized the relationship between the JDP and the TGS, it is noteworthy that the only member of the court with a military background voted against closure. This prompted speculation that a private deal was struck between Erdogan and incoming TGS Chief of Staff Ilker Basbug. Although it is impossible to verify such claims, the advantages for both sides in such an arrangement are nevertheless easy to perceive. Along with most of his colleagues, Erdogan regarded the TGS as the driving force behind the effort to close down the JDP and to ban him from politics. Consequently, going directly to Basbug to ward off the imminent danger may have made sense from his perspective. After all, Erdogan had enjoyed a relatively good working relationship in the first four years of his government with Chief of Staff Hilmi Ozkok and had then managed to establish a *modus vivendi* with his successor Yasar Buyukanit after a difficult beginning. For his part, having seen the JDP benefit electorally from the TGS demarche under Buyukanit in 2007, Basbug may have wanted to avoid a repeat performance by the JDP's successor in another early election. It has also been suggested that he may have wanted limits on the scope of the current investigation into the so-called Ergenekon conspiracy in which two retired four-star generals have been detained in connection with an alleged plot against the JDP government.

To be sure, the rapid revival of the Islamists under the JDP banner after the ouster of the Islamist-led government in 1997 has created a dilemma for the TGS as the backbone of the secular system. While the TGS is perceptibly uncomfortable with the JDP government as the political manifestation of increased religiosity, it has been reluctant to directly confront a party with mass popular backing, as its unwillingness to follow up its memorandum against Gul's presidential candidacy demonstrates. However, Kemalism, vigorously defended by the TGS, remains the official state ideology enshrined in the 1961 and 1982 constitutions. While modern Turkey may no longer conform to the strict principles of Kemalism, the JDP has not been willing to risk a direct challenge to the ideology. Notwithstanding the fact that the culmination of the current EU accession process would necessitate its subordination to elected officials, the TGS has also maintained influence far beyond purely national security issues and retained autonomy in administering itself without meaningful civilian oversight. Moreover, since the closure case, Erdogan has drawn perceptibly closer to the TGS, particularly on the critical issue of how to deal with the Kurdish issue and separatist terrorism. After the PKK attack on a military outpost led to unprecedented media criticism of the TGS for alleged negligence, Erdogan chose to back Basbug's denunciations of newspapers which had previously been vociferous in their support of the JDP in its difficulties with the TGS.

Erdogan has tried to strike a balance between supporting a military response against PKK terrorism and the need for a political solution which he first publicly articulated in Diyarbakir in 2005. His strategy aimed at simultaneously undercutting the PKK and Kurdish politicians who defer to the PKK. He hoped that economic improvement in the southeast, coupled with electoral success against the Democratic Society Party (DSP) - which is currently confronting the threat of closure for Kurdish separatism like its predecessors - would lead the way to a solution of the Kurdish problem. However, Kurds have been voting for mainstream Turkish political parties as well as local Kurdish parties since the introduction of multiparty democracy in 1950. They choose to vote for mainstream parties not only because Kurdish parties are banned but also because of the ten per cent national threshold for representation in the TGNA. At the same time, there is little tangible evidence that economic prosperity would eliminate the sense of ethnic grievance that is at the core of the conflict.

It has been difficult for Erdogan to blur ethnic divisions while backing a military solution to PKK terrorism and this is likely to affect his electoral ambitions in the southeast. His blunt declaration in November that there was only "One nation, one flag, one motherland and one state" disappointed many Kurds as he discovered when he

recently revisited Diyarbakir. Ahmet Turk, the leader of the DSP, went so far as to claim that the JDP was “obliged to make a deal with the state in return for not being shut down and as part of the deal, the Prime Minister has changed his policy on the Kurdish issue.” It is also noteworthy that Dengir Mir Mehmet Firat, the most prominent Kurdish figure in the party - who had met with Turk and other DSP parliamentarians shunned by Erdogan – has resigned from his post as Deputy Chairman of the JDP.

One of the strengths of the JDP has been its remarkable success in maintaining cohesion and avoiding the kind of splintering which has bedeviled ruling Turkish parties in the past. While Erdogan is still in firm control of a united party, there are indications that the JDP may no longer be immune to the laws of political gravity. The relationship between Erdogan and Gul - who served as prime minister during the JDP’s first three months in office before giving way to Erdogan – is showing undeniable signs of fray since Gul’s ascendancy to the presidency. Another of the JDP’s four original leaders, Abdullatif Sener, left in July to form a new party after complaining about the JDP’s lack of effectiveness in fighting corruption. The resignation of JDP Deputy Chairman Saban Disli in September 2008 following corruption allegations has underlined the JDP’s problems with an issue which it had used against its predecessors. It may be significant that Disli was forced out partly because of pressure from Bulent Arinc, the fourth of the original leaders and now effectively the second man in the JDP.

Erdogan has reacted strongly against reporting of corruption allegations in the Turkish media and intolerance of criticism has recently become a characteristic of the JDP. By directly attacking media owners while revoking the accreditation of critical journalists, Erdogan has effectively forced the media to exercise auto censorship. After having pushed through a series of liberal reforms to achieve its stated goal of beginning EU accession negotiations in October 2005, the JDP government now seems uncomfortable with some aspects of the more open society it helped to create. It may also be disinclined to incur the domestic costs associated with additional steps expected by the EU on civil liberties and such sensitive issues as the Kurds and Cyprus. The Constitutional Court case had briefly renewed the JDP’s interest in the EU and the reform process as it endeavored to garner international support for itself but it soon became clear that this was a tactical move designed to increase the external costs of closure. In a recent speech, for example, Erdogan complained bitterly about the EU demands on Cyprus and added: “We have completed the Copenhagen and Maastricht Criteria. Let us know if it is not going to work, then we will continue on our path and rename them as the Ankara and Istanbul Criteria.”

## **ECONOMIC DOWNTURN**

In November 2002, the JDP had inherited a faltering economy rescued by an emergency IMF program and then proceeded to implement the program. In the next five years, the Turkish economy took advantage of the link to IMF as well as progress towards EU accession to recover in an impressive manner. Between 2003 and 2007, yearly growth averaged 6.7 per cent; long term foreign direct investment rose from \$1.8 billion to \$21.7 billion and per capita income rose from \$3,383 to \$9,333. The stock market also soared, reaching 58,231 points on October 15, 2007. The high real interest rate and value of the lira attracted record short term investment. The so called ‘hot money’ influx into the Turkish economy rose from \$8.2 billion in 2002 to \$107 billion in 2007. These funds helped to cover the yearly current account deficit which went from \$ 1.5 billion in 2002 to \$ 47 billion in December 2008. While Turkish exports were going up impressively between 2003 and 2007 from \$47 billion to \$107 billion, imports were rising at an even higher rate, from \$ 69 billion to \$170 billion.

The JDP’s stewardship of the economic recovery helped to buttress its rule and its ability to retain support depends to a great extent on sustaining the process. However, while the government’s 2009 budget forecasts a projected growth rate of 4 per cent, most independent analysts are predicting a negative growth rate in view of the weak 0.5 per cent growth in the third quarter of 2008, the slowest since 2001. The unemployment rate has gone up to 12 per cent in urban areas and 2.5 million people are officially unemployed although the real figure

is almost certainly higher. Short term funds dropped to \$59.5 billion in October 2008 as the international financial crisis deepened and the stock market fell to 21,929 points on November 19, 2008, less than half its value of a year ago.

After successfully completing Turkey's nineteenth agreement with the IMF in May 2008, Erdogan was urged to proceed to a new agreement with the IMF by the Turkish private sector as well as the international financial community. Erdogan resisted and cited his displeasure with IMF demands, in particular for a reduction in public spending and a revision of the projected growth rate to 2 per cent. He declared that there would be an agreement with the IMF only if it did not "try to throttle Turkey". While other countries in financial difficulties proceeded to agreements with the IMF, Erdogan asserted that the global crisis would "pass by Turkey" because it had learned lessons from its own crisis and even claimed that Turkey would "benefit" from it. When he finally acknowledged in early November that Turkey would be adversely affected by the global ferment, Erdogan predicted that the crisis had "reached its climax and was in decline."

After attending the emergency G-20 meeting in Washington in mid-November, Erdogan publicly backed a new agreement with the IMF and announced that Turkey was "very close to signing a new deal." However, the talks with the IMF have gone slowly, almost certainly because of Erdogan's focus on the upcoming municipal elections in which unhindered public spending would give an advantage to the JDP. However, with 82.5 per cent of respondents in a recent survey saying that they can feel the direct impact of the crisis and 52 per cent blaming the JDP for not managing it well, it remains to be seen whether Erdogan will pay a bigger political price for the lateness of an inevitable deal or for being forced to go to the IMF like previous governments.

## **LOOKING AHEAD**

The JDP government faces a major test in the March 2009 municipal elections and there may be similarities between its position and that of the Motherland Party (MP) – the last party before the JDP to hold power on its own - twenty years ago. In March 1989, the MP under Turgut Ozal fared poorly in municipal elections after winning two successive parliamentary elections, subsequently lost power in the 1991 elections and never regained its position in Turkish politics. If the JDP fails to match the forty seven per cent vote it received in last year's elections or loses one of the big municipalities, the result would undoubtedly be perceived as a failure. However, unlike Ozal who was challenged by the redoubtable Suleyman Demirel, the JDP is facing weak opposition and a poor electoral performance would be more a reflection of the negative impact of a worsening economic outlook than the success of the other parties. As the JDP's rise to power was facilitated by the Turkish economic crisis of 2000-2001, it would be ironic if its decline was to be set in motion by the current global downturn and its impact on Turkey.

While the economic recovery continued, governing was relatively easy for the JDP. With the shrinking of the pie, the JDP government will inevitably find it more difficult to claim credit for its management of the economy and, consequently, to maintain its popularity. Although the end of JDP domination is not on the horizon, the RPP and the NAP are likely to benefit most from the gradual erosion of support for the ruling party despite their lack of effectiveness. However, the Contentment Party, which continued as the Islamist party after the defection of Erdogan and his colleagues in 2001, could also increase its share of the vote, while Kurdish voters drift away from the JDP in the main Turkish cities as well as in the southeast. The economic downturn will further test the unity and internal cohesion of the JDP, particularly after the demonstration of its powerlessness on the headscarf issue and its close brush with closure.

Erdogan's economic preoccupations in 2009 may make it even less likely that he will take the steps required to accelerate the EU accession process. In fact, it now seems probable that the stalled EU process will come to a standstill next year without a breakthrough on Cyprus, with critical implications for Turkey's efforts to modernize and to complete the process of integration in the Western community. Such a development would be

particularly unfortunate in view of the uncertainties relating to the course of US-Turkish relations with a new American president. To be sure, the JDP government would maintain its high profile in international politics - recently capped by Turkey's election to the Security Council - even without progress on the EU front. However, it would also have to cope with the negative implications for Turkish domestic politics as well as for the economy.

Erdogan will almost certainly continue in 2009 to promote Turkish nationalism, a seemingly permanent feature of Turkish politics which has recently been reinforced by the rise of anti-American and generally anti-Western sentiments. However, the JDP's record in government of seeking accommodation with the US, the EU and the international financial community could leave the party vulnerable to a challenge from its nationalist flank. On the other hand, whatever the future has in store for the JDP, its ability to win successive parliamentary elections has underlined the growing and increasingly visible role of religiosity in Turkish politics, as the NAP's advocacy of relaxation of the headscarf restrictions and the RPP's recent willingness to welcome into its ranks women wearing Islamic dress also confirms. Nevertheless, as the JDP's difficulties in government demonstrates, the rigidly secular system has only been forced to adjust in an *ad hoc* manner to the influence of religiosity and the current situation will remain inherently unstable without a hitherto elusive new national consensus.

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