

## Insights into Turkish Domestic and International Politics during September 16-30<sup>th</sup> 2012

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### Key Points:

- *Prime Minister Erdogan leads the AKP party Congress, appearing to position himself for a presidential run in 2014.*
- *Syria's civil war is causing violence to flare between the PKK and Turkish security forces (TSK). The porous nature of the Syrian-Turkish border is causing further domestic tensions, as the country's population remains ambivalent about intervention.*
- *The Sledgehammer coup case concludes with a conviction and the TSK in its barracks.*
- *Turkey's domestic energy needs hit citizens' wallets as the government cuts subsidies and attempts to increase imports from Iraqi Kurdistan.*
- *Turkey's economic success is built on risky factors according to some investors, despite its 8 percent growth.*

**Domestic politics / AKP Party Congress**

*On Sunday, 30 September the ruling AKP held its party congress to great fanfare and in celebration of a decade in power. Turkish Prime Minister, Tayyip Erdogan, was the obvious headliner at the gala with other high-profile speakers also addressing the assembly. President Abdullah Gul, Egyptian President, Muhammed Morsi, and Hamas leader in exile, Khaled Meshal, gave remarks at the event. The latter was reported to have been a crowd favourite, a serious concern for those hoping for improved relations between Israel and Turkey.*

Re-elected as head of the party, Erdogan appears to be positioning himself for a longer stay as the country's leader. A 2007 constitutional amendment allows for two presidential terms of five-years each. With negotiations between political parties set to begin in the coming months to replace the 1980 "Coup Constitution", the AKP looks set to continue its dominance over Turkey's political scene. As the face of the party that relegated the military to its barracks and oversaw a decade of impressive economic growth, Erdogan is astute enough to capitalize on his advantage. As any American presidential observer would note, it's very hard to defeat an incumbent.

However, there are murmurs of discontent from within some AKP circles. Supporters of current President Gul and Foreign Minister Ahmet Davutoglu have raised concerns that the prime minister should step down to make way for a new face. Opposition party members cite a hypothetical Erdogan presidency as an example of the "Islamist dictator" label so often levelled at him, with some even drawing contrasts to current Russian President, Vladimir Putin.

Politically, there is something to be said for a transition of power in democratic societies, but the AKP's popularity stems largely from its good governance and economic success in comparison to previous governments. However, while the AKP is likely to retain its political dominance, there may come a point where Erdogan should consider stepping aside. Sitting on the periphery of regions with a

history of strongmen, the AKP should demonstrate that the last decade of success was due to the party's leadership as a whole, not just to the prime minister.

But such a scenario is most likely to occur towards the end of the president's first five-year term in 2019. Until then, with civil war in Syria, PKK violence and potential economic collapse hovering over the Eurozone, Erdogan is unlikely to step aside. With such challenges ahead, that may not be a bad prospect.

**Syria**

*Both Morsi and Erdogan condemned the al-Assad regime's violence in Syria during the party congress. Morsi built upon his mid-week remarks to the UN General Assembly that civil war is the "tragedy of our age."*

Addressing Iran, Russia and China, Erdogan warned their leaders by saying that "History will not forgive those who sided with these brutal regimes."

As previously noted (EGF Turkey File, September 1-15, 2012), the presence of Syrian refugees, who are predominantly Sunni, is causing tensions along the border. With Turkish Alawites in Antakya continuing to hold pro-Assad rallies, the government has tried to alleviate the friction by requesting Syrians who are not in refugee camps to move further into the country.

Coupled with the refugee crisis further damaging Sunni-Alawite relations inside Turkey, PKK militants continue to battle TSK forces in the country's Hakkari Province. With PKK-allied militants controlling portions of northern Syria, Ankara also fears PKK infiltration along the country's porous borders with Iran and Iraq. Deputy Prime Minister, Bulent Arinc, even accused Tehran of allowing PKK fighters to freely cross the border in order to attack the town of Sandinli.

The current refugee situation and the fluid nature of border crossings are critical for Free Syrian Army units

to continue their fight against al-Assad. But the escalation of violence between the PKK-TSK is boxing Turkish leaders in, with many rightly fearing the Kurdish separatist movement could use the refugee camps to launch attacks deeper inside Turkey. The closing of crossing points and increased security checks have swelled lines of refugees, leaving impromptu camps on the Syrian side of the border fence. These are under the protection of TSK anti-aircraft units and are the genesis for Erdogan's call to establish safe zones with military protection.

While the prime minister continues to chide international leaders – notably President Obama – for their indifference to the plight of Syrian refugees, the situation is unlikely to change significantly. Al-Assad's forces and opposition fighters continue to fight brutal street battles throughout the country, but it doesn't appear that either force is spent militarily. Despite the occasional collateral damage by Syrian forces, such as firing mortar rounds into the Akcakale district in late September, the fighting will continue to be between Syrians in that country. Until another power leverages its own military forces into the conflict, be it Turkey or NATO, it will continue and likely exacerbate religious and ethnic tensions throughout the region.

### **Sledgehammer Coup Case**

*Following years of investigations, arrests and hearings, a verdict was returned in the Sledgehammer Coup Case. 324 out of the 400 TSK officers were found guilty for their connection to the plot to overthrow the Islamist AKP government following its electoral victory in 2002. Many of those convicted face from 13 to 18 year prison sentences.*

The validity of evidence has been called into question during the trial, but the audio recordings from the military's war game meeting held in May 2003 were damning. In the recordings, officers referred to AKP officials by name, including Prime Minister Erdogan, calling them 'domestic enemies'.

Other evidence, such as military plans to blow up a mosque or to shoot down a Turkish military plane as an excuse to commence the coup, seemed less authentic according to some observers. Despite these concerns, the reaction to the verdict was fairly muted. As the most advanced Muslim democracy in the region, Turkey has done well under the AKP. The country's population knows too well the military's history of interfering in domestic politics. Given this, there seems to be little sympathy for the generals at this point.

### **Energy, Iraq and the Economy**

*For weeks now, lines have formed in front of natural gas distribution points to purchase cheap gas ahead of expected price hikes to be implemented later this year. Despite the economy enjoying impressive growth rates – exceeding 8 percent in 2011 and 2012 – government subsidies have done little to help BOTAS, which sells its gas at a loss. According to the Ministry of Energy and Natural Resources, the failure to import natural gas, amid falling demand, under the "take-or-pay" contacts with Russia and Iran, has cost Turkey \$1.68 billion over the past three years. On top of this, Turkish drivers now have the distinction of paying the highest global price for gasoline at \$2.60 per liter.*

While the country is a regional hub for gas and oil shipments, its energy policies have failed to meet increased domestic consumption. Attempts to meet domestic needs are behind Ankara's continued support for TANAP and the good relations with the Kurdish Regional Government (KRG). Turkish contractors will benefit from the late September agreement between Baghdad and Erbil that will see the Iraqi Oil Ministry pay \$900 million to energy export companies working in the KRG. Erbil will resume its shipments, paying a cut to the government in Baghdad for oil exports, while the oil ministry will payout 17 percent of total oil revenues to the KRG. This agreement may help ease tensions between Turkey and Iraq's government, after Ankara reached a separate export agreement with Erbil last month. But

it won't completely solve the mutual distrust that has built up between Iraqi Prime Minister, Nouri al-Maliki, and Erdogan over the past year. Until a more inclusive Baghdad government is in power, relations between the Sunni Turkish prime minister and his Shi'a Iraqi counterpart aren't likely to warm up.

Economically, the country continues to impress, especially in contrast to the wretched growth prospects of the neighbouring Eurozone. However, inflation – though low by Turkish historical standards

– and a rising government deficit are causing some concerns among investors. This is in large part due to the fact that such growth is fuelled by short term foreign loans, susceptible to disappear overnight in times of crisis. Possibilities like a Eurozone implosion, Turkey becoming militarily involved in Syria or Iran's nuclear program causing a wider regional conflict are all scenarios that could quickly ruin the Turkish success story.

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#### EGF Turkey File

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