

## Insights into Turkish Domestic and International Politics during October 2011

### Key Points:

- *Turkey's economy continues to flourish in comparison with other developed economies on its European periphery. The country gained over a million jobs and clocked an 11 percent growth rate in the first quarter of 2011 while its GDP grew by 8.8 percent.*
- *Germany's Foreign Minister, Guido Westerwelle, leant his support to the Turkish accession bid to the EU, saying that the EU should be "fair to Turkey in the negotiation process."*
- *Ankara continues its condemnation of Syrian violence against opposition and activist members, and according to a number of reports, is now hosting a group of former Syrian soldiers called the Free Syrian Army.*
- *A large earthquake in the Van province has exacerbated Kurdish-Turkish relations with claims of bias being leveled at the government for the manner of its response to the disaster in the mainly Kurdish region.*
- *Turkish Security Forces (TSK) continue their assault on PKK strongholds in Iraq after a devastating attack in mid-October that left 24 TSK soldiers dead. On October 28, police arrested a number of pro-Kurdish BDP Party members in and around Istanbul, including member of the intra-party constitutional commission, Buşra Eranli.*
- *Azerbaijan and Turkey finally conclude a natural gas supply agreement following two years of negotiations, while BOTAS informs Gazprom that it will not renew a key existing gas supply contract with Russia.*

## Economy

*While economists continued to warn about a possible overheating of the Turkish economy amongst an apparent global slowdown, the TurkStat Household Labor Force Survey released its results for the first part of 2011 in mid-October. The survey reports that the country gained 1.47 million jobs compared to the same time last year, giving it a total of 24.95 million employed workers. Unemployment is also down, currently standing at 9.1 percent in comparison with last year's 10.6.*

Turkey also had the world's fastest economic growth rate, registered at 11 percent in the first quarter of 2011 compared to the same time last year. Its GDP increased by a whopping 8.8 percent compared to stagnant growth throughout many of the globe's developed and developing economies.

The AKP-led government has made some substantial inroads into making sure the boom and bust cycles of the past don't happen again, the most recent initiative at handling this being the mid-October announcement that the government would update measures in relation to its Medium-term Economic Program (OVP). The changes are predicted to slow the country's growth rate, third globally behind China and Argentina, to 5 percent annually as of 2013.

The government has also managed to cut the country's budget deficit by a whopping 25 percent compared to this same time last year, worth an estimated \$39.6 billion dollars. Compared to the struggles of the U.S. to even address such issues, or the bloated Eurozone countries own debt problems, these are astounding numbers. The moves show deft management by the government and business leaders, making proper adjustments in monetary and fiscal terms while the getting is good in preparation for a later rainy day.

## EU Accession

*On October 12, the European Commission released its latest progress report on Turkey, notably saying the country made "good progress" in consolidating civilian oversight of security forces, citing the resignations of leading members of the Supreme Military Council in August 2011 as a positive development.*

The report called investigations like the one into the Ergenekon case good opportunities to shed light on criminality that works against democracy, but conversely said the Commission had concerns over the handling of such investigations and judicial proceedings at the expense of those accused.

Plaudits for freedom of expression were met with similar reservations towards certain instances of some violations that were of concern to the Brussels based institution, but the report was positive overall. It concluded by expressing the hopes of the Commission that another chapter in Turkey's accession talks could be opened failing such action over the course of the last year.

On October 13, during a meeting with Turkish Prime Minister Erdogan and Foreign Minister, Ahmet Davutoglu in Istanbul, German Foreign Minister, Guido Westerwelle, called on the EU to be fair in its drawn out talks on Turkey's EU accession.

Westerwelle said that the "European Union should act respectful and fair to Turkey in the negotiation process," during a press conference, adding that the talks should continue without interruption or delay. "Once the train has stopped, it is very difficult to get it moving again. Therefore, the train should not stop and the next chapter, which is the competition chapter, should open soon," he remarked.

The two foreign ministers also discussed Prime Minister Erdogan's statement that German based foundations were supporting opposition groups in

Turkey, from the PKK to the CHP – though Davutoglu disputed that the prime minister ever said they were financing the terrorist organization.

### **Middle East**

*On October 17, the Turkish Foreign Ministry voiced its concern over the continued violence of the Assad regime, specifically condemning it for the assassination of opposition activist, Ziad al-Obeidi. Al-Obeidi fled Syrian forces when they stormed the city of Deir el-Zour and had been in hiding ever since prior to his killing. The foreign ministry also condemned Syria for allowing pro-Assad groups to open fire on the funeral procession for al-Obeidi which numbered over 7,000 people.*

In a stunning article published in The New York Times on October 27, Turkish officials openly admitted to both harboring and protecting an armed opposition group of military deserters called the Free Syrian Army. The Turkish Foreign Ministry has since denied such allegations.

Although it remains to be seen as to how effective the group of former Syrian soldiers is in terms of being a credible threat to the powerful pro-Assad forces, the presence of a Turkish foreign ministry official at a press conference given by the group's leader, Colonel Riad al-As'aad, is striking. The article reports that Col. As'aad participated in a press conference arranged by the Turkish Foreign Ministry under the protection of ten Turkish security personnel. Further information is subsequently provided with respect to an unnamed foreign ministry official's justification of Turkey's protection of the group, "At the time all of these people escaped from Syria, we did not know who was who, it was not written on their heads 'I am a soldier' or 'I am an opposition member'. We are providing these people with temporary residence on humanitarian grounds, and that will continue."

Considering that Turkey is already hosting the nascent Syrian National Council, this is a stunning turn of

events in the relationship between Ankara and Damascus. The thought that must be paramount on Turkish leaders' minds has to be what the Assad regime will do in response: the greatest fear likely being Damascus' renewed support for the PKK amidst the current Kurdish unrest roiling eastern Turkey.

The head of the Iraqi Kurdish administration, Netchirvan Barzani, visited Ankara following the PKK attack on October 19 in Hakkari, that killed 24 Turkish soldiers, in what was an unprecedented psychological blow to the Turkish security forces (TSK) in the region. The attacks led to raids by TSK aircraft on PKK sanctuaries inside Iraq, a move that the Kurdish administration in that country tentatively acquiesced to with the caveat that no civilians were targeted.

Foreign Minister Davutoglu remarked following his meeting with Iraqi vice president, Tariq al-Hashemi, on October 28 that, "The northern Iraqi administration should stop this terrorist entity and cooperate with us. Otherwise, we will enter (Iraq) and stop it. This is our right that stems from international law." Turkey's move appears to have the backing of Washington, while Iran has likewise expressed support for Ankara in its fight against the PKK.

The very same day, Turkish authorities conducted mass raids on pro-Kurdish activists and politicians throughout the country, most notably being Buşra Ersanli. Ersanli, a constitutional law expert and a BDP Party representative on the intra-party constitutional commission, "was detained along with dozens of others as part of an investigation into the Kurdish Communities Union (KCK), an umbrella political organization for all groups related to the terrorist Kurdistan Workers' Party (PKK)," according to Turkish sources. Reports indicate that the raids took place at BDP offices in Istanbul along with several other local branches of the party's offices.

### **Earthquake**

*A 7.2 earthquake shook the Van province of eastern*

*Turkey October 23, killing a confirmed 601 people (as of October 30) and leaving hundreds of thousands without homes as winter sets in.*

The quake devastated the city of Ercis, putting many of its 100,000 residents into tents due to fear of continued aftershocks. In late October reports abound that the government was running short of tents throughout the province, as many residents who still had homes standing were afraid to stay in them lest an aftershock topple them.

An initially slow response to the eastern province's plight drew criticism from Kurdish groups who said the government was dragging its feet in light of the recent violence between government forces and the PKK. But as the head of search and rescue operations in Ercis, Yalcin Mumcu, told a press conference, "The problem here is that you can't give 100,000 tents in a town with a population of a similar number."

The prime minister contested such criticisms in his remarks to a parliamentary gathering following the quake. He elaborated, saying that arguments from his political opponents at such a time, specifically the CHP and BDP, was a detriment to the large-scale aid efforts sent to help those affected and the nation-wide unity the country showed in its response to the quake.

However, Erdogan also drew an explicit contrast to the assistance efforts in AKP controlled local governments and their BDP counterparts, lambasting his political opponents. "The municipalities in that region fail to reach out to an area that is right next to them. Those who are able to organize people to throw stones at police and soldiers, vandalizing the streets, throwing Molotov cocktails, you see, are nowhere to be seen in the hour of disaster."

Rhetoric aside, disasters are unpredictable by nature and while earthquakes are certainly not a rare occurrence in Turkey, the government's search and rescue, then recovery and aid operations must be judged in the long run. To be sure, with the sheer number of those affected, there are to be instances where bias and ethnic tension have played a part in a poor response, but such examples are likely to be the

exceptions rather than the rule.

### **Pipeline and Energy Issues**

*On October 25, Prime Minister Erdogan and the President of Azerbaijan, İlham Aliyev, attended the groundbreaking ceremony at the Star Refinery, the site of a \$5 billion joint venture between Azeri state-owned energy champion SOCAR and Turkish Turcas. Billed as the single largest private investment in Turkey's history, the refinery will be able to refine ten million tons of oil a year when operating at peak capacity, greatly reducing Turkey's reliance on petrochemicals like liquid petroleum gas which the country is a net importer of. Ankara hopes that the Star Refinery, once fully operational, will ease Turkey's reliance on petrochemical imports that totaled over \$8 billion in 2010.*

In addition to the benefit of producing some of its most necessary petrochemicals, the project is expected to employ over 10,000 workers during construction of the plant, with another 1,000 job placements expected to be created once the refinery is operational in 2015. In a forward thinking move, the plant will also host a vocational high school open to Azeri and Turkish students who will be trained to work at the plant upon completion of their studies.

The opening of the refinery was the icing on the cake of the nearly two year bilateral negotiations which have secured an improved natural gas agreement for Turkey, on top of the 6.6 billion cubic meters (bcm) of natural gas per year which Ankara already receives from Azerbaijan's Shah Deniz One field. The agreement foresees the delivery of 6 bcm of natural gas from Azerbaijan's Shah Deniz Two field, with a further 10 bcm heading Westbound across Turkey to European consumers. The agreement also moves the Southern Gas corridor forward, with Nabucco, TAP, ITGI and BP's proposed pipeline all being potential transport routes for Caspian gas supplies to Europe.

The current Ankara-Baku natural gas agreement was secured following Turkish gas pipeline operator, BOTAS', move saying it would not extend a key gas-purchasing contract with Gazprom, due to the latter's unwillingness to budge downwards on the gas price. While some Russia critics in Brussels cheered Turkey's

move to reduce its energy reliance on Russia – a strategy which a number of EU countries would like to adopt – Turkish Energy Minister, Taner Yildiz, clarified the government's position on the matter, stating that Turkish private sector companies might take over the contract.

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Copyright European Geopolitical Forum SPRL  
Director and Founder: Dr Marat Terterov  
Email: [Marat.Terterov@gpf-europe.com](mailto:Marat.Terterov@gpf-europe.com)

Suite 1/Level 3, Avenue Du Manoir D'Anjou 8  
Brussels 1150 Belgium  
Tel/Fax: +322 770 1001  
[info@gpf-europe.com](mailto:info@gpf-europe.com)  
[www.gpf-europe.com](http://www.gpf-europe.com)  
[www.gpf-europe.ru](http://www.gpf-europe.ru)