

A snapshot of Turkey's domestic and regional politics during April 2011

Key Points:

- *Turkish leaders continue to navigate the ongoing “Arab Spring”, this time as it moves to Turkish borders with protests engulfing Syria.*
- *Turkey's record with press freedom remains under scrutiny, as the NGO, Journalists Without Borders, condemns the country in the run-up to the June 12 elections.*
- *The political situation in Turkey's southeast remains volatile, with the Turkish military breaking up large scale protests by Kurdish demonstrators in the city of Hakkari on April 25*
- *Suggestions by finance experts allude to the overheating of the Turkish economy, while the Turkish Central Bank's new head moves to quell such speculation.*
- *The Turkish Prime Minister announces plans for an Istanbul canal that some experts say could replace the need for the country's participation in the EU-driven NABUCCO gas pipeline project*

Syria and Libya in Turkey's “zero problems” with the neighbours policy

Out of all of the protests taking place in the Arab world in recent months, the greatest threat in the eyes of Turkish leaders was the possibility of unrest spreading to Syria. Under Prime Minister Recep Tayyip Erdogan, Turkey's reset in relations with its southern neighbour was seen by many as the crowning achievement of the “zero problems” approach to its neighborhood. The two countries, which nearly went to war over Damascus' support of Kurdish rebels during the 1990s, are now close partners with visa free travel and bi-lateral trade in 2010 amounting to \$2.5 billion. Syrian President, Bashar al-Assad, and Erdogan have even vacationed together, along with their wives.

However, with protests roiling Syria at present, the Assad regime has stepped up a fierce crackdown against the largely peaceful protests. According to Turkish diplomatic sources, Erdogan has spoken with the Syrian leader in an effort to influence the situation, the prime minister even telling reporters on April 27 that “We don't want an authoritarian, totalitarian regime” in Syria. The Turkish National Security Council released a statement expressing its sorrow for the loss of lives and called on the Assad government to implement reforms. On April 28, a delegation headed by the Turkish National Intelligence Agency President, Hakan Fidan, visited Damascus and met with Syrian leaders to discuss possible solutions to the ongoing crisis.

The AKP led government in Ankara is taking increasing heat from critics and supporters alike, many of the former noting that its contradictory stance towards Syria's state-sponsored violence waged against its own citizens in comparison with Turkey's criticism of Israeli actions in Gaza. More pointedly, even typically neutral media sources questioned the muted response from Ankara as the siege of Dara'a continued. The irony of the criticism towards the AKP's latest Syria policy was reflected by the title of a recent article by Today's Zaman columnist, Yavuz Bayday, ‘Zero Problems with neighbors who know how to kill’.

All criticism from journalists, human rights defenders and political opponents aside, what options does Ankara have available to navigate an effective strategy towards the Syrian crisis? Regardless of talk about its populist Islamist message, the AKP has succeeded where so many of its predecessors have failed largely in part to its deft management of an economy which is increasingly reliant on exports. Hence the “zero problems” with its neighbors foreign policy (despite the fact that many of Turkey’s neighbours are authoritarian regimes), is in many ways quite sensible. As Turkish expert, Henri Barkley of the Carnegie Endowment, recently pointed out, “As much as Turkey thought it was on the side of change, it has become a status quo power”.

Should the Middle Eastern export markets which it has skillfully developed in recent years disappear under tides of civil war, repercussions will eventually impact back into the Turkish economy itself. Such economic concerns were a reflection in Turkey’s muted criticism of Gaddafi’s crackdown in Libya. But Erdogan’s demagoguery of Israeli injustice towards Muslims now looks hypocritical given his lack of genuine response to the Libyan and Syrian regimes turning their militaries on the domestic populations. If anything, Turkey was never presented with a plausible path for the Arab Spring and decision makers in Ankara likely comprehend what their contemporaries in Washington have known for some time: that in the Middle East there are rarely positive options available, but rather options which are either bad or terrible.

Key developments in Turkish domestic politics/economics

Press freedom in Turkey has slipped further down the scale, this time being officially challenged by a travelling delegation from the NGO, Reporters Without Borders, which visited the Turkish capital in mid-April. The French based organization stated that “Freedom of the press and respect for journalists are not a priority for the Turkish government”, while also being critical of the government’s policy to not keep a specific total of the actual number of journalist who remain in detention.

The Organization for Security and Cooperation in Europe (OSCE) has estimated that there are currently 57 members of the press currently detained in Turkish prisons, which makes the Republic the leading jailer of journalists worldwide at present. One cause of this is Turkey’s anti-terrorism laws, holdovers from decades of stifling of left-wing, Islamist and Kurdish political opponents, which are so broadly defined that writers can be jailed for using the term “Kurdistan” in an article. Basic rights like press freedom will continue to be main topics ahead of the June 12 elections, even though the AKP is still the odds on favorite to emerge victorious from the poll.

Protests in the Kurdish southeast continue to take place, despite the lifting of the ban on several “independent” candidates from the Kurdish BDP Party last week. Over the Easter weekend two off-duty Turkish soldiers were shot in the Kurdish southeast by unknown gunmen, killing one. The following Monday (April 25) Turkish Security Forces (TSK) moved to break up large protests in the city of Hakkari, where the number of Kurdish protestors was estimated to be around 20,000 strong. Speaking on the TSK breaking up of the protests, former BDP leader, Gultan Kisanak, told members of the press that the June 12 elections could be at risk due to the lack of representation of Kurdish candidates. This allegation was later echoed by the TSK, which claimed that the Kurdish terrorist group, the PKK, would attempt to disrupt the elections using violence.

However, political issues are not the only concern of Turkish leaders at present, as some financial experts warn of an overheating Turkish economy “which has a history of boom and bust”. Turkish Central Bank Governor, Erden Basci, moved to quash such speculation in late April, saying that “We don’t see overheating in (the) Turkish economy...low interest rates and high reserve requirements can be achieved in (the) long term”. Basci also admitted that the Central Bank now predicts inflation will be driven past the predicted rate of 5.9% to 6.9% for 2011 due to rising food and energy prices. Turkey’s economy grew by 8.9% in 2010, but much of this was fueled by what some outside experts are calling “easy loaning practices” in the consumer loans sector. Though credit card and business loans are tightly regulated, general consumer loans are readily available and not closely monitored. Turkish economic officials have sought to calm fears of excessive loaning, explaining that in a country with a rapidly growing middle class,

consumer spending is bound to grow and be financed by loans, as in much of the Western world. Interest rates have risen in the past months to combat excessive loan practices and some experts are predicting that the Turkish lira will gain 7% following the elections, indicating markets' confidence in AKP management of the economy.

Pipeline geopolitics

Amongst the raft of other issues that Turkish Prime Minister Erdogan has been dealing with, he recently announced plans for an Istanbul Canal to help ease the increasingly dangerous traffic volumes in the Bosphorus shipping lanes. Some Turkish commentators have said that once completed, the canal could possibly replace the need for Turkey's participation in the NABUCCO gas pipeline project, pointing out that supplies of liquefied natural gas (LNG) could be transported via shipping routes rather than through the EU-backed gas pipeline. With the Russia-driven Nord Stream gas pipeline project appearing close to completion, pressure is building on the EU's NABUCCO to finalize the feasibility study stage. Russia's sister South Stream gas pipeline project likewise appears to be making headway, and despite the European Commission's claims that such projects are not rivals for NABUCCO, Brussels is coming under increasing pressure to make greater progress in its major gas pipeline projects.

Furthermore, Turkey's major business chamber, TUSIAD, recently announced with a view to the country's domestic energy markets that Turkey must invest in energy infrastructure upgrades to meet growing energy demand. With the Turkish economy experiencing high rates of growth at present, TUSIAD predicts that the country will need an additional 50,000 Megawatts (of power generation capacity) by 2023 to keep up with domestic energy demand. This comes on the heels of Turkish Energy Minister, Taner Yildiz's, announcement that Turkey would no longer sell Azeri gas supplies to Greece, but will retain such supplies in order to meet its own growing energy demand. Azerbaijan, for its part, has promised to supply gas to Greece directly to compensate for any shortfall from Turkey, and Turkey will receive a transit fee in the process given that the country's gas pipelines would be used to transport Azeri gas westbound.

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EGF Turkey File

Published by European Geopolitical Forum SPRL
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