After a turbulent year both on the domestic and regional levels and on the eve of crucial parliamentary elections, it seems that Turkey’s ‘success story’ has waned. The Justice and Development Party (AKP), led by Recep Tayyip Erdogan, has been the main actor of this success story. The ‘AKP era’ has witnessed profound transformations in Turkey’s politics, society and economy. Today Turkey is a more dynamic and developed country than it was at the beginning of the 2000s. At the regional level, it has been able to become one of the most influential players in the Middle East. The AKP can also take credit for bringing the country closer to the goal of European Union accession, starting negotiations at the end of 2005. However, this bright picture does not entirely fit the current situation. The report aims at analysing the main features and changes Turkey witnessed in the ‘AKP era’ as well as the reasons for the reversing path it has been experiencing on both the domestic and regional levels in the last few years. The aim is to understand whether this means the conclusion of the successful cycle or a turning point towards a new, but uncertain, era.

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THE UNCERTAIN PATH OF
THE ‘NEW TURKEY’

INTRODUCTION BY
PAOLO MAGRI
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INTRODUCTION

At the end of a year marked by turbulences both on the domestic and the regional levels and on the eve of crucial parliamentary elections, Turkey’s ‘success story’ seems to have waned, at least for a while, and its ‘golden years’ look now like a distant memory.

For a decade, Turkey was hailed as an advancing democracy, an emerging economy with impressive growing rates and an assertive regional power. The Justice and Development Party (AKP), which won three consecutive general elections in 2002, 2007 and 2011 gaining overwhelming majorities, has played a key role in this success story. The ‘AKP era’ has witnessed profound transformations in Turkish politics, society and economy. A conservative party promoting religious values and market-oriented policies, the AKP led by Recep Tayyip Erdoğan, the most charismatic Turkish leader since Mustafa Kemal, transformed Turkey into a stable political system and a dynamic market which attracted huge international investments as never before. Today Turkey is a more dynamic and developed country than at the beginning of 2000s. Having tripled its GDP from $230 billion in 2002 to $820 billion in 2013, the country is the 17th world economy, with the ambition to become the 10th by 2023. Although deep disparities remain, Turkey has witnessed a widespread improvement of its living conditions, access to welfare and infrastructures. Furthermore, the AKP has permitted the emergence in the public sphere – for decades dominated by Kemalist ideology – of major segments of provincial and conservative Turkish society that abide by traditional religious values.

At the regional level, Turkey has become one of the most influential players in the Middle East. Foreign policy dynamism coupled with an
export-oriented economic model, access to a wide range of new markets and the diversification of partners allowed Turkey to significantly improve its international standing. The AKP can also take credit for bringing the country closer to the goal of European Union (EU) accession, starting negotiations at the end of 2005.

However, this bright picture does not entirely fit the current situation. After 2007 the reform process began to lose momentum as the ruling party started focusing more on strengthening its power, countering what it defined the ‘deep state’ and sidelining domestic opponents. At the same time, difficulties in the accession negotiations with the EU emerged, and the European anchor for democratic reforms lost its leverage and the population’s support for EU membership declined. Polarization started to increasingly characterize Turkish politics and society, and domestic dissent amplified after the 2011 general election when the AKP consolidated its ‘majority rule’ regime, neglecting and disregarding any form of dissent.

In the last eighteen months, the Gezi Park protests, the heavy-handed tactics used to quell them, the corruption scandal – followed by restrictions of the press freedom and the deterioration of the institutional system of checks and balances – have eroded the democratic process that Turkey had been enjoying, while showing the fragilities and the inner divisions of what had been acclaimed as the ‘Turkish model’.

The report aims at analysing the main features and changes Turkey witnessed in the ‘AKP era’, as well as the reasons underlying the reversing path the country has been walking through both at domestic and regional levels in the last few years. The aim is to understand if this means the conclusion of the successful cycle or a turning point towards a new, but uncertain, era. It is worth noting that, following his election to the presidency of the Turkish Republic in August 2014, Erdoğan expressed his intention to build a ‘New Turkey’, emphasizing five points: advancing the democratic process; modifying the Constitution; solving the Kurdish issue; improving welfare and moving forwards on the EU
accession negotiations. However, looking at recent developments many questions have been raised about where the ‘New Turkey’ is heading.

The causes of Turkey’s democratic backslide are analysed by Dimitar Bechev, who takes into account four main factors, both structural and contingent: the authoritarian legacy of the modern Republic of Turkey; the prevalence of the executive branch over the judiciary and the legislative power; the AKP’s dominance and lack of credible competitors; Erdoğan’s divisive leadership. This leadership may be further strengthened if Erdoğan succeeds in consolidating de jure what is a de facto transformation of Turkey’s political system into a presidential regime. In this view, it becomes crucial that any new Constitution be based on a clear separation of the branches of government and a functioning of checks and balances system. This would guarantee the compatibility of the presidential system with the democratic rule. Beside the debate on the new Constitution, the resolution of the longstanding Kurdish issue, which includes negotiations with the PKK, has been identified as the most pressing issue. Indeed, keeping on track negotiations leading to a solution is crucial for Turkey and for the AKP’s plans in the long-term.

Furthermore, much against the initial expectations that it would reconcile Islam and democracy by democratizing the Turkish state and its secularism, the AKP has apparently promoted a more Islamized version of Turkish nationalism. In chapter he authors, Murat Somer addresses the question of how the AKP, an Islam-rooted party that claimed to support secular democracy, has come to be criticized for having manipulated secularism. According to Somer, AKP’s policies towards secularism have followed the same phases of the democratisation process with all its ups and downs. When restrictions weakened, after the military establishment’s marginalization through EU-inspired reforms, the AKP’s policies and discourse became increasingly Islamist, and it started to promote religion (Sunni Islam) in society and politics. While this brought significant changes in religious public freedoms, it also strengthened the role of religious state institutions in social and political life, without their necessarily being more representative of all existing religious groups. These developments contributed to the polarization of
society and the outbreak of the pro-secular and anti-government Gezi Park protests. The result of the next parliamentary elections may open different scenarios about the future of secularism in Turkey.

In the chapter devoted to Turkey’s economy – one of the main pillars of the AKP’s success – Mustafa Kutlay analyses the turbulent post-2011 period. The year 2011 has represented a turning point for the country’s economy, as well; Turkey lowered its economic performance, as growth rates decelerated. This was due to a combination of changing international dynamics and the surfacing of domestic structural problems, in primis Turkish current account deficit. The deterioration of the regional environment has added further strain on Turkey, which developed an export-oriented economic model and transformed the Middle East into the second destination of its exports after the EU. The chapter also examines, first, the potential impact on Turkey of the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US; second, the necessity for Turkey to revise the terms of its customs union with the EU in the light of the changing economic and political dynamics both in Turkey and the EU as well as in their mutual relations.

Turkish foreign policy also encountered new challenges in the aftermath of the Arab uprisings that rendered the Middle Eastern and North African context extremely fluid and tumultuous. Meliha Altunışık argues that in the beginning Turkey tried to take advantage of changes in the MENA region and was considered as a model or a source of inspiration for the Arab countries in transition. However, the crisis that arose in neighbouring Syria marked a watershed for Turkey’s Middle East policy based on the “zero problems with neighbours” goal, as well as for its regional ambitions. Turkey’s regional influence and popularity have progressively deteriorated and the country is now no longer considered a constructive and stabilizing power. Moreover, the ascendance of the Islamic States in Syria and Iraq and the surge of instability involving the whole area have given rise to new challenges – including destabilizing effects on Turkey’s internal security, with unpredictable repercussions on the longstanding and thorny Kurdish issue. Therefore, instead of
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increasing its influence, Turkey has become quite isolated in the Middle East. Both external- and domestic-focused points can be made to explain Ankara’s foreign policy shift. In particular, the AKP leadership tends to look at regional developments through the lenses of domestic politics, in so doing further undermining Turkey’s action in foreign policy. As a result, domestic developments and foreign policy appear more and more intertwined. A new foreign policy vision and strategy, along with the resolution of the Kurdish problem, have been identified as essential conditions for Ankara to regain its constructive role in the region.

Finally, Valeria Talbot analyses the ups and downs of relations between Turkey and the EU, arguing that, although there is no prospect for Turkey to access the EU in the next five years, both sides have an interest in keeping negotiations on track and fostering cooperation in those sectors where relations have traditionally been stronger. Taking into account ongoing transformations underway in Turkey and its uncertain future, the report recommends some priorities for the EU’s action towards Ankara.

Paolo Magri

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1. THE TRAVAILS OF DEMOCRACY IN TURKEY

Dimitar Bechev

Until very recently Turkey was hailed internationally as a paragon of democratic development and market dynamism in a part of the world beset by authoritarian stagnation, extremism and economic malaise. When the Arab Spring broke out in early 2011, it became fashionable to extol the Turkish experience as a model for Tunisia, Egypt and other countries emerging from long decades of dictatorial rule. The presence of robust institutions commanding popular legitimacy, the recent end of military tutelage over political life, the integration of political Islam into the democratic system and the success in building a vibrant and globally competitive private sector qualified Turkey as nothing less than a source of inspiration for societies in the Middle East and North Africa and beyond. Shunned by the European Union (EU) in frustratingly protracted membership talks, the country would nonetheless remain committed to carrying out all changes to converge with the West in terms of governance standards, quality of public infrastructure, social services and general levels of prosperity. But it would do so by drawing on its rich imperial legacy harking back to the Ottomans as well as on its ever denser political, commercial and human connections with Muslim neighbours.

At the forefront of Turkey’s success story and its growing appeal beyond borders stood the Justice and Development Party (AKP) and its leader Recep Tayyip Erdoğan. Rooted in the Islamist political tradition, not unlike the Muslim Brothers across the Middle East, the

AKP was credited for its unique blend of conservative values, market-friendly policies and openness to the West, helping it stay in power without interruption since 2002. Even in a society long polarised between secularist and religious groups such as Turkey, Erdoğan and his associates won near universal plaudits for delivering economic stability expanding democracy and human rights against the wishes of the authoritarian-minded deep state, and bringing the country closer to the coveted goal of EU accession. Secular liberals supported this party in national elections along with religious conservatives.

These times now appear a distant memory. The urban protests in the spring of 2013 spurred by Gezi Park in central Istanbul and especially the heavy-handed clampdown by the forces of order went a long way in tarnishing the AKP’s reputation as a promoter of pluralism and open and accountable government, in the eyes of fellow travellers inside and pundits abroad. What followed was a corruption scandal exposing a number of top figures in and around the party and prompting two ministerial resignations. The angered and resolute response by then Prime Minister Erdoğan, accusing murky foreign powers of conspiring with a ‘parallel structure’ within the state apparatus to undermine legitimate authorities, escalated into a wholesale purge of alleged supporters of Fethullah Gülen, an influential cleric residing in the US, the prosecution service and the police. Tensions kept rising as the local elections on 31 March came close.

To the surprise of many, Erdoğan and his party emerged unscathed from the turmoil. In the final analysis, a firm grip on power plus solid economic performance trumped concerns about authoritarian tendencies, exploited by opposition parties. The AKP’s victory in the local elections of 31 March 2014 was followed by a resounding success in the first-ever direct presidential polls in August. Erdoğan became the head of state in the first round with 52 per cent of the votes.

2. The scandal broke out on 17 December 2013 when high-level government officials, including family members of government ministers, were arrested for laundering the proceeds of deals in violation of the international sanctions imposed against Iran.
The Uncertain Path of the ‘New Turkey’

campaigned on the vow to build a ‘New Turkey’ advancing democratic rule, reforming the Constitution to do away with the legacy of the 1980 coup and elevating his country to the position of tenth largest global economy. In reality, the elections were yet another chapter in the story of power concentrated in the hands of a single individual. This chapter explores the dynamics of the illiberal trend in Turkey’s politics and maps out the challenges and opportunities facing the democratic system in the country.

1.1 Causes for democratic backslide

Turkey’s failure to consolidate a democratic regime has structural and deep-running causes. Several factors stand out, both structural and contingent: (1) the imprint of authoritarian legacies on present-day society and politics; (2) institutional imbalances privileging the executive branch against other parts of government; (3) the unrivalled dominance of AKP limiting political competition; (4) Erdoğan’s divisive personality and leadership style.

Authoritarian legacy

Since its rise to power in 2002, the AKP has acted as both a transformative force and as an heir to and torch-bearer of a long-standing statist tradition. The modern Republic of Turkey emerged from the ruins of the Ottoman Empire following an extended period of wars, ethnic cleansing, and economic devastation. All these events put the very survival of a Muslim-Turkish polity in the core lands of Anatolia and beyond to a test. Mustafa Kemal and his comrades, undisputed winners in this Hobbesian struggle, engineered and pushed forward radical changes to strengthen the state, construct a new national identity centred on Turkishness, reaffirm government control over religion, and westernise society and culture. Authoritarian rule was embraced both as

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a shortcut to ‘modern civilization’ and a safeguard from threats, whether external or internal, to the nation-state’s hard-won sovereignty. Kemalists aspired to homogenise society by championing the ideal of the model citizen, secular in outlook but Sunni Muslim in cultural background. They enthroned newly standardized Turkish as the sole accepted idiom in the public sphere. Challenges to the state, especially by conservatives and ethnic minority groups, were dealt with harshly.

The early republic’s authoritarian code survived well beyond the transition to multi-party politics in the late 1940s, which opened the public arena and reasserted society against the Jacobin state. Together with the high bureaucracy and the judiciary, the military acted as guardian and ultimate arbiter of state interest. The état bas (or derin devlet, in Turkish) would constrain political parties and leaders by drawing legitimacy from the ballot box, and even overrule them if national security was deemed under threat. At several junctures the armed forces stepped in to dislodge governments considered inimical to republican ideology (the coups of 1960 and 1997) or to suppress social unrest and a radical shift to the left (1971, 1980). Military tutelage, insulated from political oversight, was enshrined in the 1982 Constitution and operationalised through the institution of the National Security Council (MGK)\(^4\).

To be sure, the AKP has a complicated relationship with this tradition. Starting from the 1970s political Islam posed a challenge to the established secularist order. The rift deepened in the 1990s when Necmettin Erbakan’s Welfare Party (Refah Partisi) gained momentum and even came to power after emerging as the largest group in parliament following the general elections of 1996. The military intervened in 1997 forcing the cabinet to resign and soon thereafter the party was banned by the Constitutional Court for breaching the principle of separation of state and religion. The struggle raged on to culminate after the AKP, a splinter group from Erbakan’s movement, won power in 2002. In the critical years 2007-10, the party presided over by Erdoğan got an upper hand

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\(^4\) Similarly, the 1961 Constitution introduced an upper chamber to oversee parliament’s work. The State Planning Organisation (Devlet Planlama Teşkilati) performed a similar functions in economic affairs.
as it triumphed in a new parliamentary election and two referendums, ensured Abdullah Gül was elected President of the Republic, survived a closure case at the Constitutional Court and saw senior military officers put on trial over attempts to plot and stage coups and subvert the elected government (the Ergenekon and Balyoz/Sledgehammer cases). The key to its victory was an unparalleled ability to mobilise voters thanks to his charismatic leadership, a well-developed party structure, popularity with the conservative mass in Anatolia, a strong economy and the external legitimation conferred by the EU which opened accession talks with Turkey in 2005. In that period the AKP implemented liberal reforms advancing human and minority rights, bringing the military under civilian control, lifting the prohibition on the Kurdish language and identity and even starting dialogue with the Kurdistan Workers’ Party (PKK) considered a terrorist organisation and foremost enemy of the state. Taken together those steps rolled back the authoritarian tradition.

Yet the AKP has never gone far in empowering citizens against the institutions of the state. Indeed Erdoğan re-legitimised power by replacing the tutelage of the Kemalist elites with top-down rule backed by an electoral majority. The latter brings together social conservatives as well as centrists whose support is driven by the strong economy, improving living standards and public policies (e.g. the much vaunted reform of healthcare). The gap between state and society has been bridged thanks to the AKP’s outreach to the grassroots and its robust networks of municipal-level functionaries, businesses and civic organisations. The party has also embraced state nationalism, shifting the focus from Turkish ethnicity to (Sunni) Islam as the main point of reference. At the same time, the statist turn along with Erdoğan’s divisive politics has alienated fellow travellers, particularly on the liberal left, who would have formerly backed the AKP as an agent of democratisation. Gezi widened the rift beyond repair.

In all fairness, the accommodation between the authoritarian state and political Islam is nothing new. Millî Görüş (National Outlook), which gave birth to both Refah and the AKP, sought to reconcile nationalism and Islam. After the 1980 coup, the country’s military rulers pushed for
a ‘Turkish-Islamic synthesis’ as a bulwark against communist influence, introducing religion classes in schools. Following the transition to civilian rule in 1982, Prime Minister Turgut Özal promoted his own version of the synthesis, this time blending piety with the free market, with the AKP taking the baton later on. Political Islamists and the deep state came to blows only after Özal’s untimely death in 1993 leading to the decline of the established centre-right and the capture of the centre ground by religious parties. Erdoğan’s enormous success at the ballot box and the ultimate takeover of the mighty state machine leads to a new moment of accommodation. This time around, unlike the 1980s, it is on the politicians’ terms, not the bureaucratic apparatus’.

Deficient checks and balances

Even if Turkey were an exemplary liberal democracy it would be difficult for any ruler to avoid the temptation of power after a term in government as lengthy as the AKP’s. As a number of indices and rankings suggest, the country has a long way to go until the rule of law is entrenched and government made sufficiently accountable5. While Erdoğan enjoys popular legitimacy, manifest in the 52 per cent he garnered at the presidential elections, democratic governance does not end with the casting of ballots. This basic truth has particular resonance in Turkey where it was echoed in a now famous remark made ex-President Gül during the Gezi protests that democracy is not only about the ballot box (demokrasi sadece sandıktan ibaret değildir). The crucial question is how well institutional checks and balances function to constrain executive power and guarantee the rights of those in minority – e.g. the 48 per cent who voted against Erdoğan.

In the current circumstances the executive branch, dominated for all practical intents or purposes if not de jure by President Erdoğan,

prevails over the other branches of government. The judiciary, as the natural champion of the rule of law, has by and large been neutralised and brought under government control. The struggle against Gülen’s movement (known as Cemaat, or the Community) in the wake of the corruption scandal of late 2013/early 2014 has deleterious long-term consequences. Courts and prosecutorial services became a weapon in a tooth-and-nail power struggle between two political factions, once aligned as part of the broader Islamist movement. Ultimately Erdoğan won by resorting, as usual, to the electoral process to assert his power. Yet rule of law and judicial independence fell prey to expediency. The government took steps to overhaul the Supreme Council of Judges and Prosecutors (HSYK) and put it under political oversight as well as to tighten control over the police and secret services. There are exceptions too: the Constitutional Court, which has stood up to Erdoğan and overruled, in April 2014, the ban imposed on Twitter, as well as lower courts prepared to challenge the executive. (e.g. First Regional Court in Istanbul which ruled to halt the redevelopment of Gezi Park).

The Turkish Grand National Assembly (TBMM) representing the legislative branch is not a sufficient check against the executive either. AKP’s majority and the high degree of polarisation rules out cross-party initiatives in pursuit of consensus on particular policies or issues. Proof is furnished by the lacklustre track record of the four-party Constitutional Reconciliation Commission since its start in October 2011.

The media and civil society find it hard to constrain government, too. The space for pluralism and deliberation in the public sphere is shrinking, partly because of political polarisation, partly due to the authorities’ efforts to ensure they operate in media comfort. The widely acknowledged lack of a level playing field during the August 2014 presidential elections proves the point, as does the much-covered TV blackout during the early stages of the Gezi protests. The corruption scandal pitting Erdoğan against Gülen exposed evidence of direct pressure by the government on TV channels. The authorities moreover sought to balance the Cemaat’s influence over the media exercised through newspapers such as Zaman, Turkey’s highest-circulation daily. The pro-
AKP *Sabah* launched an English-language version to rival the widely read *Today’s Zaman*. Last but not least, Turkey gained notoriety due to the ban imposed on the social network Twitter in the lead-up to the March 2014 municipal elections (a court subsequently overruled the ban).

Civil society, for its part, is not a potent enough check on government owing to its fragmentation into (at least) three parts. Firstly, there are NGOs and civic organisations based in Istanbul and other large urban centres of western Turkey and the Mediterranean coast that enlist support from the secular part of Turkish society and share either a pro-Western liberal or Kemalist outlook. Then there is the large and influential conservative civil society with deep historical roots and enduring appeal, largely within the AKP’s gravity sphere but also affiliated with the *Cemaat*. Last but not least, there is Kurdish civil society in the southeast provinces and in some of the western metropolis, which follows a more narrowly defined ethnic agenda. Such cleavages limit pressure for government accountability and transparency.

AKP dominance

With or without Erdoğan, the governing party faces no credible competitor. The opposition, represented primarily by the secularist and left-leaning Republican People’s Party (CHP), has thus far failed to reinvent itself as an alternative capable of capturing centrist votes. Indeed it remains mired in the Kemalist past, while the reformist social democratic wing often finds itself at odds with the party’s base. CHP is struggling to produce a powerful counter narrative to rival and offset the AKP’s story of economic prosperity and empowerment for the formerly marginalised pious masses. In the summer of 2014, the experiment with fielding a presidential candidate with religious conservative credentials in the person of Ekmelettin Ihsanoğlu, a former Secretary-General of the Organisation of Islamic Conference (OIC), fell short in creating
enough electoral momentum to force Erdoğan into second round and thereby score a symbolic victory.

The prospects for the emergence and consolidation of an opposition bloc to balance the AKP and Erdoğan are meagre. The pro-Kurdish Peoples’ Democratic Party (HDP) prefers cooperation with the AKP rather than the CHP, still tainted by its association with the ancien régime, as its strategic objective is to expand rights for the Kurds and potentially secure the autonomy of southeastern provinces through the so-called Resolution Process (see below). What is more, in the long run, it might be the claimant to the sympathies of at least a section of the leftist electorate and therefore the CHP’s competitor. In August 2014, HDP’s candidate Selahattin Demirtaş succeeded in wooing anti-government, leftist votes in western Turkey’s cities. As for the Nationalist Action Party (MHP), its chances of passing the 10 per cent threshold at the forthcoming parliamentary elections in 2015 are far from clear, especially if voters defect to the AKP, attracted by Erdoğan’s nationalistic rhetoric. The right-wing nationalists have the opportunity and, to some degree, the will to forge a common opposition front with the CHP. Yet such a move will be an incentive for the HDP to work even more closely with the AKP. Overall, it is safe to assume that AKP support will remain well above 40 per cent and this party is likely to maintain its hegemony over Turkish politics. Only exogenous shocks such as a severe financial and banking crisis like the one in 2001 could lead to a dramatic reshuffle with the AKP losing ground.

Erdoğan’s leadership style

Erdoğan’s acumen, resolve and personal charisma have already won him a distinguished place in modern Turkish history. He overcame several crises in 2013-14 and swept aside the obstacles on the way to the presidency. Defeating the Cemaat and preserving cohesion within the AKP reconfirmed his leadership and helped him to amass a great deal of power. Personal achievement has come at a hefty cost. Erdoğan’s habitual use of exclusionary and nationalistic rhetoric lambasting critics and adversaries
has polarised public opinion. It is not uncommon for him to play on sectarian divisions, in Turkey and beyond, by denigrating the heterodox Alevi community, largely aligned with the CHP, and taking up the mantle of a Sunni leader. His discourse stressing notions such as national will (*milli irade*) and majority rule (“I have been voted in therefore I’m right”) leaves little, if any, space for dialogue with opponents. No consensus-builder, unlike other prominent AKP figures, the Turkish leader has pursued confrontation, rather than conciliation, as a preferred strategy in politics. Concerning the Gezi protests, he furthermore tapped deep into the conspiracy theory mindset in the popular psyche by scapegoating “the interest-rate lobby”, Israel and Western governments, and, most recently, credit-rating agencies, for attacking Turkey to prevent its imminent rise as a power to be reckoned with.

Erdoğan’s divisive leadership has therefore turned into yet another obstacle, in addition to the host of structural and institutional impediments, blocking advancement towards deliberative and pluralist politics. Quite the opposite, it accentuates the zero-sum character of party competition in Turkey along with the rifts dividing society, with institutions as collateral damage. The past year has witnessed attempts to extend influence with or effective capture of formally independent bodies such as the HSYK, the Central Bank, the Banking Regulation and Supervision Agency, and the Capital Markets Board. Weakened institutions, in turn, further complicate the consolidation of the democratic regime.

1.2 Transition to a presidential republic?

The foregoing section sketched the political landscape in Turkey and the root causes accounting for the illiberal turn taken in the last few years. With Erdoğan as head of state the more immediate question is whether the next step in consolidating the status quo would be the transition to a presidential republic. The idea is far from new; there are for instance still-fresh memories of Özal harbouring similar plans after he moved from the Prime Minister’s office to Ankara’s Çankaya Palace in
1989. Erdoğan’s preference is no secret. The constitutional amendment approved by referendum in 2007 to elect the President directly, rather than by the TBMM, already hinted at a shift to presidentialism. The AKP led its campaign in the June 2011 parliamentary elections on the promise of a new Constitution. The ostensible goal was to replace the basic law inherited by the 1980 military coup but the underlying objective was to reconfigure the executive branch. In February 2013, following the failure of the four-party commission to reach common ground, the AKP unilaterally circulated a draft proposal; it failed to make headway but clearly revealed that internal consensus had been reached on an issue that was thought to be divisive for the party leadership and the voters. Erdoğan’s choice to run for the presidency, rather than change the AKP bylaws and serve a fourth term as Prime Minister, points at his will to overhaul the constitutional provisions to expand presidential powers much beyond the ceremonial role accorded at present.

As no political party is prepared to support the AKP in installing a presidential regime, Erdoğan’s best hope is to wait until the next legislature. In the 2015 elections, he will fight to win at least 330 seats from a total of 550. That is the majority required to adopt a new draft, which then could be submitted to a referendum, the scenario pursued with the amendments of 2007 and 2010. The alternative of passing a new Constitution through a cross-party consensus and 2/3 of TBMM votes appears unlikely. Both the CHP and the MHP deplore the prospect of an imperial president, which will most certainly further their marginalisation in the political system.

In a sense Turkey has already transitioned to presidentialism. As in many non-consolidated democracies, informal rules and arrangements have equal, and at times greater, sway, over the political process than formal provisions. Erdoğan’s stable influence and direct link with the electorate result in the de facto formation of a dual executive system characteristic of semi-presidential regimes. The selection of Ahmet Davutoğlu, a politician with no political base of his own who ran in elections for the first time only in 2011, as Prime Minister and AKP leader is a step to ensure that no challenger emerges to pose a direct threat to Erdoğan as the top decision-maker. One should also take into account
the cabinet’s composition. Amongst Davutoğlu’s deputies are figures like Numan Kurtulmuş, a likely future contender for his job and a politician with deep roots in the Islamist movement, as well as Yalçın Akdoğan, formerly an advisor to Erdoğan. Both are seen as direct appointees of the President. Isolating the President from the day-to-day policymaking process does not seem likely, at least in the short term. Even before entering office, Erdoğan declared his intention to assume executive functions, unlike his predecessors on the job, rather than remain at a safe distance from day-to-day party politics. He is now largely in charge of Turkey’s foreign policy and is at the forefront of burning issues such as the handling of the Islamic State across the border and the crisis over the Kurd-populated town of Kobane in Syria. By contrast, it seems that the critical area of the economy has been left in the hands of the technocrats such as Deputy Prime Minister Ali Babacan. Prime Minister Davutoğlu declared he would not interfere in decisions on interest rates made by the Central Bank and its governor – a marked departure from Erdoğan’s hands-on approach. Erdoğan’s role in domestic affairs would become more pronounced in the run-up to the elections in the middle of 2015. He is likely to exercise some control over the selection of people for the AKP’s lists and is sure to appear in the campaign.

Whichever model Turkey opts for with its new Constitution (presidential, semi-presidential or indeed a revamped and recalibrated version of the parliamentary regime) it is imperative to focus on classic issues such as the clear separation of the three branches of government and the proper functioning of checks and balances. World experience shows that presidential regimes are compatible with democratic rule only where power is diffused across institutions or, in the context of federal states, shared between a central level and the federal units. In theory, if not in practice, Turkey would need to strengthen parliamentary accountability and the judicial branch and perhaps devolve power away from Ankara to the regions.
1.3 The Kurdish issue

There is hardly a more pressing concern for Turkey than the negotiations with the outlawed PKK. The clashes in the southeastern provinces, going on intermittently since 1984, has claimed more than 30,000 lives, uprooted millions and traumatised society in those provinces. It is beyond doubt the Achilles heel of Turkish democracy too: the conflict has long legitimised authoritarianism in state institutions, underlined the centrality of unaccountable repressive agencies like the army, the gendarmerie and police, and fanned nationalism in society and politics. It is hardly a coincidence that the Terror Law of 2006, the first significant instance where the AKP made a step towards accommodating the conservative security-driven attitudes of the deep state, was passed with a view to the Kurdish issue.

On the whole, however, AKP has made a strong commitment to a political solution, to building lasting peace and reintegrating the nation under a new framework recognising the rights of Kurds and other ethnic communities and compensating for wrongdoings perpetrated in the past. It is a crucial part of its foundational narrative as a transformative force with a mission to lay the foundations of the ‘New Turkey’. The so-called Peace or Solution Process (Çözüm Süreci) launched in March 2013 is presently at the top of the government’s agenda for at least three reasons: (1) Since 2011 the AKP’s democratic credentials have all but withered away. The commitment to tackle the Kurdish issue is the only part of the narrative that currently holds; (2) In the medium and long term, the AKP may find itself in need of finding partners. The pro-Kurdish HDP, which has now proven its potential to overcome the 10 per cent electoral threshold, is the obvious choice. The HDP also holds the key to civilianising Kurdish nationalist politics and transforming the PKK from a guerilla force to a political actor; (3) Turmoil in Syria and northern Iraq has focused international attention on the Kurds while the ongoing crisis...
involving the radical jihadis of the Islamic State threatens to spill over into Turkey’s Kurdish areas.

As noted by a recent report published by the International Crisis Group (ICG), the Solution Process reflects a stalemate. Neither can the PKK defeat the Turkish state in the southeast and establish control over significant parts of the region, nor can Turkey suppress the insurgency through military force. That has been the situation for many years but the lack of political will, ramshackle coalitions in power, hostile public opinion amongst ethnic Turks and, above all, the influence of the deep state in the 1990s ruled out any peace initiative. Only the 1998 capture of Abdullah Öcalan, the PKK’s charismatic leader, altered the calculus on both sides, led to the decrease of violence and created opportunities for behind-the-scenes dialogue. Once the AKP came to power in 2002, obtaining strong support from pious Kurds, it embarked on incremental steps to lift the total ban on Kurdish language and identity in the public space. The EU integration process, very popular amongst Kurds, served as an external anchor for such changes. Erdoğan and the rest of the leadership furthermore embraced a discourse of brotherhood between Kurds and Turks, with Sunni Islam as the natural bond, to galvanise public opinion. In 2009 the government launched a ‘Kurdish opening’ with the aim of disarming the PKK and starting a political process, but soon had to abandon the plan when it faced a popular backlash. Still, talks between the intelligence service and guerilla leaders continued outside public and media scrutiny. A temporary increase of violence around the time of the 2011 elections ultimately gave way to a new ceasefire announced by Öcalan himself on the Kurdish New Year (Nowruz) in March 2013.

The Solution Process is now at a make-or-break stage. All actors involved – the government, Öcalan from his prison cell on İmralı island near Istanbul, the PKK military leaders in northern Iraq’s Qandil mountains, and the HDP in parliament – face pressure to deliver concrete results. Turkey would like to see full withdrawal of Kurdish

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fighters from the southeast, a commitment made by the PKK, as well as progress towards disarmament. Kurdish actors, for their part, are frustrated by the limited scope of the concessions granted by Ankara – e.g. education in Kurdish is now allowed but only in private schools, activists put on trial are freed from arrest but selectively, there is no clear commitment from the AKP that Kurdish rights would be recognized in the new Constitution. Frustration is mounting amongst nationalist Kurds over Ankara’s reluctance to intervene in Kobane, a town across the Syrian border controlled by the PKK-affiliated Democratic Union Party (PYD) that has come under siege by IS. In early October, southeastern provinces were swept by protests and riots by nationalist Kurdish youth that left 40 people dead. There have been several attacks against government targets in the southeast as well as limited strikes against PKK by the Turkish air force. Kurdish politicians and leaders denounce Turkey’s long-standing support, direct or indirect, for the jihadis, while the government insists PKK/PYD should break ties with the regime of Bashar al-Assad and join the Syrian opposition. Overall, there is only a limited degree of trust in Turkish authorities’ good will, particularly amongst the military commanders who have seen the ceasefire broken several times from both sides.

For his part, Erdoğan needs to use all his political shrewdness and strike a difficult and precarious balance. The Kurdish process has to be kept alive in the interest of the country’s and the party’s long term plans. In the short term, however, the AKP is wooing votes from the MHP to push it under the electoral threshold as in 2007 and gain the lion’s share in the redistribution of power in the next parliament. This is already becoming visible. For instance, Erdoğan deplored US assistance to the PYD, insisting that the PKK is as great a threat as IS radicals. Equally, the HDP has an incentive to step-up anti-government rhetoric to rally its grassroots but also win support beyond its core Kurdish constituency. Such strategy paid off during the presidential elections in August 2014.
That means that a shift to a more confrontational tone on both sides is very likely as the negotiations proceed.

**Conclusions**

Turkey is going through a complex and challenging phase in its political development. The hegemony established by the AKP and Erdoğan’s charismatic leadership have contributed a great deal to stability, delivering stable government and sound economic policies conducive to growth. That explains the unyielding support helping the party to fend off successive challenges, both from within the broad Islamist movement and the secularist spectrum. Equally, the extended stay in government has led to forms of symbiosis with or even capture of the state which, in the absence of a well functioning system of checks and balances, has pushed Turkish politics into an illiberal direction. Erdoğan’s relentless pursuit of power along with his leadership style playing on the excessive polarisation within Turkey’s society has acerbated existing problems. However, as long as the AKP stays cohesive, there is no credible challenger to upset the established equilibrium. The Kurdish issue and the Solution Process is the critical test case of whether Turkey could make progress on its democratisation path despite the illiberal trends coming to the fore since 2011. It also remains one of the most important, if not the most important, yardstick against which the political legacy of Erdoğan will be judged.
2. **Whither with Secularism or Just Undemocratic Laïklik? The Evolution and Future of Secularism under the AKP**

*Murat Somer*

Are Turkey’s secularism and secular democracy being reformed or undermined with the policies of the (AKP)? The principle of secularism *per se* is one of modern Turkey’s accomplishments, which contributed to its political and economic development\(^1\). But secularism’s implementation in Turkey (*laiklik* in Turkish) has been criticized from different perspectives. Some studies condemn it as anti-religious while others critique it as overly isolationist, i.e. aimed at freeing the state from religion by limiting religion to private lives\(^2\). By contrast, other scholars have charged *laiklik* with being overly integrationist, i.e. mixing religion and state in order to tame religion and establish a particular version of Islam as the state-promoted ‘correct’ religion\(^3\).

In fact, both criticisms point to some dimension of the truth. *Laïcité* “generally protect(s) freedom of religion”\(^4\). But its practices are overly isolationist on some issues and overly integrationist on others, thereby

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generating many deficits in both religious and secular democratic freedoms. By the same token, the problems of laiklik are also problems of democratization for an additional reason. Turkey has a heavy-handed state, which tries to control and shape society from above rather than respect individuals’ agency and work to accommodate social actors’ democratic demands. Many justifiably condemned practices of laiklik seem to result from this generally unequal and authoritarian relationship between the state and society in Turkey.

When the AKP came to government at the end of 2002, many envisioned that it would play a leading role in reconciling Islam and democracy by democratizing the Turkish state and laiklik. It was hoped that democratizing laiklik would make it easier for pious Muslims to internalize secular democracy. It would thus generate a better, much-needed positive example of Muslim democracy in a post-September 11, 2001 context. In general, the AKP was expected to continue the political and economic reforms Turkey had embarked on under successive governments following its EU candidacy in 1999, and later after its financial collapse in 2000-2001.

Over the years since then, the AKP on balance became an unprecedentedly powerful and, until a few years ago, reformist elected government. Helped by a strong mandate that resulted from a series of electoral and other political victories, it secured numerous path-breaking reforms and restructured the state. Among other achievements, it politically and psychologically empowered the religious-conservative and provincial segments of Turkish society, which have dutifully supported the party in return.

However, twelve years later, there are widespread signs and concerns that the AKP undermines secularism and promotes Islamization. The AKP maintained and often strengthened the main domineering and interventionist state institutions. A major example is the Diyanet, which promotes, subsidizes and runs Sunni Muslim mosques, salaries

imams (Sunni Muslim preachers) and pursues its law-given mission of serving and ‘enlightening’ people about matters related to the Islamic religion. Another is Turkey’s national education system, which promotes conformism, nationalism and cultural-ideological homogeneity rather than critical thinking, tolerance and pluralism. In the past, Islamists and many observers had criticized these institutions as being the authoritarian means of undertaking secularist and Turkish nationalist social engineering.

Especially in recent years, there have been growing signs that the government now utilizes these institutions for its own ideological and self-serving ambitions. Instead of abandoning the goal of top-down and homogenizing social transformation, the AKP is charged with employing laiklik in the service of Islamic social engineering. Rather than pursuing less Turkish nationalism and more diversity-friendly policies, it seems to promote a more Islamized version of Turkish nationalism. These trends have followed a rapidly and alarmingly deteriorating general pattern of weakening democracy: diminishing checks and balances and division of powers within the political system, the rise of the AKP as predominant party, and growing government authoritarianism and lack of accountability.

Until recent years, AKP representatives vehemently denied any association with Islamism and called themselves ‘conservative


democratic’. How did such a political party, which was rooted in political Islamism but also claimed to uphold secular democracy become a party that people accuse of manipulating and, worse, negating secularism? In the following, I will briefly review the evolution and reformist criticisms of *laiklik* and then examine the AKP’s policies vis-à-vis secularism. I will conclude by discussing possible future scenarios.

2.1 Anti-secular, anti-isolationist and anti-integrationist criticisms of *laiklik*

On paper, all political-institutional models of secularism claim to uphold similar principles such as freedom of conscience and the separation of religion and state. In practice, there is a wide variety of different established practices and institutional arrangements. These can be classified based on two dimensions. The first one is the degree of separation versus integration-cooptation between religious and state authorities. The second regards the nature of interaction between religion and state: the extent to which conflict and tutelage versus accommodation and cooperation define their relationship. How can *laiklik* simultaneously be blamed for too much separating (over-isolationism) and mixing (over-integrationism) of religion and state? Does conflict-cum-control or paternalism-cum-cooperation define the relationship between the Turkish state and religion, in particular Islam?

The Turkish Constitution renders secularism one of the main and ‘immutable’ pillars and underlying principles of the state’s legal-political

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order. While promising freedom of conscience and protecting the privacy of faith, it also declares the use of “sacred religious feelings” for political purposes and in state affairs a crime. At the same time, the Constitution nowhere offers a clear definition of secularism. Hence, politics and practice shape principle as much as the other way around. The Constitutional Court often fills the gap by offering interpretations and definitions in its rulings.

Turkey was established in 1923 as a nation state of Ottoman Muslims in the rump Ottoman territories. The main factors that mobilized the nationalists were Ottoman Turkey’s socioeconomic and territorial regression against western and Russian advancements, and its defeat, occupation and threat of colonization at the end of World War I. The national struggle and War of Independence (1919-1922) was led by secular nationalists who had pro-secular and westernizing goals. Their aim was to form a modern nation state that would become equal to other European states through modernization/westernization. These secularist elites largely managed to sideline Islamist elites while unilaterally laying down the pro-secular foundations of modern Turkey. Kemalist (after Kemal Ataturk, 1881-1938) elites then forced through a series of sweeping reforms in order to politically and socially-culturally secularize/westernize the country. These were meant to fast-forward socioeconomic development.

At the same time, however, the role of Islam was crucial. The War of Independence was won primarily against Christian minorities and external powers, by mobilizing a multiethnic population whose principal common identity was Islam. And, even though the absolute majority of the nation was Turkish speaking, there was not yet a Turkish nation in an objective or subjective sense. Therefore, secularist elites did not reject

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9. Eight political Islamist parties were shut down in Turkey since 1946.
Islam as a midwife of nation-building and a source of public morality. Even though Turkishness, which became the primary basis of the nation, was constitutionally defined as independent from religious affiliation, the state as well as the Muslim majority took it for granted that a ‘true Turk’ would also be Muslim.

The goal of interreligious peace and tolerance was not a salient motive shaping the nature of laiklik. By the time the Turkish Republic was founded, non-Muslims had become a small minority. This had resulted from wars, migrations, territorial losses, population exchanges, and ethnic cleansings, which took place both inside and around Turkey and diminished the numbers of non-Muslims while adding to those of Muslims. Hence, non-Muslims contracted from about 19 per cent of the population in 1914 to 2.5 per cent in the 1927 census. The majority of those, i.e. Jews and Orthodox Greeks and Armenians, obtained significant religious autonomy and protection with the 1923 Lausanne Treaty. Nevertheless, they have suffered from discrimination and rights violations since then, and others such as the Syriac Orthodox had even less protection. All this contributed to the decline of their numbers to less than one percent today.

The Muslim majority, a considerable portion of whom were migrants and refugees from the Balkans and Caucuses, also formed a diverse lot in terms of differences of interpretation, practice, and sectarian affiliation. But, in accordance with the primary goal of nation-building, none of these differences were recognized by the state. The Republic took over the Ottoman practice of ignoring and excluding Alevi Muslims, the largest Muslim minority, which is affiliated with Shi’a Islam. They were expected to assimilate into the majority’s Sunni Muslim identity together with the other Muslim minorities. For this purpose, the Republic did not hesitate to build on Ottoman institutions; the Diyanet, for example, simply replaced the late-Ottoman Ministry of Sharia and Waqfs. Thus, laiklik was often shaped by state policies toward social-cultural


homogenization and national identity-building rather than by secularist philosophy or religious theology.

All this led to a model of secularism combining isolationist and integrationist characteristics. In the eyes of the secularist elites, establishing the supremacy of the state and the promotion of secularization required erasing the Sharia and pacifying the Islamic ulama (doctors of Islamic theology) in political and social life. This supported isolationism and a conflictual, i.e. repressive, relationship between state and religion. But they also understood that a controlled and reformed version of Islam was both necessary and a useful vehicle for modernization and nation-building in a traditional society where religion and culture were often inseparable. This encouraged integrationism and a mutually supportive relationship between religion and state, where the state promoted a ‘reformed’ version of Islam. After the transition to a multiparty democracy in 1950, ‘the moderation of secularists’ led laiklik to become even more integrationist. For example the numbers of government-funded mosques and imam-hatip (Muslim preacher) schools constantly grew and Muslim brotherhoods and Sufi orders (tariqats), which were officially shut down during the 1920s, were informally recognized and benefited from state policies. The 1980-83 military regime was another crucial turning point. It enhanced the integration of the state and Sunni Islam, and of Islamism and Turkish nationalism, among many other policies by encouraging the so-called ‘Turkish-Islamic synthesis’ ideology.

The secularism question became a major part of the democratization debates during the 1990s, amidst the rapid rise of Islamist politics and the ‘rising tide of conservatism’ in society and politics for various domestic

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15. In order to avoid association with Christian reformation, Muslims generally avoid the term ‘reformed’ and prefer the term ‘revived’ (tecdid).


and international reasons\textsuperscript{18}. Islamists and some liberals objected to secularism as an inherently ideological, anti-religious or undemocratic value. Secularists defended secularism as a \textit{sine qua non} of democracy, progress, and Turkey’s western identity, summed up as Ataturk’s Turkey. The secularist camp prevailed in 1997 when a military-led ‘post-modern coup’ forced the Islamist-led coalition government to step down and reversed many pro-religious policies.

Between these two polar positions were reformists who recognized secularism as a desirable principle but wanted to reform \textit{laiklik}. However, reformist arguments entailed partially contradictory criticisms. Those targeting the isolationist features of \textit{laiklik} maintained that it disadvantaged the pious (Sunni) Muslim majority and led to their social-political exclusion and disempowerment. By contrast, others focusing on the integrationist traits of \textit{laiklik} argued that the freedoms of non-Sunni Muslim and non-Muslim minorities were restricted even more severely, along with some secular freedoms.

Examples where \textit{laiklik} arguably restricted democratic freedoms by over-isolating religion from the public sphere were the Islamic headscarf ban for students and civil servants, prejudice and discrimination against conservative segments of society in secular businesses and other non-governmental public spheres, and legal restrictions on Sufi orders. In return, state support for Sunni Islam but not others, laws criminalizing criticism of religion and in practice only protecting Sunni Islam, and discrimination against non-Muslims and non-Sunni Muslims in the public sector could be cited as areas where \textit{laiklik} undermined democratic freedoms by over-integrating the state and Sunni Islam.

Many secular-liberal and Islamic actors collaborated in voicing these criticisms in the name of democracy and civil liberties. Such a pragmatic alliance played a crucial role in the early years of the AKP in legitimizing the party in the eyes of suspicious observers in the western world and moderate secular domestic actors. However, many secular reformists might have ignored an important weakness in their alliance with the Islamic actors. Secular reformists were aiming to address both the

\textsuperscript{18. Ibid.}
overly isolationist and integrationist dimensions of *laiklik*. They would both relax state control of religion in society and reduce the influence of any particular religion on state policies. However, Islamic actors were mainly focused on the former. Research indicates that Islamic elites favored more religious (i.e. Sunni Muslim) influence in both societal and state affairs. Aiming for a bigger role of religion in society without disassociating the state from Sunni Islam would further open the door for the use of state authorities in order to promote Sunni Islam in society. Such policies could also find widespread support among religious-voters, legitimized “on the grounds of Sunni Muslim religiosity”.

2.2 Secularism under the AKP governments

AKP policies affecting secularism have followed the same patterns as Turkey’s democratization. When AKP governments were effectively checked by secularist authoritarian institutions and Turkey’s EU membership process was more active, the party focused on EU-inspired democratic reforms and avoided policies openly and directly affecting secularism. When authoritarian restrictions weakened, *laiklik* could potentially be democratically renegotiated and reformed by the secular opposition and the AKP, if the opposition parties were more successful and the EU prospects were stronger. When the latter did not happen and the AKP felt less and less restrained, its discourse and policies became increasingly Islamist. Secular-religious social-political polarization deepened alongside growing fissures within the pro-Islamic bloc.

Period 2002-2008: public silence on secularism

In this first period, the party focused on gaining legitimacy and EU-led reforms. It avoided formal and public questions directly affecting


state-religion relations and its own image as a ‘conservative’, not Islamist party. The only salient legal-political step the party tried to take in relation to secularism was an attempt to criminalize adultery, which it withdrew in the face of strong reactions from the EU and secular civil society\(^2^1\).

However, it would be misleading to argue that there were no changes in government and society affecting secularism. Public recruitment was a major area. People with Islamist backgrounds and members of Islamic brotherhoods and movements such as the Gülen movement\(^2^2\), National Outlook movement\(^2^3\) and others became more effective and visible in the bureaucracy and school system. Government cooperation with Islamist NGOs grew, while Islamic conservative businessmen seemed to be favored in local and central government tenders. Formal and informal economic links were expanded with the Gulf countries as well as Iran, contributing to the creation of a new Islamic bourgeoisie\(^2^4\). Many appointments and laws were vetoed by President Ahmet Necdet Sezer who was a former secularist Constitutional Court justice. Even though the AKP had openly declared that it was now a ‘conservative democratic’ party dissociated from its Islamist roots, major party and government representatives had an Islamist background and officials often used vague language regarding Islamization and the secularism principle.

Such piecemeal, actual and perceived changes caused secular concerns. The secularist military and civil society came to a major confrontation with the AKP before the 2007 presidential elections. Pro-secular fears


\(^{22}\). The global Fethullah Gülen movement, which was then a major ally of the AKP but has been at loggerheads with the government in recent years, calls itself the “Service Movement” (*Hizmet Hareketi*).

\(^{23}\). The National Outlook Movement is Turkey’s first openly Islamist political movement and was founded in 1969 by Necmettin Erbakan (1926-2011). It generated a series of political parties (currently Saadet Partisi) that joined and once led coalition governments during the 1970s and 1990s. It also formed the original basis of the AKP, which broke away from the National Outlook movement in 2001.

\(^{24}\). A. Kaya, “Islamisation of Turkey under the AKP Rule”, op. cit.
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– alongside other concerns such as a perceived loss of sovereignty due to EU-negotiations and a perception that the EU and US were favoring Islamists and Kurdish nationalists – were among the main triggers of the secularist ‘republican rallies’ against the government in 2007. These peaceful mass rallies were attended by millions of citizens with the slogan “neither Sharia nor coup, fully independent Turkey”25.

However, the military was also an active supporter of these rallies, and the pro-military sympathies of some of the organizers were more than clear. Allegedly, some military officials had made plans to overthrow the government since 2004. The secularists were threatened by the fact that the AKP nominated Abdullah Gül, one of the AKP’s three main founders, to replace Ahmet Necdet Sezer. The military issued an online ultimatum and threatened intervention. But the AKP saw the bluff and first won the parliamentary elections and then elected Gül to the presidency.

In February 2008, the AKP took its first major public step to modify laiklik. It lifted the headscarf ban in universities with the collaboration of the nationalist opposition party MHP. Soon thereafter, the chief public prosecutor charged the ruling party with anti-secularism. Even though the Constitutional Court decided to convict the party, it ruled not to ban the party by one vote, instead issuing a financial penalty. Immediately after the opening of the closure case, a number of secularist military officers, journalists and other civil society members were arrested and charged with anti-government conspiracy as part of the controversial Ergenekon trials26.


Period 2008-2010: transition and lost chance of reformist renegotiation

The net result of these legal-political confrontations in which the hardline-secularist bloc lost against the AKP has been the consolidation of the AKP’s de facto power vis-à-vis the authoritarian checks on its power. The government and its supporters were able to form a powerful ‘Islamic bloc’, which had an Islamist core and included Islamist, religious-conservative as well as liberal actors and socioeconomically motivated voters. At this point, several scenarios could be put forward based on the ability of the secular opposition to reform and reinvigorate itself. In one of them, Islamic-authoritarian tendencies within the AKP could gain ground and the party would become more authoritarian and Islamist. This could happen unless the secular political parties and civil society managed to democratically check and balance the ruling party. Alternatively, the AKP and moderate secular actors could cooperate to continue democratization and renegotiate laiklik in such a way that it would better protect both religious and secular freedoms. In retrospect, neither the AKP nor the secular opposition was politically or intellectually ready for such a compromise.

The short-lived removal of the Islamic headscarf ban can be given as an example. The AKP tried to make justifiable reforms without seeking sufficient consensus. In return, the secular opposition acted defensively without making constructive counterproposals, by relying on ‘veto players’ such as the judiciary and ‘voters’ fears. The CHP took the change to the Constitutional Court, which made the controversial decision to annul it for violating the secularism principles. Procedural questions aside, the Court’s reasoning was based on the way the AKP

28. Ibid., pp. 1273-74.
altered the Constitution, not necessarily the change itself. It argued that the legislation potentially resolved the problems of head-covered women but did so without addressing ‘societal concerns’ that freedom of Islamic headscarf can create religious-moralistic social pressures on women who don’t cover their heads\textsuperscript{31}. For this point, the Court referred to the 2005 ruling of the European Court of Human Rights about a Turkish teacher who wanted to wear her headscarf in class\textsuperscript{32}.

The change did not allow sufficient debate\textsuperscript{33}. It was made just two weeks after Erdoğan simply declared during a trip to Spain that Islamic headscarf should be free “even if it is a (Islamist) political symbol”. But the CHP did not come up with an alternative solution that could both solve the problems of head-covered women and protect bareheaded women as well. Such intransigence did not serve long-run secular interests. As we will see, the AKP pushed through more comprehensive changes liberating headscarves also for high school students and civil servants, once it amassed more power.

All this contributed to social-political polarization and increasing government authoritarianism by using the government’s formal and informal powers. In September 2008, Prime Minister Erdoğan called upon his followers to boycott the country’s pro-secular media conglomerate Doğan group, which was critical of the government; one year later, Doğan was issued a tax fraud penalty in the amount of about $3 billion\textsuperscript{34}. Against this divided political background, a government


initiative to draft a new Constitution proved short-lived for lack of inter-party cooperation.

Period 2010-2014: the new AKP, rise of authoritarianism and Islamic social engineering

In this period, the fragmentation and weaknesses of the opposition helped the AKP to consolidate its power in politics as well as the state apparatus via repetitive electoral victories. The party won a critical constitutional referendum in 2010, one general election in 2011 and one local and one presidential election in 2014. The latter made Erdoğan – who did not hide his ambitions to replace Turkey’s semi-parliamentary system with a presidential one, where a highly powerful presidency would dominate the political system – the new president. Alongside the ascendance of Erdoğan within the party as the absolute leader, the AKP became a dominant party and began to pursue hegemonic power within politics and the state. It weakened the separation of powers, cracked down on popular dissent, reined in the media by using political and economic pressures, and blurred the dividing lines between the party, state, and civil society. At the same time, growing corruption became apparent, and fierce power struggles and divisions erupted within the ruling Islamic bloc while most liberals were either excluded from or left the bloc.

Having accrued sufficient power to make changes in laiklik, the new AKP increasingly began to do so mainly by concentrating on only one side of laiklik’s democratic deficits. Without diminishing or democratizing the state’s powers in religious affairs, it started to use


these powers in order to promote religion in both social life and state affairs.

There have been some important changes merely improving religious public freedoms without necessarily promoting religion. The single most important one has lifted the Islamic headscarf ban in schools and civil service except for judges, prosecutors, police and the military. This was a very important reform because restrictions on Islamic headscarves were arguably the most visible restrictions on religious freedoms and pious women’s equal participation in education, the economy, and politics. The Constitutional Court offered a more flexible and libertarian definition of secularism in a ruling in 2012\textsuperscript{37}. In yet another, the government began to return or provide compensation for property confiscated from non-Muslim minority foundations since 1936. However, the net effects of AKP policies on non-Muslim minorities have been ambiguous at best, as the government escalated its use of Muslim chauvinist rhetoric\textsuperscript{38}. During a live 2014 interview on national TV, President Erdogan’s commented, “(People) said a lot of things about me […] I beg your pardon, called me (even) uglier things, saying I was Armenian”\textsuperscript{39}. Turkey has not been immune to violence against non-Muslim minorities. The 2007 murder case of the Turkish-Armenian journalist Hrant Dink is yet to be concluded\textsuperscript{40}.

Most other changes during the period augmented state-religion integration and state-promoted religion in society and politics. The best indicator is the growth of the Diyanet. The number of staff at the Diyanet increased by 45 per cent in the three years between 2010 and

\textsuperscript{37} Constitutional Court case number 2012/65 and ruling number 2012/128, 20 September 2012.

\textsuperscript{38} United States Department of State, Bureau of Democracy, Human Rights and Labor, \textit{Turkey 2013 International Religious Freedom Report}.


2013, compared to only 13 per cent in the eight years between 2002 and 2010. Overall, the Diyanet grew by 63 per cent in terms of its personnel during AKP governments. By comparison, Turkey’s population increased by only 9.7 per cent in the same period. Budgetary figures confirm these trends. AKP governments doubled the Diyanet’s share in the total government budget from 0.54 to 1.2 per cent.

The Diyanet also gained more weight in government policy-making without necessarily becoming more representative and democratic. A new law in 2010 expanded its functions and improved its finances, while its ranking was moved up from fifty-first to tenth within the state protocol. The Prime Minister maintained that legislators should consult it before deciding how to regulate Islamic attire in schools, and the Diyanet became more active and vocal in social and political affairs. For example, in a well-publicized policy initiative, the Diyanet recruited 1000 meles, i.e. local Kurdish speaking imams in the mainly Kurdish-speaking Southeast. In itself, this move made the Diyanet

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43. General Directorate of Budget and Fiscal Control, data on General Budget Institutions, http://www.bumko.gov.tr/TR,4572/butce-turleri-itibariyle-a-cetveli-icmalleri.html, accessed on 12 December 2014. These figures underestimate the actual amount of funds at the Diyanet’s disposal because they exclude the budget of the Diyanet Foundation, for which the budget figures were not available.


more representative of Kurds. But since the reforms did not render the Diyanet more representative of other ethnic groups also, let alone the Alevi Kurds, this step meant that the Diyanet assumed new responsibilities that some critics viewed as assimilationist.

On the surface, the government launched initiatives to discuss and improve the rights and freedoms of the Alevis. But these have created very few concrete results because the government was unwilling to give up the Diyanet’s authority to define what counts as religion and Islam. The Diyanet considers the Alevi cemevis, which are equivalent to mosques, “places of cultural activity, not worship”. They therefore do not benefit from the Diyanet-provided public funds that mosques enjoy. Furthermore, AKP officials were arguably employing divisive and discriminatory language toward them. In a political rally before the March 2014 local elections, Erdoğan denounced the pro-secular CHP leader Kılıçdaroğlu by saying “you know he is an Alevi”, prompting the crowd to boo Kılıçdaroğlu. In other rallies, he berated his rival Demirtaş as “Zaza (Alevi Kurdish)”.

The ‘packing of institutions’, i.e. religious and pro-government favouritism in government appointments and recruitment seems to be rampant. According to the President of the Association of Imam-Hatip Graduates and Members, an alumni group Erdoğan belongs to, nearly 40 per cent of cabinet ministers were graduates of imam-hatip schools, a percentage that highly exceeds the share of imam-hatip graduates.

47. The majority of Kurds are Sunni Muslim of the Shafi’i school, unlike most Turks who subscribe to the Hanafi school that dominates the Diyanet.

48. Research conducted by Konda Research Company on the Directorate of Religious Affairs: “Algılar, Memnuniyet, Beklentiler” (Perceptions, Satisfaction and Expectations), November 2014, p. 8. In a recent survey, slightly more respondents (39 per cent) disagreed with the statement that the Diyanet was helpful to resolving the Kurdish question than those who agreed (36 per cent).


among all high school graduates. Other cases are hard to document and quantify but can be expected to have a major long-term impact on secularism because they would inevitably influence state ideology and practices.

The state-supported public presence of religion increased considerably, with accelerated mosque construction including mega-projects with symbolic importance such as a massive new mosque on the hills of the Bosphorus. Even though AKP officials justify mosque construction based on societal demands, according to a national survey, 71 per cent of respondents thought that there were sufficient places of worship in their surroundings.

But the most important changes with a long-run impact are probably taking place in education. In 2012, the AKP overhauled the primary and secondary school system and broke up the eight-year-long compulsory education into two periods, introducing three-phase compulsory education with four years in each stage (the 4+4+4 system). The new system reduces the age at which children can start receiving a religious education by entering an imam-hatip school after the first phase of compulsory schooling. Through various new regulations and practices, the weight of imam-hatip schools and religious curriculums were increased in education. President Erdoğan boasted that almost

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52. Between 2002-2013, the number of mosques increased by 12.4 per cent from approximately 76,000 to 85,400, exceeding the population increase in the same period by 2.7 percentage points.


54. For example, there were reports that about 40,000 students who did not take a centrally administered placement exam were automatically placed in imam hatip schools, even though they did not request it. “YOK’s coefficient decision ends decade-long Feb. 28 injustice”, Today’s Zaman, 23 July 2009, http://www.todayszaman.com/national_yoks-coefficient-decision-ends-decade-long-feb-28-injustice_181732.html; O.K. Cengiz, “Erdogan’s reforms meant to educate ‘pious generation’”, Al-Monitor, 26 June 2014, http://www.al-monitor.com/pulse/originals/2014/06/cengiz-produce-religious-generations-erdogan-akp-islamist.html; R. Arslan, “Imam hatip okulları
one million (983,000) students were enrolled in imam-hatip schools in the fall semester of 2014. This implied a fifteen-fold increase compared to 2002 (65,000 students), and a two-fold rise compared to 1997, before secularist changes reduced enrolment afterwards. The number of imam-hatip schools increased by 73 per cent in the three years from 2010, although the number of other vocational and multi-programme schools only rose by 23 per cent and 57 per cent respectively.

The presence of compulsory religion courses in public schools is a much-criticized practice of laiklik, which many, including the European Court of Human Rights, view as a violation of individual rights and state support of a particular religion. Rather than cancelling those courses, however, the government’s policy has been to enhance both voluntary and involuntary religious curriculums. The National Education Convention dominated by the government recently recommended the expansion of compulsory religion courses to primary schools and kindergartens. New religious electives such as Quran reading courses were offered with claims that a lack of alternative electives often compelled students to choose them. The salience of Sunni Islam increased in education also through other practices. Sunni mosques have been, or are being,


constructed in 80 universities. In itself, this may be seen as a step simply freeing religious freedoms in public. But, absent reforms also opening non-Muslim, non-Sunni Muslim and heterodox-Sunni places of worship in public schools, this creates further integration between the state and a particular religion.

While all these examples point to concrete changes with long-term impact on secularism, changes in government and mainstream public discourse are also very important because they affect public culture and social-political incentives. A great deal of the changes in the public discourse especially in the media can be seen as government-induced, or worse, forced, because the government’s direct and indirect domination and restriction of the media drastically increased; this led Freedom House to declare Turkey’s press ‘not free’ in 2014. Hence, especially since 2010, state-induced Islamization of the mainstream public discourse has gained momentum. In particular, President Erdoğan’s use of Islamic arguments dramatically increased alongside his political dominance. Crucially, he repeatedly announced in 2012 that he supports the raising of more ‘pious’ new generations. In most accounts, he also cited a series of other qualities he would like the students to have such as being “modern, religious and respectful of other opinions”. But at least in some cases he was also recorded as saying pious and ‘revengeful’ new generations.

Erdoğan’s use of anti-secular and moralistic discourse with religious justifications makes headlines on a daily basis. He declared those making corruption and graft allegations against his government and family “atheists and terrorists”, birth control a conspiracy to weaken Turkey, abortion murder, drug addiction and racism a product of weak


religiosity, caesarean sections a conspiracy to weaken the Turkish nation\textsuperscript{63}, cohabitation of female and male university students immoral, having at least three children a goal for each couple\textsuperscript{64}, feminists against motherhood, and women not being equal to men but “having equal value as men”\textsuperscript{65}.

Erdoğan’s statements often have direct impact on both state policy and social discourse\textsuperscript{66}. For example, shortly after his statements about male-female student cohabitation, police were reported to have raided mixed student apartments\textsuperscript{67}. New abortion regulations restrict the practice and undermine the access of young, poor and working-class women to reproductive healthcare\textsuperscript{68}. New regulations restricted late-night sales and advertisement of alcohol and shifted the authority to issue alcohol-sale licences from elected mayors to appointed governors\textsuperscript{69}. Provocative public statements with harsh rhetoric, which are made by government and social actors and promote Sunni-Muslim religious-moralist values at the expense of secular and pluralist values and especially women’s rights, have visibly and radically increased. Examples abound: a family


consultant for the AKP-run Istanbul municipality defended polygamy\textsuperscript{70}, a state-employed \textit{mufti} (Muslim legal expert) equated premarital sex to infant rape\textsuperscript{71}, another deputy \textit{mufti} declared adoption against Sharia\textsuperscript{72}, and government spokesperson Bülent Arınç opined that decent women should not laugh loudly in public\textsuperscript{73}.

The outcry that such statements evoke in secular civil society no longer causes the AKP members to retract or modify them, as they did in the past. Instead, they are openly or implicitly endorsed. By contrast, pro-secular criticisms of religion are frequently restricted through well-publicized cases\textsuperscript{74}.

All these developments and the resulting polarization of society was a major factor behind the anti-government and pro-secular Gezi riots throughout 2013, in which millions of people participated. The frequency of protests had been rapidly rising since 2013\textsuperscript{75}. Nationwide surveys show that Gezi protesters and supporters differed “most significantly from the rest of the population in their view of secularism”. The protests were a “popular movement driven by political demands, in which all social classes participated proportionally. Among other


\textsuperscript{72} “Evlat edinme’de tartışma yaratan açıklama”, \textit{NTV’MSNBC}, 17 June 2014, \url{http://www.ntvmsnbc.com/id/25521688/}.

\textsuperscript{73} “Turkish Deputy Prime Minister Says Women Should Not Laugh Out Loud”, \textit{The Guardian}, 29 July 2014, \url{http://www.theguardian.com/world/2014/jul/29/turkish-minister-women-laugh-loud-bulent-arinc}.


things, the AKP’s authoritarianism and socially conservative policies” had angered the protesters.\footnote{Ibid., p. 20.}

**Conclusions**

Strengthening Turkey’s secular democracy by reforming *laiklik* requires both freeing religion from the state and the state from religion. This can be done by simultaneously reducing state restrictions on religious and secular freedoms and detaching religion, especially any particular version of it (in this case Sunni Islam) from the state. So far, the emphasis seems to have been on improving Sunni Muslim religious freedoms while neglecting or undermining the rest, which raises the specter of state-induced Islamic social engineering.

Based on the possible future trajectories of Turkish democracy and from the point of view of secular democracy, I can put forward several negative and positive scenarios about secularism in Turkey in upcoming years.

The first scenario would be the withering of secularism with enhanced Islamic social engineering. This could happen if the opposition fared poorly once again in the June 2015 elections and EU-Turkish relations did not improve. If the AKP wins a supermajority in Parliament and the new government heeds President Erdoğan’s will to make a new Constitution, Turkey could become a presidential system and the government could strengthen *laiklik’s* authoritarian institutions and employ them for Islamic social engineering. Such a supermajority could also have a major impact on societal expectations and accelerate social and discursive Islamization. Institution packing would be reinforced further, Islamizing the bureaucracy. The AKP could try to scratch the secularism principle from the Constitution, but even without doing so, *laiklik* would only remain in name. EU relations would be hard to maintain even at current levels.

The second scenario would happen if the secular opposition managed to be stronger but lacked a reformist agenda. If the economic slowdown
continues and the opposition parties campaign more skillfully, they could increase their votes and win enough seats to form a coalition government. A CHP-MHP coalition, or coalition or cooperation between the CHP and pro-Kurdish HDP could be possible, even though the latter currently seems unlikely given Turkish nationalist impulses within the CHP. Alternatively, a strong opposition with more seats than presently could compel the AKP government and President Erdoğaın to soften their stands vis-à-vis religion and secularism.

But neither outcome would necessarily help to reform laiklik in a more democratic direction, if the opposition parties adopted a revanchist stand and were not prepared to compromise with religious liberties and the AKP’s pious voters. In this case, opposition parties could try to bring back rigid secularism with the possible consequence that the AKP comes back to power with an even more Islamist agenda. Alternatively, the outcome may be deeper religious-secular polarization in society, and power struggles and political gridlocks between the government and President Erdoğaın, who seems determined to assert his de facto and de jure powers to reshape Turkish society and state from above.

By contrast, a third scenario could happen with a stronger opposition that also has a viable reformist agenda, which would be a positive version of the second scenario. In recent years, the main pro-secular opposition party CHP has made major efforts to moderate its stand on secularism\textsuperscript{77}. But these initiatives should go beyond reaching out to more pious voters and candidates and include programmatic steps to reach more democratic redefinitions of laiklik\textsuperscript{78}. This scenario could lead to a successful renegotiation and democratic reformation of laiklik based on broad consensus between different political parties and between secular and pious segments of society.

Finally another positive scenario could take place if there was a democratic revival within the AKP and the Islamic bloc. There are signs

\textsuperscript{77} S. Ciddi and B. Esen, “Turkey’s Republican People’s Party”, op. cit.

that recent religious-authoritarian discourses and the steps taken by the party in general and by President Erdoğan in particular have created some discontent within the party. The AKP was founded as a splinter party that claimed to break with its Islamist past and to some extent as a coalition of Islamists and liberals. Even though in recent years Erdoğan sidelined and often purged critical party members, he now has less direct influence on the party’s internal affairs since he had to formally resign from the party after his election as president. More liberal members of the party may realize that authoritarianism-Islamization undermines the party’s as well as Turkey’s long-term political, economic and international interests.

Simultaneously, severe disagreements and conflicts are ongoing among Turkish Islamic communities and actors. The battle between the Gülen community and the AKP led to a government crackdown on the judiciary, police, and Gülenist media, businesses and NGOs, producing many violations of democratic rights and freedoms. Many pious members and supporters of the AKP are unhappy about the fact that an Islamic-conservative government is acting to protect politicians who face corruption allegations. These experiences may help many AKP supporters to develop a new appreciation of how valuable democracy and the rule of law are also for their own personal dignity and the image of Islam.

Hence, ideally, all this can help to develop new justifications of secular democracy and the rule of law within the Islamic bloc. Many Islamists may recognize that secularism is desirable and an asset also for the pious, especially in light of the tragic intra-Muslim sectarian wars in Turkey’s neighbors such as Syria and Iraq. Hence, they may come to the realization that secular democracy and EU candidacy were Turkey’s principal advantages and attraction points in the Middle East79. Thus,

they may assert their control over the party and revitalize its democratic-reformist orientation.

What would the positive scenarios imply in terms of practical reforms? In a region threatened by religious radicalism and radical fringe groups, it may not be wise to dismantle the Diyanet. But the Diyanet could be democratized. This would mean to either downsize it (e.g. by making tax contributions to the Diyanet voluntary) or make it more neutral and equally representative of minority sects and interpretations. Reforms would also include educational reforms that emphasize critical thinking and tolerance in schools, alongside voluntary religious education, and removing laws sanctioning criticism of religion other than hate speech.

The positive scenarios would be more likely the more Turkish-EU relations were revitalized and Turkish-western relations remained strong. In the wake of the recent *Charlie Hebdo* terrorist attacks in France against freedom of conscience and expression, it has become even more important to avoid undermining Turkish secularism but to strengthen it by properly reforming it, and to reinvigorate Turkish-EU relations. Turkey should simultaneously seek more political-economic links with the Middle East and Russia, the same way it did until the Arab uprisings, but this should not be pursued at the expense of its western relations.
Turkey’s political economy transformed significantly over the last decade. The AKP turned out to be the main actor of this transformation. However, the ‘AKP era’ does not constitute a monolithic period, which necessitates a more nuanced analysis. A sub-periodization needs to consider the intricate and intriguing interactions of the domestic and international changes that took place over the period in question. Following Öniş, we can claim that there are three main episodes of the AKP era. The first period refers to the ‘golden years’ that broadly covers 2002 to 2007. In this interval the economy performed significantly well in comparison to its own historical standards. Turkey also fared well vis-à-vis the growth performance of the world economy. This economic vibrancy coincided with an unprecedented wave of democratization reforms partially thanks to the acceleration in the EU candidacy process. The first phase of the AKP era also witnessed a proactive foreign policy strategy that positioned Turkey as ‘an emerging soft power’ in its immediate neighborhood.

The second period refers to the ‘recalibration years’ that broadly covers 2007 to 2011. In this period the Turkish economy encountered the global economic crisis, the most devastating turmoil since the Great Depression of 1929. Accordingly, the economy shrank by 4.7 per cent. Thanks to the resilience of its financial system and robust fiscal discipline, however,
Turkey managed to weather the global economic storm. In the domestic arena, the democratization reforms began to wane due to a combination of problems with the credibility of commitment on the EU side and the government’s faltering performance in regard to the consolidation of liberal democratic principles on the domestic side. Turkish foreign policy also encountered new challenges as the Arab upheavals rendered the institutional and structural arrangements highly fluid in the Middle East and North Africa (MENA) region. Thus Turkish policy makers tried to recalibrate their priorities in line with these changing economic and foreign policy equilibria.

The third phase refers to the ‘turbulent years’ that marks a new threshold opened up after the 2011 elections. On the economic scene Turkey experienced significant problems due to the deceleration of growth rates. The fiscal-financial system that relied on the regulatory state paradigm does not seem enough to underpin high growth rates anymore as the structural problems of the economy began to surface. Domestic politics are increasingly characterized by intense polarization and the erosion of institutional checks and balances. Turkey’s proactive foreign policy also entered into uncharted waters in the post-2011 period after the initial optimism regarding the Arab upheavals took a turn for the worse with the bloody civil war in Syria and acute statehood problems in neighboring countries.

This chapter concentrates on the post-2011 period in Turkish political economy. To this end, the first part offers a bird’s eye view analysis of the changing domestic and international dynamics within which Turkish policy makers operate. The second focuses on the main challenges that Turkey faces in its struggle to overcome the middle-income trap. The third part analyses the Transatlantic Trade and Investment Partnership (TTIP) negotiations between the US and the EU with special emphasis on its potential impacts on Turkish political economy.
3.1 The post-2010 period: changing international dynamics

In the June 2011 general elections, the AKP managed to outperform its rivals by obtaining almost 50 per cent of the total votes, which turned out to be an exceptional success for a political party in Turkish political history. The AKP has become the only institutional political actor that succeeded in winning three general elections with increasing vote shares. 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”\(^2\). The AKP government’s third term in office is also qualitatively different from the previous ones due to at least two main reasons.

First, following the global crisis, the international economic system entered into a ‘new normal’ phase, in which unprecedented global liquidity came to an abrupt end. The deepening of the Eurozone crisis and the weak growth performance of European economies created a difficult international context for the Turkish economy since the EU comprises 35 per cent of Turkey’s total trade volume and almost 70 per cent of incoming foreign direct investment in 2013. Although Turkey managed to mitigate the side-effects of the global and Eurozone economic crises so far, it is more than likely that the stagnation in European countries will adversely affect Turkey’s growth performance. The recent growth figures can be considered as a warning in this regard. In the third quarter of 2014, for instance, Turkey grew 1.7 per cent, far lower than the consensus forecast of 2.8 per cent\(^3\).

Second, Turkey’s international security environment also changed radically in comparison to the first two periods of the AKP government. The MENA region, which enjoyed a relative political stability in the pre-2010 period, plunged into tumultuous instability after the Arab upheavals to the extent that even the statehood of several nations in the region


\(^{3}\quad\text{M. Hecan, “Turkish Economy Slows in Third Quarter”,} \textit{Journal of Turkish Weekly}, \text{10 December 2014.}\)
was put into serious jeopardy. The devastating civil war in Syria and the ubiquitous power vacuum in Iraq currently produce imminent security threats that spill over Turkish borders. Turkey now hosts more than 1.6 million Syrian refugees within its territory, which is more than likely to have long-lasting socio-political and economic consequences. Turkey’s bilateral relations with Egypt, Israel, and Iran are also encountering serious difficulties and bottlenecks. It is reasonable to claim that the political instability in the region and the ongoing tug-of-wars with major regional players might create a detrimental environment for Turkey’s trade and investment performance in the coming months.

The combinative impacts of the first and second factors suggest that the international context within which the Turkish economy flourished in the pre-2010 period changed remarkably. Moreover, the regulatory state paradigm, relying on fiscal-financial discipline, seems to have reached its limits to ensure rapid growth and improvement in GDP per capita. As Ali Babacan, Deputy Prime Minister for economy, reiterated frequently, Turkey needs to implement certain structural reforms along with a new economic paradigm that relies on the state’s transformative capacity. In the following section, the most important aspects of Turkey’s urgent economic challenges will be highlighted.

3.2 Challenges ahead: structural problems of the Turkish economy

Table 3.1 shows the main economic indicators of the Turkish economy. The figures demonstrate that Turkey’s fiscal accounts improved significantly over the last decade. The public debt over GDP declined to 36.3 per cent whereas the budget deficit remained below the 3 per cent threshold. Except for a sharp decline in 2009, Turkey also managed to maintain uninterruptedly positive growth rates, which resulted in threefold increase of GDP per capita in current prices. Turkey

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also attracted foreign direct investment as never before. The annual FDI remained over 10 billion dollars annually after 2004.

Despite the substantial economic reforms implemented over the last decade, the Turkish economy also suffers from certain structural problems, which surfaced in the third period of the AKP government. The current account deficit is one of these major problems. The root causes of Turkey’s current account problem are deep-seated. An historically informed analysis hints that current account deficit is one of the leading indicators in determining the sustainability of existing economic models.

Table 3.1 - Main economic indicators

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<tbody>
<tr>
<td>GDP (US $ billions, current prices)</td>
<td>304.6</td>
<td>393</td>
<td>529.9</td>
<td>742.1</td>
<td>735.8</td>
<td>772.3</td>
<td>794.5</td>
<td>827.2</td>
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<tr>
<td>GDP Per Capita (US $)</td>
<td>4,393</td>
<td>5,595</td>
<td>7,351</td>
<td>10,745</td>
<td>10,067</td>
<td>10,469</td>
<td>10,609</td>
<td>10,782</td>
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<tr>
<td>GDP Growth (%)</td>
<td>5.3</td>
<td>9.4</td>
<td>6.9</td>
<td>0.7</td>
<td>9</td>
<td>8.5</td>
<td>2.2</td>
<td>4.3</td>
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<tr>
<td>Investment (% GDP)</td>
<td>17.4</td>
<td>20.7</td>
<td>22.6</td>
<td>20.2</td>
<td>18.9</td>
<td>23.8</td>
<td>20.6</td>
<td>21.6</td>
</tr>
<tr>
<td>Savings (% GDP)</td>
<td>15.1</td>
<td>15.6</td>
<td>16.2</td>
<td>6.8</td>
<td>12.6</td>
<td>13.8</td>
<td>14.7</td>
<td>13.7</td>
</tr>
<tr>
<td>Imports (US $ billions)</td>
<td>69.3</td>
<td>97.5</td>
<td>139.6</td>
<td>201.0</td>
<td>185.5</td>
<td>240.8</td>
<td>236.5</td>
<td>251.7</td>
</tr>
<tr>
<td>Exports (US $ billions)</td>
<td>47.3</td>
<td>63.2</td>
<td>85.5</td>
<td>132.0</td>
<td>113.9</td>
<td>135</td>
<td>152.5</td>
<td>151.8</td>
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<tr>
<td>Current Account Balance (% GDP)</td>
<td>-2.47</td>
<td>-3.67</td>
<td>-6.02</td>
<td>-5.25</td>
<td>-6.49</td>
<td>-9.7</td>
<td>-6</td>
<td>-7.9</td>
</tr>
<tr>
<td>FDI (US $ billions)</td>
<td>1.75</td>
<td>2.79</td>
<td>19.26</td>
<td>16.96</td>
<td>7.81</td>
<td>16</td>
<td>13.2</td>
<td>12.9</td>
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<tr>
<td>Fiscal Balance (% GDP)</td>
<td>-8.8</td>
<td>-5.22</td>
<td>-0.61</td>
<td>-1.8</td>
<td>-3.6</td>
<td>-1.4</td>
<td>-2</td>
<td>-1.2</td>
</tr>
<tr>
<td>Total Public Debt (% GDP)</td>
<td>55.1</td>
<td>49.0</td>
<td>34.0</td>
<td>28.2</td>
<td>28.7</td>
<td>39.2</td>
<td>36.1</td>
<td>36.3</td>
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Source: TURKSTAT

5. This part draws from M. Kutlay, *Skating on Thin Ice: The Political Economy of Turkish Foreign Policy over the Last Decade*, ISPI Analysis, no. 226, 2013.
Historical records on the dynamics of economic crises in Turkey also suggest that high economic growth triggers current account deficit, which in turn leaves the economy defenseless against political and economic shocks, whether they are domestically or externally driven. The “crisis-growth-current account deficit-crisis” circle is still an inherent fragility of the Turkish economy, despite notable improvements in budgetary performance and a relatively tightly regulated banking system.

There are several reasons for Turkey’s 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 per cent – is exceptionally low. This rate hovered around 19 per cent over the past decade, which is below the average of developing markets – that is, 27.5 per cent. Turkey is also an energy-dependent country and energy constitutes the biggest item in Turkey’s external trade deficit. Finally, Turkey’s export structure mainly relies on low and medium-technology products. The evidence, in this context, sends mixed signals. While the share of goods based on natural resources and low technology in total exports was 63 per cent in 2002, this ratio declined to 56 per cent in 2010. Additionally, the share of mid-tech manufactured goods rose to 44 per cent, a number that in 2002 was only 37 per cent. However, the share of high-tech goods in Turkey’s total exports is just below 2 per cent, which is obviously a very low ratio.

The structural and competitiveness problems associated with Turkish economy become more visible especially when it is compared to BRIC and near-BRIC countries. Table 3.2 shows that Turkey is far from being a successful country in terms of high added value exports. Furthermore, its performance is fairly below the world averages.

The debate about Turkey’s troubled high-tech performance is also 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. Current research indicates that once countries have reached the middle-income plateau, achieving high-income levels becomes an arduous target. For instance, World Bank research estimates that, of the 101 middle-income countries in 1960, only 13 reached high-income status by 2008. Productivity plays an important role in middle-income debates. As the economy moves from labor-intensive, low-cost exports toward capital-intensive production, labor is reallocated from agriculture to manufacturing sectors. This leads to the slowing down of economic growth, because productivity gains from sector reallocation and technology imports disappear. The middle-income economies need to develop more sophisticated innovation policies and accompanying economic and political institutions to overcome the middle-income trap.

Table 3.2 - High-tech exports over total manufactured exports (%)

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<tbody>
<tr>
<td>Brazil</td>
<td>16.5</td>
<td>11.6</td>
<td>12.1</td>
<td>11.6</td>
<td>11.2</td>
<td>9.7</td>
<td>10.5</td>
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<tr>
<td>China</td>
<td>23.7</td>
<td>30.1</td>
<td>30.5</td>
<td>25.6</td>
<td>27.5</td>
<td>25.8</td>
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<tr>
<td>Indonesia</td>
<td>16.7</td>
<td>16.4</td>
<td>13.5</td>
<td>10.9</td>
<td>9.8</td>
<td>8.3</td>
<td>7.3</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.2</td>
<td>5.5</td>
<td>6.5</td>
<td>5.1</td>
<td>4.3</td>
<td>5.1</td>
<td>5.5</td>
</tr>
<tr>
<td>South Korea</td>
<td>31.5</td>
<td>32.9</td>
<td>32.1</td>
<td>27.6</td>
<td>29.5</td>
<td>25.7</td>
<td>26.2</td>
</tr>
<tr>
<td>India</td>
<td>6.2</td>
<td>6.0</td>
<td>6.1</td>
<td>6.8</td>
<td>7.2</td>
<td>6.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Mexico</td>
<td>21.4</td>
<td>21.3</td>
<td>19.0</td>
<td>15.7</td>
<td>16.9</td>
<td>16.5</td>
<td>16.3</td>
</tr>
<tr>
<td>Russia</td>
<td>19.2</td>
<td>12.9</td>
<td>7.8</td>
<td>6.5</td>
<td>9.1</td>
<td>8.0</td>
<td>8.4</td>
</tr>
<tr>
<td>Turkey</td>
<td>1.8</td>
<td>1.9</td>
<td>1.9</td>
<td>1.6</td>
<td>1.9</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>World</td>
<td>22.2</td>
<td>20.9</td>
<td>20.8</td>
<td>16.7</td>
<td>17.6</td>
<td>16.5</td>
<td>17.6</td>
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Source: World Bank

After a decade of high growth, Turkey is now approaching a new economic turning point in the sense that GDP per capita in current prices has now passed the 10,000-dollar threshold. Since economic

development constitutes one of the main pillars of Turkish foreign policy proactivism, the sustainability of Turkey’s current economic performance becomes an integral part of its regional power strategies. Turkey needs to develop more inclusive institutions in the economic, technological, educational, legal and R&D realms to overcome the middle-income trap. Turkey’s current institutional performance, however, is not promising in any of the related areas. For instance, Turkey ranks 92nd among 187 countries in the human development index, an oft-cited proxy indicator for measuring countries’ development level.

Table 3.3 - The share of R&D expenditures over GDP (%)

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<td>0.9</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
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<td>China</td>
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<td>1.4</td>
<td>1.5</td>
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<tr>
<td>South Africa</td>
<td>...</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
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<tr>
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<td>3.0</td>
<td>3.4</td>
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<tr>
<td>India</td>
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<tr>
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<td>0.4</td>
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<tr>
<td>Russia</td>
<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Turkey</td>
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<td>0.6</td>
<td>0.7</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>World</td>
<td>2.1</td>
<td>2.0</td>
<td>2.0</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
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</tbody>
</table>

Source: World Bank

The low-level of R&D expenditures over GDP is discernable if we compare Turkey’s performance with other similar late-developers. It seems that Turkey is barely above Mexico and India. However, as a positive note, we should also not underestimate the fact that the R&D over GDP ratio almost doubled over the last decade (see table 3.3). What Turkey needs in this context is prudently crafted long-term cooperation mechanisms among the private sector, state bureaucracy, and the educational system. The poor complementarity among these
three pillars of the economy leads to inefficient results. It also informs Turkey’s poor export performance and high current account deficit.

The current level of economic development in Turkey suggests that economic problems are closely associated with the political landscape. Thus one should develop a holistic perspective to better explore the sources of and solutions for the structural impediments. This brings us to the quality of governance in Turkey. In this context, the most important structural political challenge is the illiberal democracy trap. Turkey’s democratic transformation over the last decade is impressive, especially in comparison to its own past performance. In just a short time, civil-military relations were transformed in favor of elected civilians and there were substantial improvements in human rights standards. The bold steps taken by the current government also increased optimism regarding the peaceful settlement of Turkey’s deep-seated Kurdish question. Despite these positive improvements, however, further reforms are necessary to transform Turkey from a ‘procedural’ to a ‘substantive’ democracy.

Democratization has two direct implications in terms of the political economy of Turkish foreign policy. First, the democratic reforms are inextricably linked to the establishment of ‘inclusive’ institutions in the judiciary, education, innovation, and other related realms. Further democratization in this regard would also improve Turkey’s ability to overcome the middle-income trap. Second, democratization has become an integral pillar of Turkey’s regional power policies because Turkish policy-makers have taken a determinedly pro-democratic stance right from the beginning of the Arab upheavals. In this context, further democratization at home not only serves Turkey’s economic interests in the region, but it would also help avoid rhetoric-action inconsistency in Turkey’s self-conceived role as a ‘soft power driven proactive player’ in the MENA region.
3.3 *Turkey’s delicate position in the TTIP*

The changing geopolitical landscape in Turkey’s immediate neighborhood and the structural challenges of the Turkish economy should not lead to an underestimation of the transatlantic dimension in Turkey’s foreign economic relations. In fact, the current state and future of Turkey’s position in the transatlantic trade and investment bloc is also decisive for the direction, depth, and sustainability of its foreign economic policies. A particularly important issue, in this sense, is the TTIP negotiations between the EU and the US, and Turkey’s delicate position in the proposed agreement. Thus this section offers an in-depth analysis of the issue with a particular emphasis on its potential impacts on Turkish political economy.

Turkey and the EU established a customs union in 1995. The tariffs on exports and imports of all industrial products and goods were abolished. The decision was the outcome of long-lasting institutional relations and binding arrangements between the parties. When the decision was made, the economic expectations were high, especially on the Turkish side: the promotion of Turkey’s export capacity, the improvement of Turkish firms’ competitiveness, the transfer of know-how, and so forth can be listed as some of these expectations. However, for Turkey, the customs union had implications well beyond the economic sphere. The political elite at the time perceived the decision as a stepping-stone to complete Turkey’s EU integration process. It was seen as a shortcut to becoming a member ‘through the EU’s backdoor’, as claimed by then Prime Minister Tansu Çiller.

In retrospect, the customs union helped the Turkish economy in many ways. First, it contributed to increasing Turkey’s export capacity. Total trade volume was significantly expanded from 66.8 billion (1996) to 444.7 billion dollars (2013) in current prices. Although there are many reasons underlying Turkey’s transformation into a more trade-oriented economy, the role of the customs union should be taken as an important

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9. This part draws from M. Kutlay, “Why Turkey Should Revisit the Customs Union with the EU?”, *USAK Yearbook of Politics and International Relations*, vol. 6, 2013.
variable as well. Second, and related to the first, Turkey increased its competiveness *vis-à-vis* the pre-1995 period. The competition law was enacted so as to comply with EU norms and regulations. Turkish industrial firms felt themselves obliged to craft new strategies to survive in an astonishingly competitive environment at the European level.

The decision about the customs union, however, did not provide the “best of all alternative worlds” in Turkey’s trade relations with the EU\(^\text{10}\). In fact, it was a politically incomplete contract and, as a result, it not surprisingly suffered from certain deficiencies. At the time the decision was made, Turkish decision-makers turned a blind eye to these major deficiencies. The precarious areas and weak spots of the agreement gradually surfaced over the years. I would argue that Turkey should revisit the decision for at least two main reasons. The first argument is related to the changing trade dynamics of the EU and Turkey. On the EU’s side, free trade agreements (FTAs) gained prominence in mid-2000s\(^\text{11}\). Accordingly, the EU embarked on an aggressive path of diplomacy to sign FTAs with third parties all around the world. Turkey, thanks to its decision to join the customs union, had to harmonize its preferential customs regime with those of the EU’s preferential arrangements and autonomous regimes with third countries. This point is clearly underlined in article 16 of the Association Council Decision No 1/95:

> With a view to harmonizing its commercial policy with that of the Community, Turkey shall align itself progressively with the preferential customs regime of the Community within five years as from the date of entry into force of this Decision. This alignment will concern both the autonomous regimes and preferential agreements with third countries. To

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this end, Turkey will take the necessary measures and negotiate agreements on mutually advantageous basis with the countries concerned ...

Turkey also accepted to harmonize its legislation with that of the EU’s future FTA agreements. In other words, Turkey agreed to adjust its foreign trade regime according to the changes in EU legislation, including the union’s future agreements with third countries. However, this principal is not reciprocal. Stated somewhat differently, third countries benefit from the Turkish market once they sign an FTA with the EU, but Turkey cannot enjoy the same rights *vis-à-vis* the countries in question. Instead, Turkey tries to launch bilateral dialogue with these countries in order to compete with them on an equal footing. The recent Transatlantic Trade and Investment Partnership (TTIP) negotiations between the EU and the US are an illuminative case in point. Despite Turkey’s persisting demands, the concerns of the Turkish side have not yet been addressed¹².

The politically asymmetric nature of the customs union decision creates insurmountable bureaucratic, diplomatic, and economic costs for Turkey. Moreover, this country witnessed a shift in its trade priorities. During the 1990s, the EU’s share of Turkish foreign trade was around 55 per cent. Over the last decade, this ratio has declined to 35 per cent. In the meantime, Turkey’s trade relations with Asia (including Middle Eastern countries) have increased precipitously from 15 per cent to 28 per cent (see table 3.4). The changing nature of Turkish foreign trade not surprisingly necessitates a more flexible framework for Turkey to deepen its relations through free trade agreements and other forms of regional cooperation arrangements. For all these reasons, the ‘letter and spirit’ of the customs union agreement in its current format progressively restricts the scope of Turkey’s foreign trade.

The second argument is related to the changing political dynamics in Turkey-EU relations. Joining the customs union was a

politically motivated decision from the very beginning. Turkey, whilst acknowledging the potential economic benefits, attributed a heavy dose of political symbolism to the decision. The ultimate aim for Turkey was to become a member of the EU, and it was hoped that the customs union would clear Turkey’s bumpy path to EU membership. It is because of this reason that the decision was first and foremost marketed as a political success in the domestic sphere. There was a functionalist idea behind this political marketing strategy: the customs union was supposed to help convergence between the parties and pave the way for political unification at some point in future.

Table 3.4 - The geographical composition of Turkish foreign trade

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<tbody>
<tr>
<td>Total trade (million$)</td>
<td>95,091</td>
<td>176,429</td>
<td>250,746</td>
<td>378,082</td>
<td>329,529</td>
<td>411,417</td>
<td>426,213</td>
<td>444,783</td>
</tr>
<tr>
<td>EU-28</td>
<td>46,156</td>
<td>84,830</td>
<td>107,596</td>
<td>138,233</td>
<td>125,326</td>
<td>154,029</td>
<td>147,056</td>
<td>155,498</td>
</tr>
<tr>
<td>Other Europe</td>
<td>49%</td>
<td>48%</td>
<td>43%</td>
<td>37%</td>
<td>38%</td>
<td>37%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Africa</td>
<td>10,042</td>
<td>20,111</td>
<td>33,383</td>
<td>59,440</td>
<td>41,225</td>
<td>48,403</td>
<td>51,373</td>
<td>55,533</td>
</tr>
<tr>
<td>Other Africa</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>16%</td>
<td>13%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>America</td>
<td>2,935</td>
<td>5,567</td>
<td>8,476</td>
<td>14,659</td>
<td>14,107</td>
<td>17,101</td>
<td>19,279</td>
<td>20,177</td>
</tr>
<tr>
<td>Other America</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Asia</td>
<td>14,081</td>
<td>30,235</td>
<td>49,556</td>
<td>83,266</td>
<td>85,230</td>
<td>111,717</td>
<td>124,038</td>
<td>124,454</td>
</tr>
<tr>
<td>Near &amp; Middle East</td>
<td>7,979</td>
<td>12,328</td>
<td>15,730</td>
<td>23,756</td>
<td>22,877</td>
<td>30,675</td>
<td>29,856</td>
<td>28,692</td>
</tr>
<tr>
<td>Other Asia</td>
<td>15%</td>
<td>17%</td>
<td>20%</td>
<td>22%</td>
<td>26%</td>
<td>27%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Other Asia</td>
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<td>7%</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Republic of Turkey Ministry of Economy

These expectations, however, did not hold true. After unprecedented progress between 1999 and 2005, Turkey-EU relations plunged into a virtual deadlock. Currently, the relations exist in name but not much in
substance. The EU’s domestic political economy challenges, Turkey’s changing priorities, and the recalcitrant problem areas between the parties (such as the Cyprus question) indicate a new trend in bilateral relations, which makes membership an increasingly less likely scenario\(^\text{13}\).

In this new equilibrium of institutional relations between the parties, it is also difficult to see why Turkey should continue to bear the costs of the current political asymmetry attached to the customs union. Once combined with the growing economic burdens that stem from the EU’s changing FTA arrangements and Turkey’s exclusion therefrom, the concept of ‘political asymmetry’ becomes intolerable for the Turkish side. Turkish policy-makers seriously underlined this point in their statements between 2013 and 2014. For instance, Turkish minister of economy, Nihat Zeybekçi, said, “if Turkey is not in the (TTIP) agreement between the US and EU, Turkey may renounce its custom union agreement with the EU due to the substantial damages suffered”. Mevlüt Cavusoglu, Turkey’s former EU Minister and Minister of Foreign Affairs until August 2014, threw full support behind Turkey’s economic bureaucracy: “as the EU negotiation process lingers, the negative impact on the economy grows. It is injustice for the Turkish economy”.

The current form of Turkey’s customs union with the EU is far from being an optimal deal for the parties. Given the changing economic and political dynamics, Turkey feels stuck between a rock and a hard place. On the one hand, it needs to protect institutional links with the EU and preserve the benefits derived from the customs union; on the other hand, it must also attempt to rebalance its changing priorities. Therefore, a realistic and pragmatic revision of the customs union and Turkey’s inclusion into TTIP seems to be a necessity, rather than an option, in order to open up new avenues in Turkey-EU cooperation and the transatlantic relations.

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Conclusions

This chapter addressed the main political economy potentials and challenges in the third period of the AKP government in Turkey. The third period, which opened up in 2011, poses a qualitatively different episode from the previous nine years since the international, regional, and domestic context reshuffled dramatically. The global economic crisis and the deepening of the euro turmoil, the geopolitical shifts in Turkey’s neighboring region, and increasing political polarization at the domestic level all contributed to a low-level equilibrium that started to have adverse impacts on Turkey’s growth and development performance. Recent developments suggest that Turkey needs to address deep-seated structural problems in a reasonable time frame in order to ensure the sustainability of the last decade’s economic performance.

The period between 2002-2011 witnessed the rise and consolidation of a ‘regulatory state’ paradigm in Turkey, which resulted in a solid fiscal-financial regime. The regulatory state paradigm, however, reached its limits. Turkey needs to introduce more inclusive institutions in the economic, political, and legal domains so as to ensure the sustainability of its long-term development performance. In this context, the ongoing TTIP negotiations between the EU and the US are likely to have non-trivial impact on Turkish political economy. First, Turkey’s possible exclusion from the agreement might create new challenges for Turkish foreign economic policies in direct and indirect ways. Second, the exclusion from the transatlantic political economy axis might adversely affect Turkey’s development path by hindering the development of inclusive political and legal institutions. Thus, Turkish policy makers need to place TTIP negotiations within a broader context that incorporates political and foreign policy ramifications as well. In conclusion, it would not be an exaggeration to claim that Turkish political economy entered into turbulence in the post-2011 period, which urges rational political planning and consensus-based implementation.
4. The AKP’s Middle East Policy: Amidst Domestic and Regional Challenges

Meliha Benli Altunışık

It has been very hard to predict what is happening in the Middle East since the Arab uprisings first started almost four years ago. Back then expectations were for positive transformations in the Arab world from which Turkey would be bound to benefit. After all, in the AKP years Turkey has been able to establish itself as one of the region’s most influential powers, and more importantly has cultivated a positive image in Arab public opinion. The hope was thus that Turkey would become the most popular and influential state with empowerment of the people. Three years on almost the opposite is true. Turkey’s regional influence has been curtailed, its popularity has waned and its image as a constructive power has been tarnished. Furthermore, Turkey has been trying to adjust to new challenges being faced by its own citizens as a result of the on-going regional conflict, with these problems increasingly affecting the domestic realm. This chapter discusses the evolution of Turkey’s foreign policy in the Middle East during the AKP years. It is argued that the AKP’s engagement with the Middle East can be explained not only as a response to constraints and opportunities emanating from the region as well as the international system, but as also intimately linked to its ideology and Turkey’s domestic politics.

4.1 Turkey’s ‘return’ to the Middle East: assets and achievements

Since coming to power the AKP has paid special attention to the Middle East. The region became the most visible example of the
implementation of three main pillars of the government’s foreign policy perspective: zero problems with neighbours, expanding economic relations, and mediating conflicts. Especially up until 2009 these policies were largely effective and increased Turkey’s actorness in the region. Turkey was able to improve and even develop quite close relations with regional countries. During this period economic relations boomed with the region as a whole. Turkey launched an initiative to set up a free trade area with Syria, Lebanon and Jordan. A policy of visa liberalization with regional countries was aimed at facilitating the free movement of people.1

During those years, in a stark reversal of Turkey’s traditional policy, the AKP government became eager to engage in mediating regional conflicts. Turkey’s involvement in resolving Lebanese domestic crises, its attempts to mediate between Israel and Syria, to achieve Palestinian reconciliation, to facilitate the participation of Iraqi Sunni groups in the 2005 parliamentary elections, and its involvement in the Iranian nuclear issue are just some examples of this policy. Turkey failed to achieve its objectives in resolving the conflicts in most of these cases, but through its involvement was able to brand itself as a benign regional power working to introduce stability and order. Minister of Foreign Affairs Ahmet Davutoğlu went one step further in his opening speech at the Third Ambassadors’ Conference titled “Visionary Diplomacy: Global and Regional Order from Turkey’s Perspective” in January 2011 when he said that Turkey should not only get involved in the management and resolution of existing conflicts, but should implement a ‘proactive peace diplomacy’ that aims to take measures before a crisis emerges and escalates. This, he claimed, meant that Turkey should act

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1. For more on Turkey’s economic policy towards the Middle East prior to the Arab uprisings see, for instance, K. Kiriçi and N. Kaptanoğlu, “The Politics of Trade and Turkish Foreign Policy,” *Middle Eastern Studies*, vol. 47, no. 5, pp. 705-724; Ö. Tür, “The political economy of Turkish-Syrian relations in the 2000s: the rise and fall of trade, investment and integration,” in R. Hinnebusch and O. Tur (eds.) *Turkey and Syria Relations: Between Enmity and Amity*, London, Ashgate, 2013.
The Uncertain Path of the ‘New Turkey’

as a ‘wise country’ (akıl ülke) and be considered as such². The AKP government sought to brand Turkey as an ‘order-setter country’ (düzen kurucu ülke) that took responsibility for assuming the role of a stabilizer in the region, a typical regional power behavior. The AKP also relied extensively on Turkey’s soft power since Turkey’s economic successes and democratization reforms in line with its EU admission process were increasing its attractiveness in the region. The overall positive image of Turkey was reflected in public opinion polls conducted in the Arab world³.

The most notable example of Turkey’s engagement with the region was the level and the extent of improvement in Turkey’s relations with Syria. Already normalizing their relations after the October 1998 Adana Agreement, the two countries expanded their relations into a close partnership under the AKP. The bilateral relationship acquired new meaning resulting especially from three developments: the establishment of the High Level Cooperation Council, which involved regular ministerial meetings between the two countries; the introduction of a visa-free travel scheme; and the fostering of bourgeoning economic relations. In December 2004 a Free Trade Agreement was signed and was ratified on January 1, 2007. As a result the volume of trade by 2010 reached almost 2.5 billion USD. The elimination of visa requirements in 2009 contributed to the proliferation of trade as well as of tourism. There was some progress even in one of the problematic areas in bilateral relations: the water issue. The two countries began working on collaborative management of the Euphrates water resources. They also agreed on a dam project on the Asi/Orontes River, called the ‘Friendship Dam’, on the Turkish-Syrian border⁴. The protocol signed by the foreign


3. Public opinion surveys commissioned by the Turkish Economic and Social Studies Foundation (TESEV) between 2010 and 2012 repeatedly showed that Turkey has become quite popular in the ‘Arab Street’. The reports of these polls can be reached at http://www.tesev.org.tr/dis-politika-programi/Program/6.html.

ministers of the two countries a few months before the beginning of the Syrian uprising, not only signified deepening relations but also had a political meaning since it meant Syria’s recognition of the Hatay border.

For the AKP promoting peace and stability in the Middle East was important for several reasons. First of all, stability in the region would clearly contribute to Turkey’s own stability, enhance its economic opportunities, and, overall, increase Turkey’s influence in the region. Turkey’s Middle East policy, however, also contributed to achieving the AKP’s domestic goals. The use of soft power as well as diplomatic and economic tools, and thus the desecuritization of Turkey’s foreign policy in the Middle East, was linked to one of the AKP’s domestic objectives, mainly to limit the role of the military in politics. Promoting economic relations in the region would similarly serve the AKP’s domestic interests because it would benefit Anatolian businesses, the backbone of the AKP’s successes in electoral politics. Finally, ideologically too, Turkey’s ‘return’ to the Middle East narrative was an important element of the AKP’s anti-Kemalist ideology. All at once it was allowing the AKP to criticize the republic’s foreign policy, reinventing Ottomanism and promoting an image of a powerful and respected country in the region, something it claimed was missing before.

Thus, the ‘new Middle East policy’ clearly served the AKP’s interests in the region as well as in Turkey. Yet the implementation of the AKP’s vision in the Middle East would still not have been possible without an enabling international and regional environment. Globally, the AKP and its engagement in the Middle East fit perfectly with a post-9/11 era where the main international players were looking for good examples in the Muslim world. Turkey ruled by the AKP provided exactly that. Regionally, the post-2003 war Middle East welcomed Turkey for different reasons, including counterbalancing Iran (the Gulf Cooperation Council - GCC), or ending isolation (Syria). Furthermore, Turkey – a member of NATO and in accession negotiations with the EU – was not considered an actor that was ultimately firmly embedded in this region. This context, which was useful for Turkey’s positive

engagement with the Middle East, rapidly evaporated with the evolution of regional politics in the post-Arab uprisings era.

4.2 *Turkey’s response to the ‘Arab Spring’*

When the Arab uprisings began the AKP government made two important policy choices. First, despite its close relations with most of the countries in the region, it decided to side with the opposition movements against the regimes, and, secondly, among the various opposition movements it extended its support in particular to the Muslim Brotherhood movement of each country. These decisions were based on strategic calculations as well as ideological tendencies. As Foreign Minister Ahmet Davutoğlu put it, supporting the opposition movements was a strategy intended to position Turkey “on the right side of history”\(^5\). This strategy also had a more pragmatic facet: the possible electoral successes of Muslim Brotherhood parties were perceived as opportunities by the AKP government. Having grown out of Turkey’s own Islamist movement, the AKP leadership historically had ties with Muslim Brotherhood leadership. More importantly, however, since its transformation into a ‘conservative democratic party’, the party had presented itself to the Muslim Brotherhood parties as a model to be followed in their own processes of transformation. For their own part, the Muslim Brotherhood parties also found it useful to reference the AKP when sending messages to the West and to domestic groups concerned with their democratic credentials. In other words, it was supposed to be a mutually beneficial strategy.

The AKP government’s analysis of the new developments, appealing as they were at first glance, failed to note many of the complexities of the regional developments. Most importantly, the AKP strategy was based on an understanding of the ‘Arab Spring’ as merely a struggle between authoritarian regimes and the will of the people, which, while

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true, was only part of the story. Soon enough, the ‘Arab Spring’ also became a grand strategic game played by both regional and external actors. Furthermore, in a place like Syria, with its fragmented structure and the strategic overlay of external actors involved in complex alliances with domestic elements, the uprising soon turned into an ugly civil war with spillover effects into neighbouring countries. The Syrian quagmire forced Turkey to take sides very early on, which pulled Turkey deep into the conflict and ironically undermined its influence both in Syria and beyond. The Syrian crisis and Turkey’s policy towards it also aggravated already-problematic relations with the Maliki government in Iraq and created tensions with Iran. Turkey additionally lost influence in Egypt when its ally, President Mohamed Morsi, was toppled by a military coup and the AKP government chose to react harshly to this event. Thus, from the point of view of strategic partnership negotiations, Turkish-Egyptian relations have degenerated towards a state of crisis. In fact, Turkey’s support of Muslim Brotherhood movements around the Arab world and especially its criticism of the coup in Egypt have created new rifts in its relations with Saudi Arabia and the UAE.

In sum, from its lofty “zero problems with neighbours” goal, Turkish foreign policy now has problems with most Middle Eastern countries as the ‘Arab Spring’ has turned into an ‘Arab Winter’. Turkey now has no ambassador in three important countries in the region, namely Egypt, Syria and Israel. Its public image in the region has declined as Turkey began to be perceived by some as part of regional fragmentation and thus no longer a constructive actor. This has also been reflected in several public opinion polls. For instance, the recent poll jointly conducted by the Arab American Institute and Zogby International revealed that although Turkey is still “viewed favourably by majorities in all countries except Morocco (40%) and Lebanon (29%), its favourable numbers are […] in decline across the board from their peak in 2011”\(^6\). Similarly, Turkish think tank TESEV’s recent poll showed a decline in

\(^6\) Zogby Research Services, *Five Years After the Cairo Speech: How Arabs View President Obama and America*, June 2014, p. 7, [http://b.3cdn.net/aai/04651e9a1b5dcc741_3wm6brd3d.pdf](http://b.3cdn.net/aai/04651e9a1b5dcc741_3wm6brd3d.pdf).
Turkey’s overall favourability rates, a decrease even more pronounced in countries like Syria.\(^7\)

### 4.3 The Syrian quagmire

In addition to the overall deterioration of its influence and popularity, today Turkey faces real threats in its immediate neighbourhood. The challenges are multi-faceted and complex. One of the most important challenges is the situation in Syria. The uprising in Syria put Turkey in a very difficult position. Initially Turkish policy was to try to convince Bashar al-Assad to initiate necessary reforms. In the early days of the uprising Foreign Minister Ahmet Davutoğlu visited Damascus, and following a 6.5-hour meeting with al-Assad he believed that they agreed on a 14-point road map to initiate a reform process in Syria.\(^8\) Yet it soon became clear that Turkey had no leverage over the Syrian regime after all. After full-scale military attacks on several Syrian cities, Davutoğlu, clearly disappointed, demanded an immediate and unconditional cessation of all military operations that threatened the civilian population, adding, “If these operations do not stop there will be nothing left to say about the steps that would be taken”.\(^9\) As the regime continued to brutally suppress the uprising the AKP government drastically changed its policy, and both the Prime Minister and the Foreign Minister began to openly threaten Syria, calling for it to stop the violence against its people or face the consequences. In November 2011 Turkey announced that it had suspended all financial dealings with Syria, frozen the assets of al-Assad’s government, and blocked the delivery of

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all military equipment to the Syrian regime\textsuperscript{10}. More importantly, and quite unusually for Turkey’s foreign policy, the government started to openly call for a regime change in Syria. Turkey began to support the opposition movement and allowed it to organize in its own territory under an umbrella called the Syrian National Council (SNC). However, the Syrian opposition continued to be divided, and failed to come up with an agenda that was inclusive of all groups. In return, Turkey was accused especially of supporting disproportionate representation for Syrian Muslim Brotherhood members on the Council. This perception prevented other actors from participating in this framework. On the other hand, Turkey also began to host and support the so-called Free Syrian Army (FSA), a militarized group fighting against the al-Assad regime, and to allow these fighters, knowingly or not, to cross its own borders into Syria. These policies made Turkey a party to the Syrian conflict.

In the meantime, Turkey had tried to act in cooperation with Arab League members early in the conflict, a position effectively taken with the intention of fostering cooperation with Saudi Arabia and Qatar, as other members had more ambiguous positions on the Syrian crisis. Also, along with France, Turkey was influential in the establishment of an \textit{ad hoc} group called Friends of Syria, which included the US and several EU and GCC countries. The AKP government worked intensively to convince the Obama administration that it should intervene to stop the bloodshed in Syria. Overall, Turkey has played the role of advocate for the cause of the Syrian opposition in international forums, becoming more and more frustrated with what it perceives as the inaction of the international community and feeling increasingly alone.

It soon became clear that the AKP government had miscalculated the resilience of the Bashar al-Assad regime. Comparing the case of Syria to those of Tunisia, Egypt and Libya, it appears Ankara thought the regime would be toppled in short order, either by the people or through outside intervention, and thus wanted to take a clear and strong stance from the

\textsuperscript{10} \url{http://www.aljazeera.com/news/middleeast/2011/11/2011113083714894547.html}. 
beginning in order to be able to play an active role later in the process. In fact, both Erdoğan and Davutoğlu declared several times in 2011 that Bashar’s days were numbered, predicting the fall of the regime within a few months.

In the meantime, the Syrian crisis has turned into a stalemate; neither the regime nor the opposition has been able to decisively win this war. To make matters worse, the moderate opposition has disappeared where radical groups began to dominate. All this has created significant new challenges for Turkey.

The humanitarian and economic impact

One of the most important and complex challenges is the refugee issue. At the beginning of the Syrian crisis Turkey announced that it would “welcome anyone who is escaping the brutality of the Assad regime”. Although the government backtracked to some extent on its ‘open door policy’ as the numbers of refugees soared, the intensification of the conflict in Syria and the difficulty in controlling borders has meant that these numbers have continued to rise. According to the UN Refugee Agency (UNHCR) there are approximately 800,000 registered refugees or ‘guests’, as they are known, in Turkey today. The UNHCR puts the overall estimated number of Syrians in Turkey at up to 1.6 million\(^\text{11}\). Only about 200,000 of these live in the 20 camps that were built mainly in bordering towns. In 2012, due explicitly to the Syrian crisis, Turkey became the fourth largest humanitarian aid donor in the world after the US, EU institutions and the UK. More importantly, in terms of humanitarian assistance in percentage of Gross National

\[^{11}\text{UNHCR website,}\ http://data.unhcr.org/syrianrefugees/country.php?id=224.]
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Income (GNI), Turkey came third after Luxembourg (0.16 per cent) and Sweden (0.14 per cent), with 0.13 per cent.

Turkey has in fact done its best to provide for the refugees in the camps. Yet it is the majority of refugees not residing in the camps but who are instead scattered across Turkey that are both suffering more and triggering social tensions in Turkey’s cities. Often living in squalid conditions, many of these refugees have become beggars, while others are involved in petty crime. Their attempts to establish small businesses or work as very cheap labourers have had a negative impact on the efforts of lower-income Turkish citizens around the country who are vying for similar positions and resources. State aid, which often takes the form of monthly allowances, rent support or subsidized education at Turkish universities for Syrian students – who are additionally admitted without taking the competitive state entrance exam – creates resentments. Thus, in addition to the economic costs, the refugee issue has already disturbed the social and political balance in cities around Turkey, at times provoking tensions between different communities.

The overall economic impact of the crisis has also been important. As was discussed above, economic relations between the two countries have been tense, both in terms of trade and investment. After the crisis, both the insecurity of routes and sanctions on Syria effectively brought economic relations to a halt. This has had a particularly negative impact on neighbouring Turkish provinces such as Gaziantep and Hatay, which had been benefiting enormously from cross-border trade and tourism. Syria was also a gateway for Turkish trade with the rest of the Arab world. Thus, the crisis has hampered the transit trade. Turkish businesses have also halted new investment and expansion projects due to the unrest. On the other hand, some Syrian businesses have begun to shift their investments to Turkey, particularly in order to benefit from Turkey’s

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location, which allows them to do business with the outside world. In the first half of 2013 the number of Syrian companies investing in Turkey increased threefold\textsuperscript{14}. Furthermore, although officially bilateral trade has declined considerably, some unofficial trade seems to have persisted between the two countries, albeit with much difficulty, as economic imperatives have begun to dominate\textsuperscript{15}.

Regional implications

The regional and international implications of the crisis have also posed important political challenges to Turkey. The Syrian crisis has deepened regional polarization. Tensions and competition have emerged in Turkey-Iran relations due to clashing interests over Syria. Initially, Turkey also cooperated with Saudi Arabia and Qatar in this process, leading many to question Turkey’s role in the emergence of regional sectarian divisions. Later, Turkey’s alleged ties with various opposition groups raised further questions around this issue. Turkey’s engagement in the Syrian crisis, as an active supporter of the opposition, has brought the country to the brink of crisis with international actors like Russia. For instance, the interception and forced landing of a Syrian plane travelling from Moscow to Damascus on 11 October 2012 led to criticism from both the al-Assad regime and Moscow.

Turkey’s Syria policy also further complicated Turkey’s relations with the Maliki government that were already strained particularly since the 2010 Iraqi elections. Turkey’s open support of Iyad Allawi’s coalition was not forgotten by Maliki. The crisis between the two governments deepened when Turkey allowed Tariq al-Hashimi, the former Sunni Iraqi vice President who had been charged with murder by the Maliki government, to escape to and reside in Turkey. In addition, the Maliki

\begin{itemize}
\item \textsuperscript{14} These businesses are mainly located in Istanbul, Gaziantep, Mersin, Hatay and Bursa. 	extit{Milliyet}, \url{http://www.milliyet.com.tr/suriyeli-isiticarete-doktu/ekonomi/detay/1750920/default.htm}.
\item \textsuperscript{15} This was reflected in a slight increase in the volume of trade, from $427,000 in 2013 to $656,000 in 2014. Ministry of Economy, \url{http://www.ekonomi.gov.tr/index.cfin?sayfa=7155BE01-D8D3-8566-45208351967592CF}.
\end{itemize}
government has always been sceptical of Turkey’s developing relations with the Iraqi Kurdistan Regional Government (KRG). In a drastic policy shift in 2008, Ankara began to build close relations with the KRG. Alongside political relations, economic relations have also intensified in recent years. Turkish businesses have invested heavily in the region controlled by the KRG, helping to modernize its infrastructure. It is estimated that about 60 per cent of the $12 billion Turkish-Iraqi trade relationship is with the KRG. Recently Turkey also intensified its energy cooperation with the KRG, despite heavy criticism and protest from the Maliki government, as well as the United States. These problems have been aggravated by the crisis in Syria and Turkey’s policy towards it. Turkey’s support for the opposition in Syria prompted additional criticism from the Maliki government, which perceived the stance as an effort to create a Sunni bloc. Turkey has attempted on several occasions to neutralize these perceptions and to normalize relations with Baghdad. For instance, a few days after the eruption of the Syrian uprising Prime Minister Erdoğan visited Baghdad on 28-29 March 2011. The visit was significant because Erdoğan not only visited the Imam Ali Shrine in Najaf and had a meeting with Ayatollah Sistani, but also became the first Turkish Prime Minister to meet with Masood Barzani in Erbil. Later, in November 2013, Foreign Minister Davutoğlu also visited Baghdad, along with Karbala and Najaf, two holy cities for Shiites. These efforts have not been quite successful in normalizing political relations between the two sides since the Maliki government has continued to perceive Turkey’s policies towards Syria and the KRG as against its interests.

Turkey’s policy towards Syria, as the fighting continues to escalate, has led to the possibility of conflict between the two countries. This nearly came to a head in June 2012 with the downing of a Turkish F-4 jet plane by Syria\textsuperscript{16}. And on 11 May 2013 two car bombs exploded in Reyhanlı, Hatay, killing more than 50 people. Turkey detained the attackers, who

\textsuperscript{16} “Suriye Türk Jetini Vurdu” (Syria Shot Down a Turkish Jet), \textit{Sabah}, 23 June 2012, \url{http://www.sabah.com.tr/Gundem/2012/06/23/suriye-turk-jetini-vurdu#}. 
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were Turkish citizens with alleged links to Syrian intelligence. This event once again demonstrated the challenges brought on by the Syrian crisis.

Finally, the impact of the crisis on Turkey’s Kurdish issue was evident early on, as the al-Assad regime reiterated its support for the PKK in response to Turkey’s backing of the Syrian opposition. This emboldened the PKK, which proceeded to launch a wave of attacks in Turkey against both civilian and military targets. At the same time, using the intensification of the fight between the Syrian regime and the opposition, the PKK also became more influential in Syria among Syrian Kurds through its links with the Syrian Kurdish faction known as the Democratic Union Party (PYD). Although the PYD had a limited base, “by July 2012, as the regime withdrew from Kurdish areas in northern Syria, the coherence of the PYD’s institutions enabled it to fill the power vacuum. During ensuing months, it benefited from regime weakening and armed opposition fragmentation. It compromised with the former, while its struggle against the latter’s most extreme elements earned it legitimacy among Syrian Kurds”\textsuperscript{17}.

Initially, Turkey tried to counter this development by cooperating with KRG President Masoud Barzani, who was also not happy with the PYD’s increasing influence among Syrian Kurds. Yet the real response to these developments in northern Syria was for the AKP government to initiate a peace process with the PKK in Turkey with the objective of solving the Kurdish problem. However, recently the uncertainty of developments in Syria as well as in its Kurdish regions again weakens the hand of the government and continues to complicate the process as will be explained below.

Thus, Turkey, which was expected to enhance its influence further in the region as a result of regime topplings and the holding of popular

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|}
\hline
\textbf{Region} & \textbf{Status} & \textbf{Note} \\
\hline
North & Toppled & \textsuperscript{a} \textsuperscript{b} \\
\hline
South & Ongoing & \\
\hline
\end{tabular}
\caption{Syrian Regions Status}
\end{table}

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elections, began to face significant challenges to its regional power status. Thus, Turkey became quite isolated in the region.

Turkey’s foreign policy shift: external and domestic explanations

The question is why Turkey, which was declared the would-be winner of the transformations in the Middle East, has ended up in this challenging situation. An important part of the answer lies in the regional and international context, which was no longer amenable. The Arab uprisings ushered in a new period where competition between the regional powers intensified and turned into a zero-sum game. In such a context, where soft power tools had more limited impact and alliances became all the more temporary, it also became increasingly difficult for Turkey not to be dragged into the increasing polarization in the region. The global context also turned into a more negative environment particularly due to estrangement in Turkey-US relations and the Obama administration’s policy towards the Syrian crisis. Thus, Turkey clearly faced a very different external environment. Yet this explains only part of the story. Turkey’s predicament is also due to the AKP government’s policies and the way in which the distinction between foreign and domestic policy is blurred. Faced with new challenges the government failed to develop effective strategies as it failed to read the developments correctly. This was mainly due to overestimating its capabilities as well as an ideological clouding of its vision. The policy towards Syria clearly reflected these problems. Moreover, the AKP government increasingly evaluated developments in the region through domestic issues and events. Policies toward Syria and Egypt became part of frequent election rally speeches of then Prime Minister Erdoğan. Thus the opposition party, which was critical of the government’s Syria policy, was accused of supporting the Assad regime because of its leader’s Alevi identity. The Egyptian coup and the toppling of Muslim Brotherhood were interpreted through the lens of Turkey’s domestic politics. Erdoğan and AKP officials tried to use the Egyptian coup as a metaphor to discredit the Gezi Park protest movement in Turkey, branding all as part of a
global conspiracy. Whether used to consolidate its domestic constituency at home at a time of three different elections, or believed in genuinely, the result of these discourses was to further limit Turkey’s room for manoeuvre in foreign policy.

Meanwhile, the country has become further polarized socially and politically. Turkey has also been undergoing a crisis of the state characterized by infighting within the state against what the AKP has described as an increasingly vocal ‘parallel state’. Adding to these stresses has been the perception of the government’s increasing authoritarianism and personalization of its rule. All of these issues have become sharpened in the atmosphere of elections. This domestic context relates to Turkey’s foreign policy in the Middle East in two ways. On the one hand, the domestic developments force the government to focus more on the internal and domestic problems referred to above, which curtail its effectiveness around the region. On the other hand, the developments around the Middle East have been very much a part of domestic discourse, especially in the context of the electoral process. The coup in Egypt, the Syrian crisis and recently the crisis in Iraq and Israel’s attacks on Gaza have all been leveraged by the AKP government in domestic politics, and have become a part of the debates between the ruling party and the opposition.

4.4 Facing new challenges: focusing on the immediate neighbourhood

Recent developments in Iraq and Syria, with the rise of the Islamic State in Iraq and the Levant (ISIL) and the establishment of the so-called Islamic State (IS), have opened up another set of new challenges for Turkey. The rapid advances of the ISIL threatened the territorial integrity of Turkey’s two southern neighbours and thus challenged Turkey’s longstanding policy. These developments also increased pressures on Turkey to join the US-led anti-ISIL coalition. Turkey has been challenged by the ISIL in Syria; the militants have seized many parts of northern Syria and have become Turkey’s neighbour. Turkish forces had previously targeted
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ISIL in Syria and warned it against attacking a shrine in the northern province of Aleppo that is under Turkish jurisdiction. Moreover, the ISIL seized the Turkish consulate in Mosul upon entering the city, kidnapping the consul as well as 49 staff members and holding them hostage for 102 days. This new instability in Iraq has almost completely undermined Turkey’s trade with central and southern Iraq. After the release of the hostages in mid-September 2014, the Turkish parliament adopted a resolution to authorize the military to engage in operations in Syria and Iraq and to allow foreign troops to operate out of Turkish bases. Similarly, Turkey seemed to at least intensify its crackdown on cross-border oil trade or human trespassing. However, Turkey has continued to be criticized for not doing enough against ISIL as the AKP government has maintained its reluctance to join the anti-ISIL coalition and got involved directly.

In fact, for the AKP government there have been two more important priorities in Syria than fighting ISIL: removing the Assad regime and keeping in check the Syrian Kurdish groups, mainly the PYD, which is closely linked to the PKK. The government seemed to perceive the US engagement with the region as an opportunity to negotiate with the US to extend its fight to topple the Assad regime. A major demand of the Turkish government in this regard has been to ask the US to establish a no-fly zone over Syria in return for allowing the US and the coalition to use the Incirlik airbase for manned flights and for Turkey to join the coalition directly. The Obama administration clearly does not seem to want to expand its war in Syria to include the regime, but rather have it limited to fighting the ISIL. Nonetheless, there are reports that following US Vice-President Joseph Biden’s visit to Ankara in November 2014, there has been some progress on the issue, yet even so the US seems to be only willing to set a narrow no-fly zone, not the one that Turkey is proposing.

On the other hand, the AKP government’s second priority faced a more important challenge when Kobane, a Syrian Kurdish town on the border with Turkey, came under siege by ISIL fighters, starting another wave of about 140,000 Syrian Kurdish refugees into Turkey. The
government’s reluctance to help Kobane, especially by allowing fighters to cross the border, led to a two day-rampage by the supporters of the Kurdish Party in Turkey, HDP, and the PKK in several cities. Thus, the conflict around Kobane put the Kurdish peace process that started in 2012 in danger. In the meantime, the PYD effectively became the most important force fighting with the ISIL on the ground. The US started to airlift arms, ammunition and medical supplies to Kobane, and together with its allies began to bomb ISIL positions. These developments, together with mounting international pressures, led Turkey to allow Kurdish *peshmerga* from Iraq to cross through Turkey to Kobane. Thus, the AKP government had to accept what it refused to at the beginning and yet the damage had already been done. Ironically, however, another result of this episode was to hasten the Kurdish peace process in Turkey as the parties realized the fragility of the process and after several meetings agreed to continue and even accelerate it.

Conclusions

Instability among any of its neighbours has a direct impact on Turkey, as has been demonstrated through several examples above. The negative spillover becomes magnified as Turkey increasingly finds itself alone in its international relations, especially after having become estranged from its traditional allies the US and the EU on several issues related to this region. The chapter has demonstrated that Turkey’s foreign policy in the Middle East is influenced not only by the regional and global contexts, but increasingly intertwined with domestic politics. Although Turkey still has the capacity to play an important and constructive role in the region, it seems currently to be overwhelmed by regional transformations and crises, as well as by domestic challenges. A return to a more influential and beneficial regional role is possible only with the development of a new foreign policy vision and strategy, along with a strategy to intelligently solve its own domestic problems. In that regard a successful resolution of the Kurdish problem in Turkey would strengthen Turkey’s foreign policy in the region and increase its attractiveness as a
country that can effectively tackle domestic problems. The caveat here is that the resolution of this problem should contribute to Turkey’s further democratization, not the contrary. Similarly, Turkey needs to develop an ‘exit strategy’ or ‘Plan B’ for its Syria and Egypt policies. Even if Ankara finally convinces Washington to impose no-fly zone in northern Syria, this would probably not become part of a strategy to topple the Assad regime. Similarly, it would be equally difficult for the Assad regime to re-establish its control over all of Syria. Thus, in the medium term Turkey has to live with instability in its southern neighbourhood.
5. Resetting Turkey-EU Relations?

Valeria Talbot

In October 2015, Turkey will celebrate the tenth anniversary of the launch of the negotiations for its access to the EU. Undoubtedly, this was the main success of the AKP government’s foreign policy in its first term, considering that the EU membership was a longstanding goal of the Turkish Republic. Yet, talks have progressed very slowly over this decade, and many obstacles still block Ankara’s progression toward Brussels. Eventually, negotiations came to a stalemate in 2010-2013, and the EU accession process was dropped from the top of the Turkish government’s agenda.

However, in the last year a renewed interest in reviving the accession process seems to have emerged. In November 2013 a new negotiation chapter – on Regional Policy and Coordination of Structural Instruments – was opened after France lifted its veto. This was followed, in December, by the signing of a readmission agreement concerning irregular migrants transiting through Turkey, which may be a first step of the roadmap to visa liberalization for Turkish citizens travelling into the EU Schengen area. In January 2014 former Prime Minister Erdoğan proclaimed the start of the “year of the European Union” and paid his first visit to Brussels in five years. In the summer, the new government led by Ahmet Davutoğlu identified the EU membership as Turkey’s strategic goal and in September the Turkish Minister of EU Affairs Volkan Bozkir presented the country’s new European Union Strategy.

In addition to the government’s commitment, the latest Transatlantic Trends survey showed that, for the first time in several years, popular support for the EU accession process increased in Turkey from 44 per cent
in 2013 to 53 per cent in 2014. This could mean that, notwithstanding the economic crisis and the mounting Euroscepticism, Europe is still perceived as an anchor of stability and a more reliable partner than turbulent Middle Eastern countries.

Security concerns due to conflicts in Syria and Iraq, the growing inflow of Syrian refugees, the fragile pacification process with the Kurds are all factors that play an important role in explaining both the new EU discourse of the AKP government and changing perceptions in Turkish public opinion. But there are also domestic considerations to take into account. In view of next June’s general elections, in which the ruling party aims to achieve an overwhelming victory, the AKP needs to send positive signals to the electorate and to international investors. Over the past decade, the EU candidacy has served to transform Turkey’s domestic policy as well as to improve its image and international standing. Some critics argue that “embracing the EU today could be a tactical move on the part of the Turkish government in order to reduce tension and restore confidence now, but that this embrace could be followed by a slap when circumstances shift”.

In fact, the crucial question is whether Turkey is actually willing and capable to translate this (re)turn towards the EU in concrete steps forward in the negotiation process and in restarting the domestic reform path. The same question may concern the EU, in light of the profound transformations both the EU and Turkey have experienced domestically and in their neighbourhood in recent years. What are the implications of these transformations? What can the EU do to transform this opening


2. According to UNHCR there were more than 1.6 million refugees in Turkey at the end of December 2014, [http://data.unhcr.org/syrianrefugees/regional.php](http://data.unhcr.org/syrianrefugees/regional.php), 2014.


into a concrete opportunity to reset Turkey-EU relations? These are some of the questions this chapter addresses.

5.1 A longstanding and difficult process

Turkey-EU relations date back to the Sixties, when the Association Agreement was signed in 1963 with the then European Economic Community. The Agreement was the first step in the establishment of a customs union and indicated membership as the final goal of the process. For Turkey, Europeanization has always been synonymous with modernization and development. Ankara applied for the first time for full membership in 1987, but at that time it did not meet European political and economic standards and its application was rejected. This did not prevent Turkey from negotiating the creation of a customs union with the EU, which entered into force at the end of 1995. At the Helsinki summit in 1999, Turkey obtained the status of candidate country and engaged in a domestic reform process preliminary to the official start of the accession negotiations, officially launched in October 2005. At that time, popular support for EU membership was very high in Turkey, whereas the EU countries were divided on the accession of a country that appeared culturally different.

Negotiations proved to be difficult and prone to setbacks from the very beginning. Doubtless, responsibilities for this impasse lie with both the EU and Turkey. The Cyprus stalemate has represented a major obstacle. Although Ankara backed the peace plan sponsored by former UN Secretary General Kofi Annan for the reunification of the island in 2004, its failure has hindered Turkey’s accession process. After the Republic of Cyprus entered the EU in 2004, Ankara, which does not recognise Nicosia’s government, refused to extend its customs union with the EU to the country and to open its ports and airports to Greek Cypriot vessels and airplanes, contravening the commitment undertaken with the signature of the Ankara protocol in 2005. As a consequence, in December 2006 the European Council halted eight negotiation chapters (1-free movement of goods, 3-right of establishment and
freedom to provide services, 9-financial services, 11-agriculture and rural development, 13-fisheries, 14-transport policy, 29-customs union, 30-external relations). In addition, in 2007 France blocked the opening of other five chapters (17-economic and monetary policy, 22-regional policy and coordination of structural instruments, 33-financial and budgetary provisions, 34-institutions). In 2009 the Republic of Cyprus stated it would not allow the opening of six chapters (2-freedom of movement for workers, 15-energy, 23-judiciary and fundamental rights, 24-justice, freedom and security, 26-education and culture, 31-foreign, security and defense policy). So far only 14 of 35 negotiation chapters have been opened and that concerning research and development was provisionally closed.

Apart from the Cyprus issue, there are further factors that have had a negative impact on Turkey’s accession process. Some EU member states stated that the latter had to be considered an ‘open-ended’ one, meaning that membership would not necessarily be the final result of negotiations. France, Germany, the Netherlands and Austria have openly opposed Turkey’s accession, while the German Chancellor Angela Merkel expressly talked about a ‘strategic partnership’ to be offered as an alternative to membership. This opposition also reflected a general lack of public support for Turkey’s membership in Europe, even in those countries where governments have been traditionally in favour of it, like Italy. European attitudes caused frustration in Turkey, reinforcing those internal actors who were not supporting the EU accession process and ended up in a ‘vicious circle’ which strengthened sceptic positions on both negotiating sides.

As for Turkey, disappointment has progressively emerged both at the government and public opinion level towards what has been perceived as a EU ‘double standards’ policy; accordingly, Turkish public support for the EU has declined over the years. While in 2004 62 per cent of Turkish

people regarded the EU membership as a good thing, this support dropped to 42 per cent in 2008 and remained low in the following years. Meanwhile, driven by a variety of strategic, economic and energy interests, Turkey has re-directed its attention, playing a more active, assertive and multidirectional foreign policy role. The development of deep and diversified relations with the Middle Eastern countries, Russia, Africa and Central and Eastern Asia raised a debate on where Turkey’s foreign policy was heading to and how far it was shifting away from the country’s Western allies. Critics of Turkey’s EU accession especially raised the issue. Erdoğan reinforced perceptions about the EU membership becoming an increasingly less crucial goal when he stated that entering the Shanghai Cooperation Organization was considered a valuable alternative to the EU.

The stalemate in the negotiations coincided with the Eurozone crisis, which has not only challenged the EU integration process, but has also focused the attention on economic policies aimed at fostering growth, reducing domestic imbalances and increasing employment. The result was more inward looking agenda, and the priority assigned to domestic issues. Accordingly, EU has paid less attention to its enlargement policy, especially the difficult negotiation process with Turkey. Furthermore, the Eurozone crisis has constrained the EU’s absorption capacity, making the integration of a country with 76 million people – potentially the second largest country after Germany – unaffordable in terms of financial costs and institutional adjustments. In an era of crisis it is not surprising that the EU, before opening to further and costly enlargements, focuses first on fixing problems at home. This may help explain the new President of the Commission Jean-Claude Juncker’s

9. The Shanghai Cooperation Organization (SCO) was created in 2001 and includes China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. In 2013 Turkey became a ‘dialogue partner’ of this organization.
decision that no new member will enter the EU over the next five years\textsuperscript{11}. At the same time, it is undeniable that over the last years the Eurozone crisis and the economic stagnation afflicting European countries have diminished the EU’s attractiveness, in particular in the eyes of a country experiencing high economic growth and sustained development. As a matter of facts, today’s Turkey is a more developed country than it was at the beginning of the 2000s, when it was hit by a deep financial crisis. In a few years the country not only succeeded in recovering from the crisis, but it also become the 17\textsuperscript{th} largest economy in the world, has witnessed an impressive economic growth – 5 per cent average in 2002-2012 –, and increased its GDP threefold. Nonetheless, Turkey’s GDP per capita still remains well below the lowest among the EU member countries\textsuperscript{12}.

Beyond the EU’s internal problems, in recent years turmoil in southern and eastern Mediterranean countries, as a consequence of the conflict in Syria and the chaos in Libya, has shifted priorities and diverted attention and resources both in Brussels and in Ankara, while at the same time posing new challenges.

\textbf{5.2 How far is Brussels from Ankara?}

The EU objective has been considered one of the main catalysts for political and economic reforms during the AKP’s first tenure (2002-2007) and the anchor that supported domestic actors’ commitment to internal changes. First, it helped to consolidate the democratic process and institutions in Turkey and to end military tutelage over civilian authorities. Second, it contributed – along with political stability, progressing democracy, a booming economy, regional soft power and assertiveness – to improving Turkey’s image and perception abroad,

\begin{itemize}
\item \textsuperscript{11} “EU parliament approves Juncker commission”, \url{www.euobserver.com}.
\item \textsuperscript{12} According to World Bank data, in 2013 Turkey’s per capita GDP was $10,950 ($3,500 in 2002), while Portugal’s was $21,260.
\end{itemize}
especially in the Arab countries, as surveys carried out by TESEV show\textsuperscript{13}, and increasing foreign investors’ confidence in the Turkish market.

However, recent developments in Turkey’s domestic and foreign policy – as well as the stalemate in its relations with the EU – have rolled back some of the positive accomplishments that contributed to the Turkish success story. Many analysts have pointed out that once accession negotiations with Brussels slowed down, the process of reforms progressively lacked off as well. Today, Turkey is also farther away from fulfilment of the Copenhagen criteria and EU standards than it was in 2005, in particular as far as the rule of law, civil liberties, the principle of separation of powers, and the democratic process are concerned.

A first shift occurred in the aftermath of the 2007 general elections, when the government party, which obtained a 47 per cent majority, began to pay more attention to consolidating its domestic power rather than on taking ahead the political reforms required by the EU\textsuperscript{14}. While the AKP succeeded in sidelining the military and in rebalancing civil-military relations in favour of the former, Turkish politics become more polarized and political divisions deepened. This polarization increased over the years and became the main obstacle to drafting a new Constitution shared by all political parties\textsuperscript{15}. Indeed, the current Constitution, which was issued in 1982 after the military coup in 1980, is no longer in line with the developments undergone by Turkey. However, the lack of agreement among political parties in the Grand National Assembly led to the failure of the Constitutional Conciliation Commission at the end of 2013\textsuperscript{16}. Although the political parties agreed on 60 amendments out

\textsuperscript{13} See M. Akgün, G. Perçinoğlu and S. Senyücel Gündoğar, \textit{The perception of Turkey in the Middle East} 2009, TESEV, March 2010, and \textit{The perception of Turkey in the Middle East} 2010, February 2011.

\textsuperscript{14} For an in-depth analysis of domestic developments in Turkey see Chapter 1 and 2.

\textsuperscript{15} \textit{Turkey in Europe the imperative for change}, op. cit.

\textsuperscript{16} The Constitutional Conciliation Commission was composed of the four political parties represented in the Turkish Grand National Assembly: AKP, Republican People’s Party (CHP), National Movement Party (MHP) and Peace and Democracy Party (BDP).
of 150, divisions remained on a number of critical issues and especially on the transformation of the Turkish parliamentary system into a presidential one. While Erdoğan would like to give effective executive powers to the presidential office, which is merely representative, CHP and MHP oppose presidentialism.

Beside polarisation between political parties, Turkey has also developed profound divisions within society. A number of civil society groups, which do not share the political agenda, values and governing methods of the ruling party, have emerged. The AKP’s ‘majoritarian understanding’ of democracy and its disdain for dissent produced major discontent in that part of Turkish society that does not share the government party’s views and methods, perceived as authoritarian. In this context, the Gezi Park protests – broken out in Istanbul in May-June 2013 after the government’s decision to redevelop the Gezi Park area – become the catalyst and at the same time the collector of social discontent among different social and political groups.

Another most critical issue is the situation of the freedom of expression, which has progressively deteriorated in recent years, especially after the spring 2013 protests and the corruption scandal that erupted in December 2013. According to Reporters without Borders, in 2013 60 journalists were detained in Turkey, which ranked 154th out of 180 countries in the World press freedom index 201417, dropping from the 98th position it held in 2005. Recently, the Turkish press council described 2014 as a “tough year” for media and journalists18, due to the numerous limitations of the freedom of expression the country has experienced. Some analysts in the Turkish press even talked about a ‘horrible year’ for Turkey, referring to increasing domestic polarization and to the downward democratic spiral originating in by the political fight between the ruling party and the Fetullah Gülen movement – which over the last decade had been an

AKP’s ally in marginalising the military establishment\textsuperscript{19}. However, the struggle the AKP engaged in to eradicate what Erdoğan has called the ‘parallel state’ has negatively impacted on the rule of law, the equilibrium among state powers, and the freedom of the press in the country. In 2014 Freedom House included Turkey among the worst human rights performers due to Internet crackdown – Twitter and YouTube were banned in the wake of the corruption scandal – and other illiberal steps taken in the last years\textsuperscript{20}.

In this context, the European Commission, in its 2014 progress report on Turkey\textsuperscript{21}, expressed concern about the independence of the judiciary and the separation of powers in the wake of the corruption investigation. Further criticism came from Brussels in mid-December after the arrests of several journalists, accused of conducting terrorist activities or being linked to terrorist organizations. On that occasion, the European Parliament rapporteur for Turkey, Kati Piri, considered the targeting of Turkish newspapers and journalists an “unacceptable attack against the freedom of the media”\textsuperscript{22}. On his part, President Erdoğan firmly reacted stating that Ankara does not accept ‘democracy lessons’ from the EU. The President’s statements seem to confirm that the EU no longer has the leverage on the country it used to in the past decade. Doubtless, recent developments have added further strains to an already complex accession process.


5.3 Transformations in Turkey and EU concerns

Looking at Turkey, the EU has two main concerns. The first relates to domestic developments: the regression of the rule of law, the erosion of democratic institutions and the constraints to the freedom of the press, as well as the reduction in the autonomy of the judiciary. Today, the fulfillment of EU standards appears more remote than ten years ago. Although the government considers EU membership as a priority, last year’s domestic developments oriented Turkey in the opposite direction. Moreover, it seems that social and political polarization is increasing and this may result in a further deterioration of the political environment in the run-up to the next June’s parliamentary election. As long as this situation persists, it is unlikely that further progress will be made in the negotiation process.

The opening of new accession chapters was not on the agenda of the High Representative of the European Union for Foreign Affairs and Security Policy Federica Mogherini and the enlargement commissioner Johannes Hahn in their official visit – the highest-level in several years - to Turkey in December 2014. Commissioner Hahn did not go beyond a vague commitment to moving forward in bilateral relations and keeping the accession negotiations on track. While stressing Turkey’s geostrategic importance for the EU, talks with Turkish authorities rather focused on how to strengthen cooperation in the fight against the Islamic State and in stopping foreign fighters’ flow to Syria and Iraq through the Turkish territory.

The latter concern relates precisely to regional developments and the fact that Turkey appears increasingly engulfed in the Middle East’s turmoil23. Furthermore, by providing logistical and financial support to the wide range of Syrian rebel groups and turning a blind eye to illegal trafficking and the passage of foreign fighters into Syria, Turkey has come to be part of the reason of the current disorder. However, it is not in the European interest that Turkey be swallowed up into the regional chaos.

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23. For an in-depth analysis of the evolution of Turkey’s policy in the Middle East see Chapter 4.
Although Brussels and Ankara have not always converged on regional issues, Turkey remains a key strategic partner for the EU and it would be important for it to regain its constructive and stabilizing role. In general, the EU complains about Turkey’s foreign policy increasingly failing to politically align with the EU’s over the last years. Lately Ankara’s policies have been mostly adopted based on its own interests, which are often at odds with those of its Western allies. In Ankara Mogherini strongly stressed the need for the EU and Turkey to be more aligned on foreign and security policy – in recent years Turkey had signed on to less than a third of the EU’s recent foreign policy positions compared to some 80 per cent in the past – and called for improving cooperation in this sector. The major strains concern Syria, where their priorities strongly diverge. While Turkey’s main goals is the end of the Bashar al-Assad regime, along with the creation of a buffer area and a no-fly zone, the US and the EU primarily aim at fighting the Islamic State. The siege of the Kurdish city of Kobane on the southern Turkish border and Ankara’s hesitancy in joining the US-led coalition against the Islamic State have been the most striking examples of divergent interests and priorities, in spite of the fact that both share an interest in facing current security challenges arising from the region. Indeed, with Turkey at the forefront of the Middle East turmoil, Brussels would expect a stronger coordination from Ankara. This could also contribute to refute the perception, widespread in Europe, that Turkey is part of the Middle East disorder.

Beyond the Turkish government’s rhetoric on the EU objective, tangible steps from Ankara would contribute to dispel Brussels’ concerns and reassure on the path the country intends to take. The EU has to regain credibility in Turkey’s eyes. As the results of the 2014 Transatlantic Trends of the German Marshal Fund suggest, a share


of the Turkish public opinion still perceives the EU as an anchor of stability, notwithstanding its internal problems. In this view, the best scenario would be one in which the EU once again acts as a catalyst of reforms and positive transformations, much as it did when negotiations started. At the same time, reality suggests being cautious. Concrete signs from the EU towards Ankara could generate positive effects on Turkish policy makers and public opinion, give new credit to the EU and offer new opportunities for cooperation especially in sectors and issues where the two have common interests.
6. CONCLUSIONS: 
WHAT POLICY ACTIONS FOR THE EU?

Valeria Talbot

This report showed that during the AKP era (or eras, since scholars and experts alike do not consider the process begun in 2002 as a monolithic period) Turkey has gone through an array of profound and multifaceted transformations. In the last few years endogenous and exogenous factors influenced Turkey’s ‘success story’, which was based on a mix of political stability, economic dynamism and foreign policy activism. On the eve of the next June general election questions arise about the direction the country will head to: new democratic reforms or more of the illiberal measures that have been characterizing the latest period? Turkey is no doubt at a crossroads and its future seems to remain strictly linked to the AKP’s fate. It is no secret that President Erdoğan intends to keep the lead of the country until 2023, the centenary of the foundation of the Turkish Republic. However, it remains to be seen what direction Turkey will actually take after the election and what scenarios could emerge.

Equally important questions arise on how these changes may impact Turkey-EU relations and on EU policy towards Ankara. As pointed out in the previous chapter, the accession process is still deadlocked and no negotiation chapter has been opened since November 2013, despite the renewed interest for the EU membership expressed by the new Turkish government. The Cyprus stalemate and the Turkish refusal to extend its customs union with the EU to the Republic of Cyprus continue to pose a major obstacle. At the same time, domestic developments, the erosion of the democratic process as well as the weakening of the country’s
checks and balances system – a dynamic that underwent a significant acceleration over the past year and half – have added further strains to a difficult accession process.

Despite all these problems, Turkey and the EU share important strategic interests and challenges especially in a period that is so critical for the wider Middle Eastern context. There is no doubt that the prospect of the EU sharing borders with turbulent countries such as Syria and Iraq does not appeal Brussels. At the same time, it is in the EU’s interest to avoid the nightmare scenario of a Turkey destabilized by Middle Eastern turmoil. Bearing this in mind, it is imperative for Brussels to keep Turkey anchored to the Union – a result will only be achieved through a deep and continuous dialogue aimed at deepening cooperation in sectors of common interest, be it within the framework of the EU membership or beyond it.

In this context, the first priority for the EU is to play a positive role as far as policies regarding the judiciary, fundamental rights, justice, and freedom are concerned. Relatedly, it may be useful to consider whether to open the discussion on negotiation chapters 23 and 24, which are currently blocked by the Republic of Cyprus. Although the solution of the Cyprus issue is an unlikely scenario in the short term and strains recently occurred between Turkey and the Greek Cypriots over offshore gas exploitation, the EU should work to find a compromise solution in order to lift the blockage on these two important chapters. Indeed, while Brussels is concerned about the deterioration of the rule of law and the system of checks and balances in Turkey, it should effectively contribute to foster effective dialogue on these crucial issues.

A second priority action is increasing cooperation in foreign and security policy in the Mediterranean and Middle Eastern neighbourhood, especially in Syria and Iraq, where the Islamic State and the spread of terrorism pose major security threats to both Turkey and the EU. While acknowledging that Turkey is an assertive ally with its own interests and priorities, it is crucial for Brussels to strengthen cooperation with Ankara in three major domains: intelligence, counterterrorism and aid to refugees. In the light
of the January terrorist attack in Paris, cooperation in counterterrorism has jumped to the top of the EU agenda.

As for the refugee issue, Turkey is one of the main host countries among Syria’s neighbours and the flow of refugees is likely to increase as no solution to the crisis is in sight. At the end of 2014, the financial cost of assistance to Syrian refugees in Turkey reached $4.5 billion, according to the Turkish Minister of Finance. During her visit to Turkey in December 2014, the EU High Representative for Foreign Affairs and Security Policy Federica Mogherini announced 10 million euro humanitarian aid, part of a €70 million assistance package. Since the beginning of the conflict in Syria, the EU’s financial support to Turkey to assist refugees has amounted to €187.5 million. However, it seems that further efforts in this realm are required.

Third, a revision of the customs union with Turkey has to be taken into account. As well explained by Mustafa Kutlay in chapter 3, this revision should also address the issue of a possible participation in the Transatlantic Trade and Investment Partnership (TTIP). Turkey is very worried about the implications of the TTIP on its economy and the one-way free flow of US products Turkey would be exposed to. Ankara has expressed its intention to suspend the customs union with the EU if TTIP does not take into account its economic interests. This scenario will impact negatively on EU-Turkey economic cooperation: although bilateral trade has decreased over the years, the EU remains Turkey’s first economic partner, accounting for 35 per cent of Turkey’s total trade in 2013 and 70 per cent of FDI, while Turkey is the EU’s 7th import and 5th export markets.

Fourth, it would be important that the EU engages Turkey in the visa liberalisation dialogue. Over the years, visa requirements were among the main reasons for the Turkish disaffection and frustration vis-à-vis the EU. Visa-free travel for Turkish citizens to Western European countries was suspended after the 1980 military coup in Ankara, in order to stop the wave of asylum-seekers and immigrants. Paradoxically, since the customs

union entered into force in the mid-Nineties Turkish goods are freer to enter the EU market than Turkish people are. At the end of 2013, a road map for the liberalisation of visas for Turkish citizens travelling into the Schengen area was adopted along with the signing of the readmission agreement. The latter compels Turkey to take back illegal migrants from third-party countries that entered Europe through the Turkish territory. Aiming to counter illegal migration, the EU should encourage Turkey to cooperate with its agencies in charge of migration issues such as Frontex, Europol, and Eurojust\(^2\). In a report released in October 2014 on the progress made by Turkey in fulfilling the requirements of its visa liberalization roadmap, the European Commission evaluated positively the country’s results in accomplishing the agreements’ requirements and encouraged further efforts.

Finally, stronger cooperation in the field of energy security would be highly beneficial to both Brussels and Ankara. It come as no surprise that this policy area was included among sectors the Positive EU-Turkey agenda, launched in 2012, identified as crucial in order to enhance EU-Turkey relations. In fact, as strong energy importers, both parties share a strategic interest in energy security and aim at diversifying energy supply and reducing gas dependence on Russia. In perspective, both Turkey and the EU are likely to increase their dependence on imported energy resources. Due to its geographical position, Turkey is a natural energy corridor between hydrocarbon-rich countries and the European market, and has the ambition to become a gas hub. Over the last decade Turkey has been successful in implementing an energy policy that has secured significant volumes of hydrocarbons and attracted substantial investments for the realization of energy transportation projects. Today the country is connected to a diversified range of energy sources, which could be increased. In perspective, Turkey could become the destination market and the transit country to Europe of gas newly found in the eastern Mediterranean, should the tensions with Cyprus for its exploitation be settled. Turkey is also benefiting from Kurdistan Regional Government

energy resources. The recent agreement between Baghdad and Erbil for the exploitation of hydrocarbon fields in northern Iraq is likely to further advantage Turkey and its role both as energy corridor and hub. Turkey’s strategic energy connections would increase its role in enhancing EU security of energy supply. On its side, the EU may contribute to the functioning of the Turkish energy market to favour EU-Turkey energy market integration. In order to strengthen cooperation in the energy sector, it would be important for Turkey to align to the energy acquis. In this respect, the opening of negotiations on the energy chapter, which was blocked by the Republic of Cyprus in 2009, would be crucial and beneficial to both parties.
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