

Erdogan's dilemma

John Peet

Turkey's prime minister will try to cling to power

The past year was meant to be a quiet one for Turkey: no elections, solid economic progress, perhaps a new constitution. Nobody foresaw the protests that erupted in Gezi Park, in Istanbul's Taksim Square, in late May. The subsequent police crackdown triggered nationwide protests, which quickly grabbed the world's attention. As a result, the image of Turkey's prime minister, Recep Tayyip Erdogan, has suffered probably irreparable damage. Istanbul's failure to win the right to hold the 2020 Olympics is just one consequence.

Mr Erdogan must be hoping for an easier 2014. His wish is unlikely to be granted, for four reasons. The first is Turkey's internal politics. Municipal elections due in March are now widely seen as a test of confidence in his mildly Islamist Justice and Development (AK) party. The opposition parties remain weak and divided, but there may still be a poor showing by AK and a strong one by the main Kurdish party. That may swiftly revive perceptions that voters are fed up with Mr Erdogan's ten years of increasingly autocratic rule and hanker for a change, weakening AK's grip on power.

What could bring this to a head is the second reason for Mr Erdogan's likely disappointment: the Turkish presidency. This largely ceremonial post is now filled by Abdullah Gul, whose term is up in August 2014. In 2007 the constitution was changed to make the presidency directly elected. Mr Erdogan wants the job. Internal AK party rules preclude him from standing again as prime minister in 2015, so he has been hoping to become Turkey's first directly elected president in a new system giving the president far more power. His goal was to serve two terms, meaning he would still be in the Cankaya palace in 2023, the 100th anniversary of the founding of the Turkish republic.

The protests of 2013 and growing worries even within the AK party about Mr Erdogan's authoritarian streak have almost certainly kiboshed this plan. So Mr Erdogan faces a painful dilemma. If he wants to keep power, he will have to change the AK party's rules to let him stand for a fourth term as prime minister, which would only make Turks more worried about his sultan-like delusions of grandeur. If he still wants to become president, on the other hand, he will have to reconcile himself to handing power to somebody else, probably Mr Gul, a much more popular figure.

What may make the handover more awkward still is a third worry: that the economy will have a difficult 2014. The euphoria that swept second-tier emerging markets such as Turkey, Indonesia and Brazil

along in the wake of China and India has ebbed. Turkish growth slowed in 2013 to only just over 3%. In America, meanwhile, the Federal Reserve's plans to "taper" its policy of quantitative easing has put new pressure on countries that need capital inflows. One of the most exposed is Turkey, which has low savings, a huge current-account deficit in the range of 6-8% of GDP and a high dependence on volatile inflows of portfolio capital. Some indicators of vulnerability to a squeeze on capital put Turkey at the top of the list. No wonder the lira has been falling; it will surely depreciate further in 2014, putting even more pressure on the government.

The lira will depreciate further in 2014

As if all this were not enough, Turkey will have a fourth huge concern in 2014: its troubled neighbourhood, especially the civil war in Syria. Mr Erdogan was quick to throw his weight behind those who wanted to oust the despotic President Bashar Assad. The longer Mr Assad has clung to power, the more awkward Turkey's position has become. Not only have violence and refugees spilled across the border, the Syrians have also stirred Turkey's quarrel with its Kurds. Other nearby countries that still cause Turkey grief include Armenia, Cyprus, Egypt and Israel. Mr Erdogan's policy of "zero problems with the neighbours" has all but morphed into one of "zero neighbours without problems".

Make way for Gul

What is the best way through this nexus of troubles? The answer is surely for Mr Erdogan to abandon his ambitions, take the ceremonial job of president and hand the prime ministership to Mr Gul. The two men were founders of the AK party in 2001, and Mr Gul served briefly as prime minister in 2002-03, when Mr Erdogan was temporarily banned from office. The Anglophone, emollient Mr Gul would have a better chance of winning back voters and getting on with the neighbours—and with the European Union. Indeed, he could be the last hope of reviving Turkey's moribund EU membership talks, with a view to completing them by 2023. ■

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