Turkey’s Economic Difficulties and the Fate of Erdogan

Turkey’s economy is in freefall: the lira is falling, inflation is rising, and food prices are spiraling. The government has resorted to disinformation, lies, and conspiracy theories to deflect blame from itself and shift it to others. But the lower living standards of the common people and the country’s future is unlikely to end the rule of President Recep Tayyip Erdoğan and his Justice and Development Party (AKP).

Of course, Turkey’s economy is broken. Official sources report that inflation is over 21%. However, according to the Inflation Research Group, claiming to be independent, consumer prices have risen more than 58 percent in the past 12 months. According to a study by the opposition mayor of Istanbul, rents in the country’s largest city rose by 71.6 percent over the past year, while food rose by as much as 137 percent. According to official data, the overall unemployment rate is 21.9%, and the devaluation of the lira has been rapid. As of January 1, 2021, the dollar exchange rate was equivalent to 7.4 Turkish liras, and now it is more than 16 liras per dollar, i.e., it has fallen by more than half. To make matters worse, much of this could have been avoided if Erdoğan had allowed the Central Bank to gain independence and maintain its own interest rates. Instead, the president doubled down on his highly unconventional insistence that high-interest rates lead to inflation.

Stressing mismanagement and incompetence in the economy, the opposition demands that the government call early elections. But President Erdoğan, who alone has the right to set the date, simply says no. Thus, it will remain in
However, if these splinter parties do not join the parliamentary alliance, their votes will be lost because they will not pass the high electoral threshold of 10%. Or 7% if the rumors that it will be lowered are true). If they join the AKP-led People’s Alliance, the politicians will effectively regain the lost votes. Still, if the splinters join the opposition’s National Alliance, their supporters may consider it a step too far and return “home” to the AKP. The AKP’s main problem is that support for its coalition partner, the far-right Nationalist Movement Party, is waning, losing out to its secular nationalist rival, the İ Justice Party. However, the İ Justice Party results are not unequivocal, as the poll was conducted well before the 2018 election only to see feeble results. In addition, the extreme nationalist İ Justice Party is at odds with the liberal and Kurdish-oriented Peoples’ Democratic Party, the country’s third-largest party, despite pressure and constant intimidation from the authorities.

And then, there is the question of who will challenge Erdoğan’s position as president, who, through his decisive and radical actions, has become by far the most influential player in Turkish politics, wielding virtually unlimited power. It is difficult to determine precisely how unpopular the president is: the numbers vary greatly depending on who conducts the polls. According to a Metropolis poll conducted in September, Erdoğan’s approval rating is just over 41 percent. This is hardly a disaster, given that the economy is in a deplorable state. Polls commissioned by the government show that 50% of voters would still vote for Erdoğan.

The opposition has not yet nominated a challenger. Still, to defeat Erdoğan, they need to find a robust politician, a unifying candidate who has secular, religious, and Turkish national qualities, but who also has to please Kurdish voters, progressives, and social conservatives enough to upset the current balance of power. The enduring popularity of the AKP and Erdoğan is as much due to identity politics as it is to economics. The AKP positions itself as a party representing marginalized segments of Turkish society, social conservatives, religiously devout, Anatolians, and city dwellers who maintain ties with rural residents. Erdoğan is of the firm opinion that since the founding of the republic, such groups have been alienated and demonized by a Western-oriented economic and political elite that has rejected traditional values in defining who a Turk is. Many Turkish voters identify with this definition and would not even consider voting for the opposition.

Moreover, after years of restricting press freedom, most news outlets lean toward supporting the government, affecting how people vote. This narrow information focus benefits the AKP and could have a decisive impact closer to the elections. Looking through the economy section of many leading newspapers, one would think that Turkey’s economy is booming and that the country’s economic woes are only talked about in whispers. Instead, the newspapers publish “good news” about increased production of cars and air conditioners, ambitious goals for industry, a “vibrant” real estate market (for foreign buyers), and many references to a kind of “success” and “dreams come true.” But with each passing day, it becomes more apparent that even journalistic prowess and juggling can’t hide the gravity of economic failures.

In these challenging conditions, the opposition will face a difficult struggle with the incumbent president, who does not accept the rules of democratic politics. Last month, the Peoples’ Democratic Party was denied permission to hold a political rally. When it finally took place, the media could not adequately cover the opposition leader’s speech. Earlier this year, the Peoples’ Democratic Party’s offices were attacked again, and civil society leaders such as Osman Kavala remain in prison despite European Court of Human Rights rulings that he should be released. Every year, tens of thousands of citizens are prosecuted for insulting Erdoğan, and there have been a total of more than 128,000 criminal investigations in the past five years. This puts anyone campaigning for their reputation at constant risk, whether official opposition parties or ordinary voters. When the election does take place in 2023, as in previous years, the government voice will dominate the airwaves, and government resources will only be used to support the government campaign.

Thus, many political analysts point out, ruling out the possibility that rumors about the Turkish president’s ill health are true (and they appear from time to time), that no matter how bad the country’s economy is, Erdoğan and the AKP are not going anywhere, not now nor in the near future. And many Western politicians, whether they want it or not, will have to keep dealing with Erdoğan as President. Although Turkey is, first and foremost, an Asian country and anything can happen there.
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