

Insights into Turkish Domestic and International Politics

16 September - 15 November 2014

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Key Points:

- *The Syrian border town of Kobane becomes a symbolic battleground between the Islamic State (ISIS) and the American-backed Kurdish fighters of the YPG. Turkey sits out the fight, deeming both sides to be terrorists.*
- *Ankara, while insisting on increased American involvement in the form of regime change in Damascus, allows Kurdish Peshmerga from Iraq to cross into the besieged town.*
- *The ruling AKP's attempts to curb free speech on the Internet draw the ire of domestic and international observers.*
- *Fitch remains reassured of Turkey's stability for the time being, but a host of issues stemming from the country's unstable neighbourhood threaten to undermine medium-term growth prospects.*
- *Turkey remains vulnerable to gas cuts due to the Ukraine-Russia conflict. However, Turkey's work on diversifying energy imports continues. The Kurdish Regional Government of Iraq is set to increase oil exports to the Turkish port of Ceyhan before the New Year, while improved relations with Greece may give Turkey another foot in the European energy market.*
- *Despite setbacks in early October, the PKK peace process remains intact. The government must take another step in giving Turkey's Kurds a reason to stay at the table, though the final decision on whether the peace holds may be left to imprisoned PKK leader Abdullah Ocalan.*
- *TANAP moves forward, but the inclusion of Turkmen gas may likely require the completion of a Trans-Caspian pipeline.*
- *Turkish-owned Genel signs an agreement to begin preparations for the production of two Kurdish Regional Government gas fields in Iraqi Kurdistan. The news comes as Baghdad and Erbil finally agree to revenue and budget sharing, after months of strife.*
- *President Erdogan offers bold pronouncements on the history of the Americas and Western duplicity in Syria at a conference of Latin American Islamic scholars.*

Kobane

What occurred in the Syrian border town of Kobane Oct. 29, 2014 was significant. It is not every day that the Turkish government allows Kurdish fighters to debark from its territory. This is especially true when these same fighters are headed to aid the beleaguered defenders of the town of Kobane, who are nominal allies of the outlawed PKK, with whom Turkey has fought a simmering forty year war.

The Syrian Kurdish YPG, or People's Protection Units, have held the town against a months-long ISIS siege, which continues at the time of print. The Kurdish Peshmerga forces, under the authority of Kurdish Regional Government of Iraq (KRG) President Massoud Barzani, had sat out the fight, concentrating their forces to deal with ISIS incursions on their own territory.

However, the Syrian town and its defenders, aided by airstrikes from an American-led coalition, has become a rallying point for Kurds from across the globe as it holds out against ISIS. The respective leadership of the KRG and PKK, though diametric opposites in the world of inter-Kurdish politics, have put their differences aside in the face of an existential threat.

The number of Peshmerga entering the fray in Kobane is not enough to turn the tide against the heavily armed and well organized fundamentalist Islamic fighters. Like most issues associated with the fight for the town, however, the symbolism of the alliance between the disparate Kurdish groups and some Free Syrian Army fighters is significant.

The government of Syrian President Bashar al-Assad, in the most expected press release of the past few months, condemned Turkey for allowing safe passage of what it called "terrorists" to fight in Kobane when a small number of Free Syrian Army fighters also joined in the fight against the Islamic State.

Ankara has been criticized for its wishy-washy stance on Kobane, and President Recep Tayyip Erdogan has not failed to deliver on his polarizing reputation. When questioned on Turkey's inaction in assisting the

YPG fighters, the president said the PKK (and their Syrian YPG affiliates) should be viewed in the same manner as the terrorists of ISIS.

"It is wrong to consider them in different ways We need to handle them all together on a common ground," said Erdogan. ("Erdogan: PKK, ISIS same for Turkey." www.DailySabah.com, 4 October 2014.)

The remark enraged the country's Kurdish minority, many of whom see the PKK as the true representative of Kurdish rights in Turkey. This was obviously exacerbated by the images of Turkish soldiers standing by as Kobane's defenders were bombarded from three sides as the month went on.

In response, the Kurdish HDP political party and the PKK called for late October protests in which 40 died, though those clashes had a back story that was not widely reported.

The deaths largely resulted from intra-Kurdish clashes between PKK/YPG supporters and those of the Islamic fundamentalist Kurdish Huda-Par. The latter, an offshoot of the former Kurdish Hizbollah separatist movement, is said to be more sympathetic to ISIS than the left-wing PKK.

For Turkey, the optics were bad as ISIS moved in on the besieged Kurds in Kobane and Turkish tanks sat idly in the hills overlooking the border. No less damning were reports of Turkish border guards physically barring Kurds from crossing the border to assist the fight in Kobane. This was especially infuriating for Kurds considering the lax enforcement of the very same border when jihadis poured in from Europe and the U.S. to fight Syrian President Bashar al-Assad's forces.

Yet Turkish authorities have turned a blind eye to certain issues, like impromptu field hospitals treating injured Kurdish fighters on its territory. (Sayman, "Turkey Isn't Abandoning the Kurds," 22 October 2014, www.ForeignPolicy.com). There is also the fact that the Turkish government, who continues to host the vast majority of Syrian refugees, accepted another

180,000 mostly Syrian Kurds who fled the ISIS advance on Kobane.

Ankara, while caring little for the besieged Kurdish fighters in Kobane, realizes it is in a no-win situation. Assist the Kurds against ISIS, and Turkey becomes a viable target for the latter's terrorism while also benefiting the PKK and its affiliates, with whom a peace deal has not yet been finalized.

But allowing Kobane to fall risks complete dissolution of the PKK peace talks.

Instead, Turkey's leaders have pursued a third path, in which it slightly alienates both sides while also antagonizing the United States. Ankara has said that it will do little to assist in the fight against ISIS unless the U.S. establishes a no-fly zone in northern Syria. This would be a precursor to full American support for regime change in Damascus.

The political will in Washington D.C. is not there for American support for such an action, with the U.S. public exhausted by more than a decade at war in the Middle East. Yet for the Turkish government of President Erdogan, the die is already cast in its opposition to the al-Assad regime.

Ankara appears to believe the way to make the best of a bad situation is to draw the American military into the fight against al-Assad, while every other concern remains secondary.

Freedom of speech

When it comes to Twitter, the March 2014 recordings leak appearing to show the corrupt business dealings of high-ranking government officials resulted in then-Prime Minister Erdogan vowing to wipe out the social network after the summer's elections. (Berger and Rusch, "Turkish Prime Minister Says He Will 'Eradicate Twitter' After Elections," 20 March 2014.)

He also leveled similar threats against Facebook and YouTube.

Following the successful election of Erdogan to the presidency this summer, the AKP moved forward with its attempts to corral free speech online.

In September, the AKP-controlled parliament pushed through two amendments to the country's internet laws that increased the government's power online. The Turkish telecommunications watchdog, known as the Telecom Directorate, was given the power to issue take-down requests of private users' posts without a court order. The amended laws also gave the government broader power to amass logs of users' online activity.

Thankfully, the Turkish Constitutional Court curbed these two provisions, though the ruling AKP has found other ways to handle its online critics.

Predictably, those on the receiving end of the government's attempted restrictions of free speech have been its detractors. Most notable amongst that group was Celil Sagir, Editor of the newspaper *Today's Zaman*. Sagir reported that he received an email from Twitter threatening to delete his account, citing a criminal complaint showing him in violation of the law by inciting hatred and animosity. Upon further court hearings, Sagir learned that the complaints were filed on behalf of President Erdogan and his family. (Oruccoglu, "Turkey's Twitter Wars Heat Up," www.ForeignPolicy.com, 28 October 2014.)

Today's Zaman, formerly a pro-AKP outlet, has since drawn the ire of the ruling party and its leader following the ongoing spat between the government and the Gulen Movement, which owns a controlling interest in the daily newspaper.

Sagir's case is especially relevant in terms of how a twenty-first century crackdown on internet freedom would take place in a democracy.

As Sagir explained to *Foreign Policy*, once finding out who filed the complaints about his sarcastic comments on the country's leaders, "If I've insulted them [Erdogan and his close circle], why don't they open a defamation lawsuit? Instead they're trying to silence me by shutting down my Twitter account."

If this sounds increasingly Orwellian, it is because the actions of the ruling AKP, in this specific case, are. Though notions of humor, sarcasm and criticism mean

different things depending on the culture, the premise of freedom of speech and what constitutes appropriate criticism are all or nothing in the eyes of President Erdogan and his ruling party. Speak well of the AKP or say nothing at all.

This is a dangerous precedent to set in a democracy. It is especially concerning considering the moves come from a party whose core leadership has spent time in prison for standing up for the same principles that it now only allows for itself and its allies.

The economy

Turkey did receive a boost in early October as Fitch reaffirmed the country's BBB rating, meaning that its current outlook sees the country's economy as stable. Just factoring in the sheer number of crises surrounding Turkey's geopolitical and economic neighborhood, stability is a reassuring rating.

"It is important to see that Turkey has a strong fiscal position, its debt has declined over the last two years and also the deficit is below three percent of the GDP," said Fitch Sovereign Ratings Director Gerely Kiss. ("Turkish economy has an improved outlook, Fitch says," *World Bulletin*, 9 October 2014.)

According to Kiss, instability in the country's second largest market, Iraq, is causing Turkish exports to suffer.

This contrasts, at least in the immediate term, with Turkey's overall exports. Up 6.7 percent from a year ago, the country's exports largely grew due to increased sales to Europe. ("TIM: Exports hit record high in October, global concerns continuing," *Today's Zaman*, 2 November 2014.)

A report by global market research firm Euromonitor was decidedly less optimistic about the Turkish economy's future.

Citing institutional weakness in the government and regulatory sector, a property market glut and external sector headwinds, Euromonitor reports that the challenges of political upheaval, unstable foreign

capital inflows and a weakening currency will hard press Turkey's economy in the years ahead.

Turkey's economic leaders have likely heeded this outlook, as evidenced by revisions of its year-end economic targets, which cut the growth forecast to 3.3 percent from the previously estimated 4 percent. (Cetingulec, "Turkey lowers economic targets," www.al-Monitor.com, 12 October 2014.)

Rising household debt and inflation continue to hamper Turkey's long-term growth prospects, though the global drop in energy prices has helped alleviate the country's deficit problem. That deficit, fueled by ever-increasing energy imports, remains a cause for concern both in terms of Turkey's economic stability as well as its geopolitical standing.

However, as Fitch's BBB rating indicates, the presence of Deputy Prime Minister Ali Babacan in the government continues to reassure markets about the direction of the economy. Babacan announced a number of projected targets for the coming years, but his most notable mention was in reference to the country's attempt at diverging away from its reliance on 'hot money.'

Short-term capital inflows, which have helped Turkey over the past decade, are increasingly volatile. This reliance on hot money is a result of the country's low domestic savings. Babacan predicted that those savings would increase in the medium term, hitting 14.9 percent in 2014, and rising to 17.1 percent by 2017.

If Turkey can meet this and its other revised targets, the country will likely remain a stable, if somewhat uncertain market for investment. For now, though, global markets seem to trust Babacan's stewardship.

Energy imports/exports

Improved relations with Greece may give Turkey another foot in the European energy market. According to a report from Turkish state-owned BOTAS, Turkey could integrate its liquid natural gas (LNG) terminals with the EU's should Athens demur on building a new terminal. ("Turkey aims to become

a gas hub for Europe,” Anadolu Agency, 21 October 2014.) Turkey’s LNG terminals in Ereğli and Aliaga, which are operable for third parties, would only need an EU Energy Market Visa to allow their use by both Greece and Bulgaria.

In terms of energy imports, Turkey remains vulnerable to the whims of its largest supplier, Russia, especially with regards to gas supplies that traverse Ukraine.

According to a Bloomberg Intelligence report from August 2014, 49 percent of Turkey’s Russian gas imports must cross Ukraine, while the remainder comes via the Blue Stream pipeline. (Almeida, “Pipeline Boost Not Enough to Shield Turkey From Russian Gas Cut,” Bloomberg Businessweek, 22 October 2014.)

Though Russia and Ukraine eventually reached a gas payment settlement at the end of October, Turkey’s precarious position if hostilities again escalate between the two countries is a threat to its economic stability.

With Moscow and Kiev looking unlikely to reach an amicable long-term settlement, the best Turkey can hope for is to somehow increase its own imports while diversifying supplies in the years ahead.

The PKK peace process

Though it came startlingly close to failing in early October as tens of thousands of Kurds took to the streets to protest the Turkish government’s inaction on assisting the defenders of Kobane, the Kurdish peace process remains on the rails. As mentioned, the government did acquiesce to the transit of Iraqi Kurdish Peshmerga to reinforce the town’s beleaguered forces. This approval of the Peshmerga’s transit into Syria has helped to somewhat clear the foul atmosphere that permeated Turkey since the early October protests that left nearly forty dead across the country.

Those demonstrations may have had a silver lining for the PKK peace process, however. The protests, while in large part relegated to the country’s Kurdish-majority southeast, also took place in a number of

municipalities throughout Turkey. It was not strictly a localized event, and the ability of Turkey’s Kurds to put to the streets when moved to do so was a demonstration of their organizing power. This alone should be a wakeup call to leaders in Ankara.

There is also a lesson for the country’s moderate Kurdish leaders, many of whom have taken strides in recent years to air their grievances in the political arena rather than in the streets. Both sides of the peace talks contain reactionary elements who see the current interlude in violence as a pause before a return to the bloodshed and strife of the 1980s and 1990s. It is of paramount importance for moderates in the AKP government and the People’s Democracy Party (HDP) to push the negotiations forward.

Like all good things, the current ceasefire will not last forever. PKK commander in the field Cemil Bayik confirmed this, in issuing his most stark assessment at the current stage of talks: “So we are at a turning point. It is either peace or war. There is no middle way here.” (Yildiz, “Turkey-PKK peace process ‘at turning point’,” www.BBC.com, 11 November 2014.)

The main challenge is the threat of becoming too tied into current events such as, case in point, the defence of Kobane. While symbolically important in the fight against the Islamic State, the town’s plight should not be the catalyst to derail peace talks that are attempting to end a conflict that has killed an estimated 30,000 - 40,000 since the 1980s.

The onus remains on the government of President Recep Tayip Erdogan to make the next move. The government has accused the PKK of not withdrawing all of its fighters from Turkey as part of the initial cease fire agreement. While somewhat accurate, it can hardly be said that the PKK has continued a full force guerrilla insurrection in the two years since its leader Abdullah Ocalan conducted cease fire negotiations with officials from the National Intelligence Organization in Imrali Prison. Even so, PKK fighters continue to surrender to Turkey’s security forces across the country on a regular basis. (“Nearly

450 PKK militants surrender in Sirnak since ceasefire," *Today's Zaman*, 17 November 2014.)

The way forward is clear, as noted in a recent policy paper by the International Crisis Group. ("Turkey and the PKK: Saving the Peace Process," Europe Report No. 234, International Crisis Group, 6 November 2014.) Foremost, both the state and the PKK must acknowledge past offenses and offer just compensation to those affected. In order for this to occur, the government must continue with reforms giving Turkey's Kurds a legitimate legal and political framework in which to conduct the peace talks. The most contentious aspect in this regard, for both sides, might be the fate of Ocalan himself. His continued influence over the country's Kurds shows how powerful an actor the PKK founder is. To many of his followers, a sequestered life in prison is offensive. Conversely, to many Turkish citizens, Ocalan's current situation is better than what is deserved for the leader of a group deemed a terrorist organization by the government, the United States and the EU.

The PKK must also make a stringent effort to become a normalized political actor, a difficult transition if there ever was one. Yet examples like Sinn Fein in Northern Ireland do provide a framework in which the transition from bullets to ballots can be attained. The Kurdish HDP has also provided a positive example for the Kurds' potential political power in a more inclusive Turkish democracy.

In all likelihood, should the government follow through and provide a framework from which the PKK can transition into a political force, the peace will only hold because Ocalan deems it so. His sway over the country's Kurdish population is almost unquestioned. Yet his release from prison to even a more lenient house arrest seems too far a prospect for the government to agree with. Ultimately, Ocalan may be faced with the prospect of giving up his hope for a more relaxed prison life so that the goal of peace can be achieved.

Southern corridor gas

Turkey and Turkmenistan have moved further along in securing the latter's participation in the Trans-Anatolian Natural Gas Pipeline (TANAP) project. ("Turkmenistan inks deal with Turkey to supply gas to TANAP pipeline," *Reuters*, 7 November 2014.)

One major obstacle stands in the way of Turkmenistan's participation in TANAP, however: it currently cannot connect to the planned TANAP until a new pipeline is laid across the Caspian Sea. This Trans-Caspian pipeline, initially supported by the EU in 2011, has become increasingly popular in recent months. As an allegedly Russian-supported rebellion has seized vital transit routes in southern Ukraine over the past year, Brussels has seen an increasing need to promote diversification of supply away from Moscow.

Turkmenistan has moved out of Russia's orbit in recent years with its own efforts to diversify its customer base. China and Turkey are now the country's largest trade partners, whereas a few short years ago it was Russia. (Fitzpatrick, "Is the Trans-Caspian Pipeline Feasible Again?" www.NaturalGasEurope.com, 13 November 2014.)

For its part, Moscow issued a laughable protest at the signing of the framework agreement on November 7, claiming that a Trans-Caspian pipeline could have an unforeseen ecological impact on the Caspian Sea. It seems the Kremlin's concern for the impact of energy projects on the environment only arises when those projects could potentially cut into its profits, as its continued drilling in the Arctic seem to indicate.

The most direct route for the pipeline, in geographic terms, is via Iran. Transit of the Trans-Caspian through Iran is out of the question for the time being, however. Tehran continues to stick to its position regarding a territorial dispute with the Caspian Sea's five littoral countries, in which it claims that the sea basin's resources should be broken up five ways. This stance, which is opposed by Azerbaijan and Turkmenistan, could hamper a future Trans-Caspian project. After years as Turkmenistan's second largest natural gas customer, Tehran announced that it no

longer required purchases of gas supplies in August. (Pannier, "Is Turkmenistan Losing Iran As A Gas Customer?" *Radio Free Europe*, 14 August 2014.) In the span of a few short years, the two countries have gone from a reliable customer-patron relationship to one of mutual competitors in the natural gas market, with Tehran's rising hopes of offering gas exports to European clients. There is little incentive, at the moment, for Iran to cooperate with a transit route for the Trans-Caspian.

The future of both TANAP and the Trans-Caspian pipeline appears feasible given the players and potential profits involved, although the political stability and geopolitical winds of the region could undermine each project. Remember, it was only a decade ago that the Brussels-backed NABUCCO pipeline seemed like a sure thing.

Northern Iraq

Turkish-owned Genel has also signed an agreement to begin production on the Miran and Bina Bawi gas fields in Iraqi Kurdistan. This development will ultimately feed into a proposed pipeline running between the KRG and Turkey, expected to fulfil the two partners' agreement of supplying Turkey with 4 billion cubic meters of gas from 2017 before eventually peaking at 10 billion by 2020. (Kayakiran and Hacaoglu, "Genel to Produce Kurds' Gas as Turkey Said to Ready Pipeline," *Bloomberg*, 13 November 2014.)

The announcement of the Genel deal came as word emerged that Erbil and Baghdad had reached a temporary agreement on energy revenue sharing. The Iraqi Government, headed by new Prime Minister Haider al-Abadi, has agreed to follow through with a negotiated \$500 million budget payment to the KRG. In return, the KRG will allow the selling of 150,000 barrels per day by the Iraqi Oil Ministry. (Hubbard, "Iraq and Kurds reach deal on oil exports and budget payments," *The New York Times*, 13 November 2014.)

While the agreement essentially codifies what is already set out in the country's constitutional agreement on energy revenue and budget sharing, it

is an important step. Tension between Erbil and Baghdad under the government of former Prime Minister Nouri al-Maliki contributed to the country's near dissolution in recent years, best exemplified by the rise of the Islamic State. Though the current agreement is temporary, it is a step in the right direction.

For Turkey, the agreement means that it can now continue its thriving trade in energy imports from the KRG. While that partnership had never been in doubt, the Turkish government had been criticized in some circles for what many saw as Erbil's illicit (illegal) exports.

A great indicator of why the fate of the Kurds is of importance to the Turkish government can be summed up in this figure: KRG exports to Turkey will top out at 700,000 barrels per day by the end of the year. ("Kurdistan's oil pipeline capacity via Turkey to double: sources," *Today's Zaman*, 27 October 2014.) Given the region's current state of affairs and Turkey's own need for energy imports, what is good for the stability of the KRG and its exports is good for Ankara.

Erdogan and the West

Turkey's most famous politician has continued to make headlines. A widely covered yet somewhat trivial piece of news came at a Turkish-hosted Latin American Muslim leaders conference. President Erdogan, referring to an unsubstantiated journal entry by Christopher Columbus, the man widely credited with discovering the Americas, claimed the Italian sailor mentioned a mosque on a hill in Cuba when he arrived in the region. The president went on to claim that contacts between Muslim sailors and the Americas go back as far as the 12th Century. ("Muslims found Americas before Columbus says Turkey's Erdogan," www.BBC.com, 15 November 2014.) The comments drew headlines around the world, especially from Western media outlets who never miss an opportunity to highlight the Turkish leader's eccentric pronouncements.

More importantly, and less widely reported, were his remarks on Western views of the war in Syria. Erdogan forcefully criticized the West for its supposed hypocrisy in the actors it supports in the civil war. Commenting on the lack of outrage over the siege of the Syrian city of Aleppo by the government forces of Bashar al-Assad and the Islamic State against shrinking pockets of the Free Syrian Army, Erdogan took Western nations to task for their stance on the siege of Kobane.

"When it comes to Muslims, (...) all Western values disappear. They even discriminated between terrorist groups, between the secular and non-secular. If terrorists claim to be secular, they felt sympathy for that," said Erdogan. ("Erdogan slams West for failing to protest Aleppo siege," www.WorldBulletin.net, 16 November 2014).

Both sets of remarks are a case study in Erdogan's personality. In what appears to be him speaking off the cuff about a disputed 1996 interpretation of

Columbus' journal entry by academic Youssef Mroueh, the president's pronouncement was both grandiose and predictable for a person who increasingly appears to believe that if he says something, then it must be true.

Yet his criticism of Turkey's Western partners does have some merit, despite Erdogan's failure to mention Turkey's own support for groups like the Islamic State and the al-Nusra Front in the fight against the Syrian government.

Erdogan's bold pronouncements tend to draw attention, regardless of the merit of the argument. But they also grab headlines because they strike a nerve on issues that many Western leaders and media outlets neglect. It is this frustrating tactic of Erdogan's that should be accorded due respect by Turkey's Western partners. No matter how painful many of his opinions are to hear, the Turkish president does often make legitimate points mixed in with his more questionable pronouncements.

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