

## Turkey's corruption probe crisis: a blow to the rule of law

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Just as it seemed that Turkey was finally back on its long and winding road to full EU membership, with the **opening** last November of the first chapter, or policy area, in more than three years, the Islamist-rooted government of Recep Tayyip Erdoğan has become engulfed in a corruption scandal whose probing he is doing his best to undermine by enforcing a massive purge of hundreds of police officers investigating it and reassigning prosecutors.



The EU chapter was supposed to have been opened last June but was delayed until November under mainly German pressure because of the brutal handling of anti-government **protests** that rocked the country.

The scandal led to the resignation or removal last month of among others four ministers, three of whom had sons among those detained, including Egemen Bagis, the Minister for EU Affairs. The probe into illicit money transfers and bribery for construction projects also moved close to Erdoğan's son Bilal, but was stymied because of the police changes.

At stake is not just intensified doubts on Turkey's EU accession, begun in October 2005 and which has seen the opening of only 14 of the 35 chapters, but also a model, despite all its defects, which is held up in the West, particularly by the Obama Administration, as an example of the compatibility of Islam, democracy and political and economic stability.

The crisis is undermining an economy that had become too reliant on short-term foreign capital. During the last couple of years Turkey satisfied around 80% of its external financing needs by short-term funds including 'hot money' and other sources, such as deposits and short-term credits. These funds could leave as quickly as they entered. The lira has weakened considerably against the dollar, the stock market has fallen and government bond yields have risen. Both Moody's and Fitch Ratings warned last week that Turkey could lose its investment-grade rating if economic stability is not maintained. If foreign investors panic, the consequences could be very serious for an economy that has enjoyed a stellar performance. **Spain** is among those countries with growing trade and investment relations with Turkey.

'These events and especially Erdoğan's disproportionate reactions to them have caused upheaval in Turkish markets', said Vefa Tarhan, finance professor at Loyola University, Chicago. 'A very critical factor in Turkey's ability to attract external funds is its political stability, which is in tatters now'.

Erdoğan, who has been in power for almost 11 years and become increasingly authoritarian as a result of his majoritarian world view, regards the corruption probe as tantamount to a judicial coup. He sees behind it the hand of the US-based Islamic cleric

Fethullah Gülen, his former ally and now arch enemy, with whom he has fallen out apparently over foreign policy disagreements, how to deal with Turkey's Kurdish minority, the government's move to close down the Gülen movement's university exam prep schools (a source of income and influence) and the anti-government protests last year.

The Sufi-inspired Gülen fled Turkey in 1999, apparently fearing he would be arrested for plotting against the secular state established by Mustafa Kemal Atatürk in 1923.

According to Osman Can, a member of central committee of the ruling Justice and Development Party (AK Party), Gülenists dominate 'all the control points' of the judiciary, even though they account for only 15% of its personnel.<sup>1</sup> Gülen supporters infiltrated the judiciary and police, long-established bastions of the secular order, and with the connivance of the AK Party went after alleged coup plotters and those associated with the so-called 'deep state' (a shadowy network of elites) in high-profile trials known as Ergenekon and Sledgehammer. In 2012 and 2013 hundreds of people were given prison sentences, including many high-ranking officers in the once all-powerful military, the traditional arbiter of political life.

Detractors, particularly in the secularist camp, saw the cases as show trials with fabricated evidence and in revenge for the military's hostility towards the AK Party and loathing of Erdoğan.<sup>2</sup>

The irony of the current crisis is that the government is talking about re-opening the cases. This could expose the fabrication of evidence and discredit the Gülenists and by implication the government and lead to the release of people identified with the secularist camp.

The Gülenists' support of the AK Party served Erdoğan's interests, but now the two sides are rivals. Can said the government will continue to remove those leading the investigation and then seek to prosecute them for attempting a coup, presumably with help of AK Party friendly prosecutors. Not only are prosecutors and police officers being purged, but the government last week sent amendments to parliament, where it has an absolute majority, which would empower the Justice Minister to appoint the top officials to oversee courts, a role currently held by the Supreme Board of Judges and Prosecutors (HSYK). The HSYK called the move unconstitutional. Erdoğan speaks of a 'parallel state' that needs to be rooted out.

Since beginning its EU accession process eight years ago, the government has been under pressure to bring its justice system into line with EU standards. The system's failings are regularly pointed out in the European Commission's annual reports on Turkey's progress.

The Commission said the government's actions were 'a matter of concern due to its possible impact on the independence, impartiality and efficiency of current investigations'.

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<sup>1</sup> See <http://www.bloomberg.com/news/2014-01-07/no-truce-for-turkey-as-erdogan-party-vows-revenge-after-probe.html>.

<sup>2</sup> The military threatened to intervene in 2007 if the AK Party pushed ahead with its candidate for the presidency, Abdullah Gul, whose wife wears the Islamic headscarf. Erdoğan called and won a snap election with an increased vote and Gul became president.

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The crisis is likely to be discussed at the meeting of EU Foreign Ministers in Brussels on 20 January, the day before Erdoğan's first visit to the EU capital in three years.

The EU, however, has little leverage in Turkey as popular support for membership has cooled considerably over the last decade. According to last year's survey, by the German Marshall Fund of the United States, which measured public opinion in 11 EU countries, Turkey and the US, 44% of Turkish respondents –compared with 48% in 2012– said Turkish membership in the EU would be 'a good thing'. This was much lower than the 73% who favoured membership in 2004.

Erdogan's heavy-handed response to the corruption probe threatens to scupper the goodwill towards the government by those EU countries, including Spain, which actively support Turkey's EU membership and unlike Germany, for example, have not raised objections on the grounds that the country is too big, too poor and Muslim. Turkey's allies are in an uneasy position.

Turkey and the EU signed a migration deal last December, paving the way for EU visa-free travel by Turks in three years time and thus ending a long-standing grievance, and enabling EU countries to send back illegal migrants who entered the 28-nation bloc via Turkey.

Turkey's supporters and the Commission have also been pushing Cyprus to lift its veto on opening two more chapters in the accession process so that the renewed momentum is kept up. The French President François Hollande, in a change of policy from Nicolas Sarkozy's opposition to Turkey's membership, had also been expected to lift a veto on a third chapter.

Around half of the chapters are either blocked because of French and Cypriot objections or frozen by the Commission because of Ankara's failure to implement the 2005 protocol and open its ports and airports to Greek-Cypriot traffic and hence extend its customs union with the EU (since 1996) and recognise the Republic of Cyprus, an EU country since 2004.

Erdogan swept to power partly because the AK Party was seen as an untainted and outsider party not identified with the status quo that would clean up the deep-seated and rampant corruption and nepotism. The party's very name –'ak'– means clean in Turkish. But this has not been the case, although the country's ranking in the corruption perceptions index produced every year by the Berlin-based Transparency International has improved. Turkey was ranked 77<sup>th</sup> out of 133 countries in 2003 with a score of 3.1 out of 10 (the closer to 10 the cleaner the country) and 53<sup>rd</sup> out of 175 countries in 2013 with a score of 53 out of 100 (the closer to 100 the cleaner the country).

A new entrepreneurial class, often connected to pious AK Party supporters from Anatolia, the party's bedrock area of support, has forged a cosy relationship with the government. As shown in Spain with the case of Luis Bárcenas, the former national treasurer of the ruling Popular Party, awaiting trial in connection with political corruption scandals, the financing of politics in Turkey is largely related to construction companies. The country is awash in infrastructure projects, from high-speed trains and airports to motorways, bridges, metro lines and trams. When the Turkish economy was more closed, import permits were a vehicle for corruption.

The current crisis is bound to feed into the 18-month election cycle that begins with local and presidential elections in March and August, respectively, and the general election scheduled for June 2015. Erdoğan still has his sights set on becoming President, a post which for the first time will be elected directly rather than by parliament. His third term comes to an end in 2015, although the AK Party reportedly may change its self-imposed three-term limit for members of parliament including Erdoğan, after which they are required to step down from office.

Despite the growing unpopularity of the AK Party, it could well win both the elections as the social democratic Republican People's Party (CHP), the main opposition, remains a weak force.

There is another source of tension in Turkish politics. Although it is not talked about much publicly, there seems to be friction between Erdoğan and President Abdullah Gül, who has made no secret about his desire to be the leader of the AK Party, and hence become the next Prime Minister if the AK Party wins the elections. Erdoğan, on the other hand, would prefer to have someone in the Prime Minister's office that he would be able to give directions to on how the country should be run.

Turkey has a lot riding on how this crisis is resolved.