

# Turkey

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## President tightens grip on state

A flood of legislation has centralised power in the run-up to elections, writes *Daniel Dombey*

These are unsettling times for Turkey, as the nation steels itself for elections in June that could determine its course for years to come. President Recep Tayyip Erdoğan, the country's president and dominant figure, has struck an increasingly confrontational tone on relations with the west. "They want us dead, they want to see our children dead," he told an Islamic meeting last year, and claimed last month that outside forces wanted to turn Turkey into a second Andalusia – the Spanish region reconquered by Christians from Muslims in 1492. Scores of people have been prosecuted for insulting Mr Erdoğan since he moved from the prime minister's to the president's office last August – including cartoonists, journalists, students and Mehmet Altunses, a 16-year old boy who was marched to the police station from the classroom. Meanwhile, the Turkish state's response to apparent leaks that Ankara has armed jihadist in Syria has been to ban reporting of the issue. A tidal wave of legislation has centralised power. The government has strengthened its hold over the judiciary, while the country's intelligence agency and police have both been given greater powers. Other measures have given ministers the right to block websites before obtaining court orders and Ankara-appointed governors the ability



Facing the future: Recep Tayyip Erdoğan with guards at the presidential palace in Ankara. The president is seeking re-election in June — Getty

to instruct police to investigate or detain people. This month, Turkey blocked access to Twitter and YouTube for the second time in little more than a year. Amid all this movement, Mr Erdoğan has one big project in mind – to establish an executive presidency that would, in his words, remove "all obstructions" to governing Turkey, allowing the country to be run like a business and supplanting what he scornfully describes as a "many-voiced" parliamentary system. He argues such a system will help to more than double Turkey's per capita income to \$25,000 by 2023 and move

the country "beyond the level of contemporary civilisations". To a certain extent, a *de facto* presidential system is in place. Parliament recently pushed through a law giving the presidency a secret budget for intelligence, defence, political and other purposes. Despite the current constitution's injunction for the president to sever relations with political parties, Mr Erdoğan, the country's first directly elected head of state, maintains great influence over the ruling Justice and Development Party (AKP). He would like the emerging system to

be strengthened and formalised, and repeatedly calls for 400 like-minded members of parliament to be elected in the general elections – enough to rewrite the constitution with the executive presidency at its heart. But despite the president's seemingly unstoppable rise – which has seen him triumph in nine consecutive national votes, roll back restrictions on women wearing the headscarf and recognise more rights for the country's Kurds – the story of Turkey is not necessarily that of his steady accretion of power. The economy, the bedrock of much of

his support, is not performing as well as once it did – growth was 2.9 per cent in 2014 and it appears to have slowed further this year, while consumer confidence is at a six-year low (see chart, Page 3). Most polls ahead of the June 7 election do not forecast a constitution-changing majority. Some suggest that the AKP, while all but certain to remain the largest party, might have to look for a coalition partner. Unprecedented dissent has also flared within the AKP itself. Ahmet Davutoğlu, Continued on page 2

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## ‘Rolling back reforms has led to this malaise’

OPINION  
Daron Acemoğlu and Murat Üçer

Turkey's economic performance has been stellar in recent years. Growth surged after its financial crisis of 2001, with real output expanding by almost 7 per cent a year between 2002 and 2007 (see page 5). Growth continues today, even as corruption scandals have reached gargantuan proportions. The central bank is under attack for failing to heed the government's calls to lower interest rates, and the institutional environment is deteriorating rapidly. Are we seeing an unorthodox new "Turkish model" emerging? Far from it. Turkey achieved rapid growth in the 2000s thanks to reforms, now rapidly losing ground. What is more, today's growth is of poor quality. From 2002, improvements in economic institutions and policies generated a better environment for business and broadened the base of economic activity. The trigger was a range of reforms that shored up the banking system, which previously fed mostly on leveraged carry trades. An independent central bank helped end chronically high inflation. The public sector deficit fell, while the public debt-to-GDP ratio dropped to 35 per cent. During this reforming epoch, Turkey introduced public scrutiny and transparency to the notoriously corrupt government procurement process. Economic activity became more diverse across sectors, companies and regions; the number of midsize companies grew; and provincial cities far from Istanbul, the economic capital, enjoyed bustling activity. Foreign direct investment and short-term foreign capital began to flow. Productivity in the manufacturing sector grew at approximately 6 per cent a year between 2002 and 2007. But these economic changes did not take place in a vacuum. They were underpinned by a process of deepening democracy. Turkey had been under military supervision since the 1980

coup. The 2002 elections brought to power the Justice and Development Party (AKP), a successor to a series of previous Islamic parties. Early on, AKP and Recep Tayyip Erdoğan, its leader, created a more open public sphere for Turkish civil society to find its voice. The AKP embraced orthodox economics, building on reforms that had started before it took over. It invested in education, infrastructure and healthcare for large segments of society that had been left on the sidelines as other parts modernised. But Turkey today is very different. Many reforms have been rolled back. The independence of the central bank, which had played a critical role in curbing inflation, has been reined in. Perceptions about corruption have worsened sharply, with Turkey dropping 11 places to rank 64th globally, according to Transparency International's latest Corruption Perception Index. A recent World Bank report indicates that progress essentially stopped after 2007 across three measures of institutional reform: the World Bank's Worldwide Governance Indicators and its Doing Business ratings, and the OECD's Product Market Regulation indicators. The malaise is not only micro-economic. Inflation has been about 8 per cent for several years, well above the target of 5 per cent. The current account

The authorities' violent reaction to street protests in Istanbul marked a turning point for civil society



deficit, fuelled by a credit boom, rapid drawdown of private savings and lack of competitiveness, is unsustainably high. A parallel slide in democracy is hard to ignore. Elections are still open and relatively fraud-free, but supporting institutions have been corroded. The media are as constrained as during military rule and struggle to hold the government to account. The judicial system has lost the little independence it had gained, with the government putting loyalists in top posts. The authorities' violent reaction to peaceful pro-democracy protests in Gezi Park, Istanbul in 2013 marked a

turning point in the muzzling of civil society. Many worry that efforts to turn Turkey into a presidential system, without checks on the powers of the president, will be one more step in the crumbling of political institutions. Growth has been slower in this climate, averaging 3 per cent since 2012, but has also been of low quality. Manufacturing productivity and private investment have both been flat since 2010, while the current account deficit and inflation have remained high comparing unfavourably with peers. The country still benefits from investors' appetite for emerging markets, although foreign direct investment has dropped sharply and finances barely a fifth of the current account deficit. By contrast, the collapse of oil prices has been a boon to the heavily oil-dependent economy. Low-quality growth cannot continue long term. Every year on the current path is a year lost. But there is ample room for economic catch-up. The country's location provides access to markets, ranging from Europe to the Middle East and central Asia. Turkey's business sector is highly segmented, ranging from micro, informal, low-productivity companies to a small core of modern, high-productivity enterprises. This segmented structure holds back productivity growth, but can be remedied, as the OECD argues, by relatively straightforward structural reforms, including more predictable regulatory and tax policies. Those are low-hanging fruit. Even modest improvements in economic and political institutions can trigger rapid productivity growth. There is every reason that another economic renaissance could follow a return to more orthodox macroeconomic policies, structural reforms targeted at increasing competitiveness, an improvement of the business environment, less corruption and a strengthening of political institutions and civil society. The question is whether such a return is feasible in the current political climate. Murat Üçer is Turkey adviser for Global Source. Daron Acemoğlu is professor of economics at the Massachusetts Institute of Technology.

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Turkey

On the Kurdish question, the endgame is in sight but just out of reach

OPINION

Aslı Aydıntaşbaş

“The dice just roll one way for us — and that is a 6-6,” a Kurdish politician commented over glasses of tea a few months ago.

He was referring to the luckiest score in backgammon, the Middle East’s traditional pastime. But specifically, he was talking about negotiations between Turkey and the outlawed PKK, the Kurdistan Workers Party, which has paused its guerrilla war against Turkey in the expectation of a political settlement.

Nearly 40,000 people are estimated to have been killed in the conflict, which has raged for nearly four decades, largely in Turkey’s southeast.

The politician was echoing increased self-confidence among Kurds across Turkey, Iraq and Syria that after a century of hardship and statelessness, now is their time. But what is the

endgame and how do they get there?

The mediation process between Turkey and the PKK, which started in 2012, has been painful and a political settlement remains uncertain.

Isolated and imprisoned on an island south of Istanbul, Abdullah Öcalan, the PKK’s 67-year-old leader, is the armed group’s main negotiator with the Turkish government on peace talks.

But he cannot communicate directly with his commanders or the several thousand guerrillas spread across eastern Turkey and northern Iraq.

Instead, he writes a letter once a month and hands it to a delegation of parliamentarians from the pro-Kurdish party, who then travel to a mountainous hide-out on the Iran-Iraq border to give it to PKK commanders.

The principle governing talks with the Turkish government is “politics for peace”, based on the hope that the PKK would enter legitimate politics in return for laying down arms.

It is also agreed in principle between the two that there would be a general amnesty and Turkey would undertake administrative reform by giving more autonomy to local governments across

the country — not just Kurdish areas.

But with decades of mistrust and Turkey’s never-ending electoral cycles, progress has been slow.

For the PKK, the release of Mr Öcalan is a priority. But for President Recep Tayyip Erdoğan, the ultimate solution would be part of a larger vision, involving a new constitution and an overhaul of Turkey’s parliamentary system towards what he calls a “Turkish-style presidency” — in this case, giving himself executive powers.

For Mr Erdoğan and his governing AKP, the general elections in June and the rise of Turkish nationalist sentiment among the Anatolian electorate require a more cautious approach in the talks.

For the Kurds, the negotiations also involve an inherent problem, because the two sides are simultaneously partners in peace and rivals in politics.

Since the anti-government Gezi Park protests of 2013, Turkey’s pro-Kurdish political party has been gaining ground among Turkey’s secular liberals and young dissidents as the new bastion of anti-AKP sentiment. While the PKK is in talks with the government, Selahattin Demirtaş, the young leader of the pro-

Kurdish People’s Democracy Party, the HDP, has been gaining popularity as an effective critic of Mr Erdoğan.

For decades, various PKK-backed political parties remained roughly at 6.5 per cent in polls. But the 42-year-old former human rights activist managed to score almost 10 per cent in the presidential elections last summer, running against Mr Erdoğan.

In the forthcoming June election, Mr Demirtaş is pushing to pass the 10 per

‘Both sides would prefer peace, but they also benefit from tackling one another’

cent national threshold for a seat in parliament — one of the highest in the world — and needs the support of both disgruntled secular Turks and conservative Kurds, who have so far leaned towards the AKP.

Therein lies the problem.

When Mr Demirtaş vowed “we will never allow you [Mr Erdoğan] to become an executive president” in

parliament in March, he received praise from secular commentators, but the statement was enough for Mr Erdoğan to halt the negotiations with Mr Öcalan.

Regional dynamics beyond Turkey’s borders also affect the peace process. The PKK (through its Syrian affiliate) has been fighting jihadist along Turkey’s southern border for the past two years. The fact that the PKK now makes up a section of the ground offensive against Isis in Iraqi Kurdistan and Syria makes it difficult to imagine a complete disarmament, which is the basic tenet of the potential deal with Turkey.

PKK commanders are willing to lay down arms inside Turkey once there is a deal, but would continue as a regional force in Iraq and Syria.

This all makes a Turkish-Kurdish deal inside Turkey more complicated.

Mr Erdoğan was bold in starting peace negotiations, but a Kurdish deal is now tangled up with his ambitions. Both sides would prefer peace, but they also benefit from tackling one another, in politics and on the street.

Aslı Aydıntaşbaş is a Turkish columnist and political commentator



President tightens his grip on the Turkish state

Continued from page 1

Mr Erdoğan’s handpicked successor as prime minister and party leader, has disagreed with him on issues ranging from corruption to the peace process to end the country’s Kurdish conflict.

Mr Davutoğlu shows every sign of wanting to use the powers given to his office by law.

Other AKP members and supporters express concern privately that their Islamist-rooted movement has become a vehicle for Mr Erdoğan and that the president, who recently attacked the central bank for treachery for having kept interest rates relatively high, is becoming unpredictable.

But to date, Mr Davutoğlu has been forced by Mr Erdoğan to retreat on almost every issue. An anti-corruption transparency initiative and a proposal to tax property windfall gains have both stalled. An effort to enlist the country’s intelligence chief as an MP has been abandoned, and the Kurdish peace process has been put on ice.

“Davutoğlu has to have some powers; Mr Erdoğan has to give him some room to manoeuvre,” says an AKP member of parliament. “But if he wants to make his own decision, then immediately the attacks start.”

One question is how the political dynamic will shift after the elections, and whether the AKP will win enough MPs to change the constitution to give Mr Erdoğan the system he craves.

Another question is whether Mr Davutoğlu will emerge empowered, as he shifts from appointed to elected prime minister, or whether the outcome will be altogether messier, as both sides redouble their efforts after a less than resounding victory.

The deciding factor for both questions may be the success or failure of the pro-Kurdish People’s Democratic Party, which is breaking with a long tradition by seeking to pass a 10 per cent threshold to enter parliament, rather than running its candidates as independents (see *Opinion*, above).

Should the pro-Kurdish party win 10 per cent or more of all MPs, then AKP hopes of gaining the 330 seats necessary to take constitutional changes to a referendum would seem slight. Any chance of the 367 seats to change the constitution outright would be even more remote.

If, however, the pro-Kurdish party should fail to get 10 per cent — an outcome that could stoke instability in the largely Kurdish southeast — then the seats it would have otherwise won will almost all go to the AKP, giving Mr Erdoğan his best chance of a new presidential system.

Government finds itself at odds with big business

**Politics** The corporate elite is nervous about policy after the election, writes *Daniel Dombey*

Turkey’s business elite gathered last month on the mountain top from which the Greek god Zeus is said to have watched the Trojan war. The meeting was Turkey’s answer to Davos, but bore an uncanny resemblance to a dissidents’ conclave.

Explicit criticism of President Recep Tayyip Erdoğan was not on the agenda at the Uludağ Economy summit. Turkey’s corporate elite knows too well the risk of antagonising the government. No one needed reminding of the initial \$2.5bn tax fine levied in 2009 on Doğan Media Group after Mr Erdoğan was angered by its flagship newspaper’s coverage of a corruption scandal. The government denied any political motive for the tax investigation

Memories are still more fresh of how in 2013 the president reversed a €1.5bn warship construction deal with Koç Holding, the country’s biggest group, after denouncing it for sheltering anti-government protesters.

Instead, attendees at the summit took surreptitious potshots at the president and his agenda, stressing the importance of manufacturing over the construction projects he champions, or by insisting on the need for the rule of law.

Those attending, who included more members of Turkey’s old corporate elite

than the construction moguls and Anatolian entrepreneurs who have prospered under Mr Erdoğan, expressed nervousness about future policy after the June general elections, which Mr Erdoğan’s AKP is expected to win, and about the economic implications of his style of government.

His pressure on the central bank to cut interest rates has led to particular concern. “We can only have [sustainably] low interest rates if inflation is under control, not just through an order given by the president,” says one leading industrialist.

Muharrem Yılmaz, chief executive of Süttaş, a dairy group, and former head of Tüsiad, Turkey’s leading business organisation, said that, when measured in nominal terms, manufacturing has fallen to just 15 per cent of GDP, compared with about 23 per cent in 1998 and higher levels abroad. “We are ignoring the manufacturing industry and we cannot continue like this,” he said to vigorous applause from the audience.

Under Mr Erdoğan, several big groups have diversified from manufacturing into construction. Its relatively small export-orientated manufacturing sector is one reason why Turkey persistently has a large current account deficit.

Still, the president may not welcome criticism from Mr Yılmaz, whom he

**Business ally:** Ali Babacan, deputy prime minister for the economy

Nour Coban/Getty Images



labelled a traitor last year for suggesting foreign direct investment would not come to a state without the rule of law.

Ümit Boyner, another former Tüsiad chief and a board member at Boyner, a big retail group, says that, with the prospect of US interest rate rises already reducing the inflow of funds to emerging markets, the need for increased export earnings is more acute than ever.

“Now that the flows are less, Turkey can’t just rely on construction and services,” she says, signalling an internal government debate between technocratic proponents of structural reforms and supporters of interest rate cuts.

The leading technocratic voice is Ali Babacan, deputy prime minister for the economy. He has been seen as business’s best ally in the administration. But his future is in doubt, as is that of his childhood friend Erdem Başçı, Turkey’s central bank chief — another man branded a traitor by Mr Erdoğan, for maintaining relatively high interest rates. Mr Başçı’s current term ends next year.

Mr Babacan, who is not running in June’s elections, issued what sounded like a valedictory warning at the summit: “In a country where law is lacking, democracy itself will not suffice. Without law, the power of the people may become meaningless after a while.”

Uludağ executives worry Mr Babacan

‘Erdoğan’s frustration is that he cannot control such groups as much as he would like’

would be replaced by a more pliable figure. Other executives have wider concerns about the economic consequences of the country’s politics.

Begümhan Doğan, chairwoman of Doğan Holding, a large conglomerate, says: “Turkey ranks 54th in the global innovation index, 64th in the social progress index, 154th in the world press freedom index and 77th in the world happiness report.”

She adds: “Freedom is indispensable for innovation, and innovation is central for the development of our economy.”

Not everything has gone Mr Erdoğan’s way. The government controls three state banks and has sway over groups such as Turkcell and Turkish Airlines. Mr Erdoğan also champions a number of construction groups, notably those building Istanbul’s third airport, while the Müsiad business confederation has many companies close to the ruling Islamist-rooted AKP.

But Mr Erdoğan still faces a big business sector that often has a different approach to the world.

“The government would definitely want to see big business groups much more aligned with it,” says an executive at a company that has suffered the president’s wrath. “Erdoğan’s frustration is that he cannot control such groups as much as he would like.”

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Glassmaker offers history lesson in growth

Case study Paşabahçe

The Istanbul company has capitalised on the imperial past to gain 12 per cent of the global market for glassware. By *Piotr Zalewski*

Kemal Atatürk would have been proud. In 1935, three years before his death, modern Turkey’s founding father, first president and moderniser-in-chief, ordered İş Bankası, the country’s leading bank, to provide funds needed to furnish the young republic with a homegrown glass industry.

With the construction of a plant in an Istanbul neighbourhood known as Paşabahçe, the birth of Turkey’s first glassware company was complete.

Today, the company, set up first and foremost to meet the needs of domestic consumers, has gone well beyond its original mission. Paşabahçe exports its wares to more than 140 countries, boasts a product line of more than 20,000 items, employs more than 21,000 people and operates 44 stores across Turkey.



Clear ambition: Paşabahçe

With sales revenues of \$740m in 2014 and a global market share of 12 per cent, it is the world’s third-biggest glassware producer.

At the company’s Istanbul showroom, surrounded by pieces from a new collection, Emre Bozbeyli, Paşabahçe’s design manager, lists a number of milestones.

The first store opened on Istanbul’s İstiklal Avenue in 1957. Exports began in the 1960s, just as the glassmaker began working with foreign designers.

Arguably the biggest breakthrough, however, at least in terms of brand visibility, came in the late 1990s, when Paşabahçe launched limited edition handmade collections, many with a historical focus.

In 1999, Paşabahçe marked the 700th anniversary of the rise of the Ottoman dynasty with a product line inspired by Turkey’s imperial past. Predicting an obsession with all things Ottoman, the collection — elaborate, stone-studded mirrors, slender ewers with floral reliefs, and candlesticks — proved to be the Paşabahçe’s most popular.

The imperial line might have been created with domestic consumers in mind, Ahmet Kirman, chief executive of Şişecam, the group that owns Paşabahçe, explains, “but there is huge demand from abroad”.

Mass-produced glassware continues to be Paşabahçe’s bread and butter, but its share of handmade designer products is expanding fast, Mr Bozbeyli says. “We are focusing on design, working with famous designers and creating a unique style.”

“Our strength,” adds Mr Kirman, “comes from developing and managing product lines for different markets’ needs and expectations.”

With part of the company catering to businesses and supermarkets all over the world and the stores selling directly to consumers, Paşabahçe now supplies all market segments, including household, catering and industry.

At its Istanbul showroom, one wing features plain saucers that might be found in supermarket aisles. Another houses a new “Nude” brand, featuring an exquisite, ring-shaped wine decanter by Israeli designer Ron Arad. Teacups cost just over \$1. The decanter — only 365 will be manufactured each year — carries a price tag of TL2175, or \$837.

Already one of Turkey’s most recognisable brands, Paşabahçe is keen to expand further. Last October, the company sold 15.4 per cent of its shares to the European Bank for Reconstruction and Development for €125m. Plans are under way for an initial public offering. And the first Paşabahçe store outside Turkey is due to open in Milan this year.

Where growth has led, ambitions, somewhat less modest than in Atatürk’s time, have followed. Paşabahçe, says Mr Kirman, seeks to become “the most powerful global glassware company in the world.”

‘The obstacles Erdoğan faces, if he is to cement his rule, look greater than ever’

Meanwhile, the president has to contend with a rise in support for the anti-peace process National Movement party — a phenomenon that, according to several AKP supporters, has led him to redouble his own nationalist rhetoric and essentially put the peace process on pause.

This is the tableau Turkey confronts before the election: a president sometimes seeming to subvert his own government, whether to show the greater efficacy of the presidential system or to attract nationalist votes; economic strains behind the scenes and an increasingly open dispute for power within the AKP.

One senior AKP politician recently confessed “we failed”, meaning that the party did not succeed in showing that moderate Islamists could govern democratically.

Whether Mr Erdogan will succeed in his ambitions is another matter.

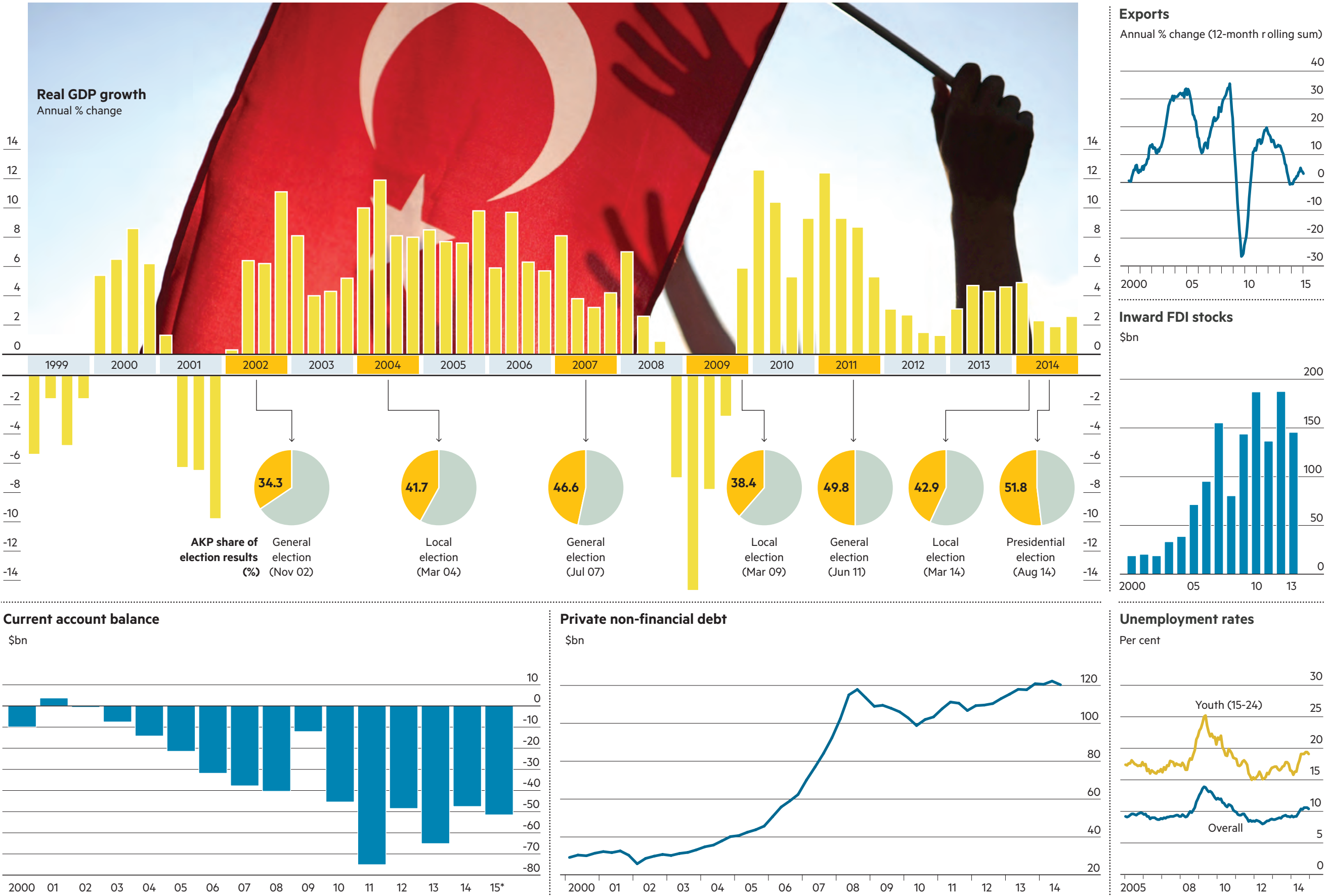
He advocates a presidential system almost every day and until now has almost always prevailed in his wishes.

But the obstacles he faces if he is to cement his rule — the weaker economy, the electoral maths, dissent within his own party — look to be greater than ever. So too are the stakes.



Turkey

Turkey: a political economy



# Ankara is no longer seen as a safe pair of hands

**OPINION**

**David Gardner**

Four years ago, Turkey was regarded as a linchpin of stability in the Middle East. It was a stalwart in the Nato alliance and a candidate member of the EU, under a pragmatic government with its roots in political Islam. Recep Tayyip Erdoğan — then prime minister and now president — was regarded in the west as the safest available pair of hands in a region that regularly thwarted outsiders' efforts to shape it.

Turkey was counted a regional insider, admired for its high-growth economy and ostensible success in pioneering neo-Islamist politics attuned to a modern democracy.

It all seems a long time ago.

The vaunted foreign policy of Ahmet Davutoğlu — then foreign minister, now prime minister — of “zero problems with the neighbours” turned into an equation whereby there were almost no neighbours with whom Turkey did not have problems: falling out at different times with Israel, Egypt, Syria, Iraq and, to a lesser extent, Saudi Arabia and Iran.

Many former admirers now look on with incredulous disappointment as the neo-Ottoman discourse of Mr Erdoğan and Mr Davutoğlu registers zero ability to account for their loss of reputation and regional influence.

The two men still embrace the idea of Turkey as the vanguard of a pan-Islamic civilisation, with the vocation to lead the old Ottoman hinterland of the Middle East, the Balkans and the Caucasus. But their policies have proved divisive at home and abroad. Ankara's policy towards Syria is a good example. With western blessing and broad Sunni Arab approval, Turkey served as the hub for rebels fighting to topple Bashar al-Assad in Syria. Mr Erdoğan and Mr Davutoğlu also appear to have gambled on victory in Syria for the pan-Islamic Muslim Brotherhood.

But, until last year, Turkey also allowed jihadi volunteers to use its



EU affairs minister: Volkan Bozkir

territory to enter Syria. Though it favoured groups other than the Islamic State of Iraq and the Levant, Isis probably could not have come to dominate the insurgency in Syria and Iraq without Turkey's jihadi pipeline.

Western countries that called for the removal of Mr Assad, but stood aside when his regime crushed mainstream rebels, leaving totalitarian jihadis such as Isis to fill the vacuum, are hardly on morally high ground when they upbraid Turkey for this.

Mr Erdoğan is right to insist on the need to get rid of Mr Assad. Just as Iraqi prime minister Nouri al-Maliki, a Shia Islamist sectarian, was pushed aside last year to clear the way in principle for Iraq's minority Sunni and Kurds to rally behind a more inclusive government, so

Erdoğan's retreat into an illiberal democracy is pushing eventual EU membership beyond reach

only the departure of the Assad clique will re-energise the mainstream of Syria's Sunni majority and marginalise the extremists.

Yet, while his judgment on this may be right, Mr Erdoğan's statecraft has been inept. He has managed to give the impression that Turkey is not a team player, may even support Isis, and is against the Kurdish minority with

which he has done more than any other Turkish leader to seek a peaceful reconciliation. Ankara's policies towards other Arab conflicts often seem unrealistic or reactive.

He has voiced support for the Saudi-led Sunni alliance intervening in Yemen to push back the Shia Houthis movement allegedly backed by Iran.

But Turkey is at loggerheads with Egypt, a key alliance member, over Ankara's espousal of the Muslim Brotherhood, and looks more concerned about Iran consolidating power in neighbouring Iraq.

Ankara's western allies are just as concerned with Mr Erdoğan's evident admiration for President Vladimir Putin of Russia and dalliance with China — with which Turkey, a Nato member, has been negotiating a missile defence system. Turkey currently chairs the G20 group of leading economies, yet the star turn at the ruling Justice and Development party's congress late last year was Khaled Meshaal, the Hamas leader.

The EU bears heavy responsibility for Turkey's long-stalled accession negotiations. But Mr Erdoğan's authoritarian retreat into an illiberal democracy — questioning the rule of law and compromising freedom of expression and assembly — is pushing EU membership beyond reach.

Public opinion inside Turkey, once pro-EU but then disenchanted by anti-Turkish sentiment in Germany, France and Austria, is turning back towards Europe. The government's new EU affairs minister, Volkan Bozkir, appears open to initiatives. Ankara has agreed to discuss extending Turkey's 20-year-old customs union with the EU, whereas it had previously insisted the trade deal could only be superseded by full club membership.

But a relationship as dense as that of the EU with Turkey cannot end there. Sinan Ulgen, head of the liberal Edam think-tank in Istanbul, speculates about “a deep relationship short of membership that has still to be devised, a new model of association for those states with more to contribute than, say, Norway”. That might catch on in Turkey, especially if another member state such as Britain were to exit the EU and recalibrate its relations. Turkey would not be alone.

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Turkey

# Battlelines redrawn over 1915

**Politics** Turkey and Armenia are at loggerheads over a 100-year-old legacy of war and killings with a clash of anniversaries, writes *Piotr Zalewski*

On April 24, dozens of world leaders are expected to travel to Turkey to mark the 100th anniversary of the Battle of Gallipoli, one of the bloodiest campaigns of the first world war. But dozens more could be conspicuous by their absence.

In past years, Turkey has commemorated the campaign on March 18, the date when Ottoman forces repelled a naval attack by allied warships in the Dardanelles Strait, the start of a military campaign that left nearly 500,000 Ottoman, British, French, Australian, New Zealand and Indian soldiers dead or wounded.

Turkey has also hosted anniversaries on April 25, the day of the allied landing on the Gallipoli peninsula. But this year, Ankara's official ceremonies have been planned to overlap with another centenary — that of Armenian mass killings. Turkey has not offered an official explanation for its decision, but critics see it as an attempt to shift attention away from commemorations in Yerevan.

The decision has been greeted with outrage in Armenia, where April 24 1915 is remembered as the beginning of a wave of Ottoman-ordered mass deportations and massacres in which as many as 1.5m Armenians were killed.

Ankara continues to insist that what it describes as a wartime tragedy that affected Turks and Ottoman Armenians alike, does not meet the definition of genocide. But Yerevan and the Armenian diaspora continue to lobby foreign governments to recognise it as such. Successive US administrations, wary of provoking Turkey, a vital Nato ally, offer annual commemorations but stop short of using the genocide label.

The governments in Ankara and Yerevan have not established formal rela-



April 24 commemorated: young Armenians dressed as soldiers mark mass killings of their ethnic kinsmen in 1915 — Getty

tions since Armenia's independence from the USSR in 1991. An attempt at rapprochement fell apart in 2010.

Fewer than 10 years ago, Turkish intellectuals faced prison for making even a roundabout reference to the 1915 tragedy. In 2005, Orhan Pamuk, the Nobel prizewinning author, stood trial for "insulting Turkishness" after telling a Swiss magazine: "One million Armenians and 30,000 Kurds were killed in these lands and nobody but me dares talk about it." Charges were dropped.

But in Turkey today, the wall of denial is cracking. Shops have started stocking books by Armenian and Turkish authors on the 1915 massacres. In 2008, more than 30,000 Turks signed a petition calling for a collective apology for "the Great Catastrophe". Comments like Mr Pamuk's are made more widely, and are no longer subject to prosecution.

Rhetoric has also changed at an official level. Last year, President Recep Tayyip Erdoğan expressed condolences to survivors and their descendants, the closest any Turkish leader has come to issuing an apology. An ethnic Armenian, who refers to the events of 1915 as

genocide, has been appointed as an adviser to the prime minister.

"They have done away with the various taboos on the Kurdish question, the role of Islam and the Armenian question," says Halil Berktaş, a historian at Sabancı University, referring to Mr Erdoğan's Justice and Development Party (AKP). He is among the first Turkish academics to use the genocide label in public.

'It is not that all Turkey has accepted the reality of the genocide, but now it can be freely debated'

"They have not asked journalists or academics to fall into line with the denialist ideology," Mr Berktaş adds.

"It is not that all of Turkey has accepted the reality of the genocide, but it is now a topic that can be freely debated. In 2000, I could not have imagined I would be saying the things I am saying now."

Yet with the AKP courting the nationalist vote ahead of parliamentary elections in June, there may not be much appetite left for conciliatory rhetoric. This year, with its decision to host the Gallipoli anniversary at the same time as Armenia's remembrance day, the Ankara government may have dug itself into a hole. The move, says Mr Berktaş, is "deplorable".

In diplomatic terms, it may also prove counterproductive. To date, more than 20 countries, including France, Russia, and Germany, have recognised the 1915 killings as genocide. The UK has not. But even those that accept the label are unlikely to send heads of state to Gallipoli instead of Yerevan.

"The bigger nations will either be absent at both [events] or go to Yerevan," says Soli Özel, a professor at Istanbul's Kadir Has University.

The occasion, Mr Özel fears, is likely to turn into a "contest" between Turkey and Armenia in which the presence or absence of dignitaries will be trumpeted as a show of support for one historical narrative over the other. "Comparisons will be made," says Mr Özel.

## Cuisine Turks start a food revolution

Turks are very sociable people, spending up to 35 per cent of their leisure hours with friends — three times more than their peers in other developed nations, according to OECD research.

Food plays an important part. But eating out in Turkey is changing, partly in response to a can't-cook-won't-cook generation of young professionals, for whom dinner at home means summoning a motorbiked takeaway via Yemek Sepeti, the popular online service backed by private equity.

Increasingly, young urban Turks have the disposable income to eat out. The Brookings Institution ranks four Turkish cities in its global top 10 of best-performing metro areas by employment growth and GDP per capita growth.

People have always headed to restaurants for chargrilled meat that was impossible to cook in small apartments without the neighbours summoning the fire brigade. However, increasingly, restaurant dining is about enjoying food that has been prepared with patience and skill.

"It's about managing perceptions, creating identity, but also about producing a sense of satisfaction," says Kemal Demiral, a chef, seated beside the high-tech centrifuge of his test kitchen. He is behind Alancha, one of Istanbul's newest eateries which offers a highly controlled gastronomic experience. There is an informal dining room, but the heart of the restaurant is a secluded room upstairs that serves an umpteen-course tasting menu.

Diners sit at walnut tables in pools of light for a feast that begins with a broth of fermented mushroom, an elegant mussel in tarragon oil and popped rice; winds its way through a savoury fresh nut crème, pulled lamb cheeks in brain sauce, to a *kerepiç* (soapwort root) marshmallow frozen in liquid nitrogen.

Here, the search for an authentic Anatolian cuisine is a quest for an alternative tradition — but it is also highly inventive.

All too often, what is called the "new Turkish cuisine" means borrowing broad Mediterranean flavours of tomato and olive oil, but here there is not even a whiff of garlic.



Alchemy: cocktails at Alancha

That same inventiveness is in evidence at Gile, a small, elegant restaurant in the Akaretler neighbourhood of Beşiktaş. Chefs Cihan Kıpçak and Üryan Doğmuş display an intelligent, serious purpose as they adapt tastes unique to Turkey into the northern European format of a three-course meal with wine.

A shift away from anis-scented raki — the powerful national tipple — towards better-produced wines is also determining a new Turkish cuisine. Raki traditionally accompanied *meze* — the array of strong flavoured *hors d'oeuvres* shared from the middle of the table.

"We still felt very committed to *meze* culture," says Nedret Butler, who tore out the kitchen of her family's Bosphorus-side fish restaurant to replace it with a brasserie-style set-up. "So we set about creating a much broader and innovative array."

The result is the Tapasuma in Çengelköy, on the Asian side of Istanbul. The not-so-secret ingredient is the Bosphorus-level panoramic view.

The birdseye view from Ulus29 is equally splendid. The restaurant is a popular choice for a luxury evening out. Even so, says Mert Seran, his clientele is ever more discriminating.

He detects a move away from fine dining. "People like to share, but they also want to be entertained," he says.

The lobster scampi seems to pop out of the shell. *Börek* pastry is filled with flavourful braised oxtail beside a parfait of smoked cauliflower.

Mr Seran confesses Ulus29 is where people go to be seen. But where once the patrons would study who was at the next table, "now they study what they are eating," he says.

**Andrew Finkel**

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