

Turkey 2016



Total: 52.21

Quick facts

Population:	78.152 million
Unemployment rate:	10.3 %
GDP:	672.702 billion EMU
GDP growth rate:	4.0 %
GDP per capita:	8 600 EMU

Political Freedom

Free and Fair Elections : 6.43

2016 - As compared to last year, there is a drop in Turkey's rank in terms of free and fair elections. Turkey is known to have free elections under the observation of different independent actors from various international organizations, including the EU. There had been two nationwide parliamentary elections in 2015, on June 7th and November 1st. Despite the critics, there is no credible indicator that they were rigged. However, government's control over a large array of media companies in the country bring shades on the fairness of the election process, as criticism spikes over President Erdogan's explicit ties with his former party, as Mr. Erdogan currently has a supposedly ceremonial, non-political and impartial function.

A certain problem that remains unsolved is the nationwide 10 % electoral threshold. The pro-Kurdish HDP has the 4th largest popular support. For the first time in history, HDP joined both elections as a party, instead of a group of independents, and won 80 seats on June 7th . However, neither of the political parties could come to a coalition agreement and Turkey went into a spiral of violence as the ceasefire between the government and PKK (pro-Kurdish terrorist organization) collapsed. Elections were renewed on November 1st and HDP's support dropped from 13.1% to 10.8% within 5 months as the ruling AKP's hiked to 49.5% from 40.9%, gaining back the absolute majority to form the government.

In 2016, concerns and criticism over the political participation increased. The entire 316 MPs of the ruling AKP (with an exception of one) moved a motion to lift the immunity of the parliament members for once who have pending investigations in the judiciary. This apparently impacted the HDP most, as the 61% of the files were related to 50 out of 59 MPs of HDP, which constitutes 9% of the parliament. The trials proceed as of October 2016.

Turkey has seen a failed coup attempt on July 15th, 2016. The following measures taken by the government included an outright announcement of a nationwide State of Emergency (SoE). More than 2,100 institutions were shut down by government decrees, as more than 93,000 public employees were suspended and 60,000 people were expelled from public service. As of October 16th, the SoE was prolonged for another three months amid criticism that investigations turned to a purge against the opposition.

Absence of Unconstitutional Veto Players : 5

2016 - As the July 15th coup attempt failed, the government's claims of an existing deep state organization connected to the US-based cleric Fethullah Gülen deemed well-grounded and found support within Turkish society.

It is no secret that Turkish Army has a long history of coup d'états and intrusive relationship with civilian governments. However, the influence of military politics was thought to be reduced and contained thanks to a series of EU reforms enacted by Mr. Erdogan and his governments. The recent coup attempt proved this view has partly underestimated current state of affairs.

The Government immediately declared a state of emergency and started taking grave measures against people who might have any relation to the coup-plotters.

It is obvious that the lack of institutionalization and highly centralized policy-making processes still give space for non-political and/or unconstitutional actors to find ways and means to interfere into politics, force public officials and policy makers to take certain positions and initiate a large scale coup d'état attempt.

Freedom of Press : 2.9

The freedom of press in Turkey undoubtedly took the biggest hit after July 15th coup attempt. As of October 12th, 2016, there are 92 journalists under arrest in Turkey. The government is highly criticized for extending the crackdown on many different parties including opposition.

By the effect of the decree on July 22nd, the government closed down 35 hospitals, 1043 private educational institutions and dorms, 1229 foundations and associations, 19 unions, federations and confederations and 15 private universities. The number of sealed media organizations, newspapers, radios and TV companies exceeded 150 by October 15th.

All of these developments will be shown in next year's index and will most likely appear in other indexes measuring freedom of press all around the world.

Various studies have shown that state or public related companies, when advertising, do not pick the media outlets according to the daily circulation and/or ratings; instead, they choose with political motivations.

Government's control over a large cluster of media companies and organizations was documented and severely criticized. As the latest e-mail leaks indicated, even the seemingly most mainstream and impartial media conglomerate, Dogan Media Group, is regularly reporting to the President's Office by the topmost manager. These are the main reasons for the drop of ranking and indicators of a downward trend in the overall category of political freedom.

Rule of Law

Independence of the Judiciary : 3.75

The control and influence of the executive over the judiciary has increased as parallel to the de facto rise of the political power of the President. The administrative body of judiciary, the High Council of Judges and Prosecutors (HSYK) is under the control of the government and especially of the President. The Ministry of Interior filed a complaint to the HSYK against many administrative judges as they decided against the decisions of the ministry. HSYK, accordingly, opened an investigation against more than fifty administrative judges. Within the last couple of months, thousands of judges and prosecutors were appointed to other courts or other locations against their will because of their decisions.

Following the failed coup attempt of July, 15th 2016, one fourth of all the judges and prosecutors (approximately 3.500), including two members of the Constitutional Court, five members of the HSYK and many members of the Court of Cassation and the Council of State, have been dismissed from their office on charges of being member of a terrorist organization. It is argued that, prior to their dismissal, there had been no proper administrative investigations and the accused was not given any opportunity to defend themselves. Most of those judges and prosecutors have been arrested and detained just after the failed coup attempt.

Although the number of the members of the Court of Cassation and the Council of State has been increased by law twice during the last four years, a new law adopted in 2016 decreased the number of the chambers and the members in both high courts. All the memberships to both courts were ended by entry into force of the relevant law. Later, some of the members were reappointed, but remaining members were appointed as ordinary judges, although they had a constitutionally guaranteed secure tenure as a high court judge.

The oldest and one of the biggest associations of the judges and prosecutors, the Union of Judges and Prosecutors (YARSAV), has been closed by an emergency decree without any prior investigation and its assets have been confiscated. Later on, its president and some of the members of the directory board have been dismissed from their office as a judge; they were arrested and taken into custody.

Corruption : 4.2

Investigation of corruption allegations is a very risky business for the police and for public prosecutors in Turkey. They may easily be accused of being members of a terrorist organization or of spying against the interests of the state and they may face dismissal and trial. Parliamentary control of the governmental expenditure is very weak since most of the questions of the opposition MPs are not taken seriously by the government. Motions of the opposition are rejected by the ruling party majority in the parliamentary commissions and in the general assembly. Transparency and fairness of the public procurement is very problematic in the absence of independent media scrutiny and judicial control. The Court of Auditors' oversight of the expenditures of public administration is ineffective and virtually lifted.

Protection of Human Rights : 3.87

Following the June 2015 General Elections, Turkey entered into a phase of terror and conflict. As a result of terror attacks in major cities, hundreds of civilians were killed. Kurdish separatist organizations declared autonomy in some South Eastern Anatolian towns and ditched explosive traps around them. The government declared curfew to take control of those towns. Security forces intervened with heavy weapons. Allegedly some civilian people were caught in cross-fire having difficulty in reaching basic human needs such as food, clean water, electricity and medicine. As a result of long curfews, hundreds of thousands citizens were displaced. On July, 15th, 2016 Turkey witnessed a failed coup attempt by a military junta. 240 people were killed during the civilian revolt against the coup. The Parliament and some other official buildings were bombarded by fighter jets during the coup attempt. The government declared that the power behind the junta was the Gülen movement, once a close ally of the governing AKP. As soon as the coup was quashed, the government declared the state of emergency, a situation where the government suspends certain basic rights and freedoms. The government also notified the Council of Europe that it derogated its obligations under the European Convention on Human Rights during the state of emergency. Since then, Turkey has been governed through emergency decrees which are not subject to constitutionality control by the Constitutional Court. The maximum period of police custody was extended from four days to thirty days during the state of emergency, which increases the risk of abuse and ill treatment.

The government started purging of alleged Gülenists and supporters of the PKK from civil service. Up to now, 93,000 public employees were suspended and 60,000 people were expelled from public service. In this regard, also 4,246 entities, including 129 foundations, 1,125 associations, 15 universities, 19 trade unions, 23 radio stations, 45 newspapers and 29 publishing houses were closed and seized without any prior official investigation. Most of these administrative measures were taken by legislative decrees to prevent judicial control. The magnitude of the numbers subject to purging suggests that the purpose is the cleansing of a certain segment of society carried out on the basis of assumption and political discretion rather than purge of a putschist group within the state.

There is severe criticism from both inside and outside of the country about the method of this purging which seems to be turned into a witch hunt of the opponents of the government. Prominent academics, writers and journalists, who are critical about government policies, have been detained for the allegations of terrorist propaganda. More than 50,000 people were arrested and 32,000 of them were detained pre-trial. Recently, the Commissioner for Human Rights of the Council of Europe invited the government to respect for the rule of law. Amnesty International also warned about allegations of ill treatment under police custody and in detention. There are complaints about the disproportionate use of preventive measures, such as detention and freezing of assets. Many small and big companies were seized on the suspicion of abetting terrorism

without final conviction.

The above mentioned control of judiciary by the executive seems to have made judicial protection useless for human rights.

Economic Freedom

Security of Property Rights : 5.28

In Turkey, the already inadequate protection of property rights has been exacerbated by developments after the failed military coup attempt on 15 July 2016. Although the fact that the coup attempt failed can be interpreted as a victory of democracy, at least in the sense of majority rule, the post-coup crackdown has turned into a very difficult and unpleasant experience for the country's human rights record. Not only basic human rights violations, but also violations of property rights have increased.

With the help of new powers the government gained after the declaration of the State of Emergency on 20 July 2016, huge amounts of property owned by members of the Gülen community have been confiscated. The state has taken over companies, schools and nongovernmental organizations which were either controlled by Gülenists or had suspected links with them. Furthermore, thousands of prosecutors and judges have been suspended or detained, which obviously made the remaining incumbent prosecutors and judges more susceptible to government influence and pressure. The level of independence from the executive power and the effectiveness of the judicial system have decreased because of the increased legal and administrative control of the government over the judiciary. It is not unusual to see courts deciding differently for similar cases, giving advantage to those who are close to the government. Not only Gülenist media and capital groups, but also others, which support the opposition, are targeted by arbitrary legal investigations and lawsuits. With the current state of affairs in the legal system, court procedures involving enforcement of contracts continue to be lengthy and costly. Therefore, the riskiness of doing business in Turkey remains higher than it would be otherwise, which naturally reduces the number of potential entrepreneurs in the economy. Also, the low reliability of the police force continues to be a chronic problem.

Size of Government: Expenditures, Taxes, and Enterprises : 6.54

Although government expenditures and tax rates are lower than European averages, they are still higher than world averages. In 2015, both total government expenditures and total government revenues were about 41% of the GDP. Public gross domestic and external debt stocks were about 24% and 13% of GDP, respectively. Most of the total tax revenue (68%) continues to come from indirect taxes. Direct taxes make up only about 28% of the total tax revenue. In most cases, value added tax is 18%, but for some others it is either 8 or 1%. The top corporate tax rate is 20%, the top income tax rate is 35%. The level of transfer expenditures, which was around 45-46% of total government expenditures in recent years, continues to remain high. Given the fact that Turkey hosts about 2.7 Mil. Syrian refugees, it is highly unlikely that the ratio of transfer expenditures to the GDP will decline in the near future.

Regulation of Credit, Labour, and Business : 5.8

In general, business regulation is not unfavorable towards entrepreneurial activity. Nevertheless, administrative requirements, bureaucratic costs, market regulations and ineffective enforcement of regulations hamper business activities. Although Turkey has a vibrant business sector, besides regulations, low skilled labour force and high labour costs, which are reflected in the high level of the minimum wage, foster the informal sector. Licensing restrictions are not widespread and tax compliance costs are not very high. Although starting and registering a business is not difficult, some labour market regulations, such as high severance pay based on the employee's seniority at the work place, might be quite disadvantageous for business activities.

Turkey continues to apply compulsory military service to its male citizens. The duration of the military service depends on the conscript's education; those without a 4-year university degree serve one year as privates while those with a 4-year university (and higher) degree either serve one year as reserve officers or six months as short-term privates. In any case, compulsory military service disrupts careers of almost every male citizen of Turkey in one way or another.

Freedom to Trade Internationally : 8.44

It is not surprising that Turkey's average tariff rate is quite low, only 2.8%, considering the fact that Turkey is a member of the World Trade Organization and has a customs union with the European Union since 1995. Nevertheless, because of the fact that the agricultural sector is not part of this customs union, tariff rates for some agricultural products can be very high. F. ex., for red meat imports tariff rates are generally kept very high - they can be as high as 225% - and they are only lowered when exorbitantly high prices cause public outrage. Also, certain restrictions on free movement of capital and labour prevent further advancement of international trade. F. ex., obtaining a residence permit might involve complicated and long procedures for foreigners.