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Turkey

# Erdogan at war on all fronts

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**Like the rest of the world, Turkey is going through a multitude of interconnected crises, in continuation with its own trajectory over the past decade. To maintain his position in this period of multiple crises, the country's president Tayyip Erdogan is firing on all cylinders: repression, wars, blackmail, negotiations, breaking of alliances and new alliances.**

Changes in the global geopolitical order have, moreover, largely worked in his favour. Over the past decade, Erdogan has sharpened his ability to put world events at the service of his own haggling to consolidate his position or, at the very least, delay his political demise. This is the case with the war in Ukraine, which he used to overcome the problems posed by the decline in purchasing power of the working class and his loss of popularity in the run-up to the new elections. Erdogan, showing a certain skill, is therefore trying to build on the world situation, but finding himself forced to wage war on all fronts.

## On the economic front

The fragility of Turkish capitalism is long standing, and the AKP government has always sought "creative" solutions aimed to at least delay the effects of crisis. But the trends observed in Turkey now are also closely linked to the crisis of global capitalism. After the 2008 crisis, when central banks all over the world were injecting liquidity into the world economy, Turkey too saw a huge amount of money arrive and with it a certain illusion of wealth. The bad aspects of debt appeared when the time came to start to repay. With the announcement of the gradual cessation of asset purchases on the financial markets by the central banks, two different sets of interests corresponding to two distinct capitalist sectors in Turkey began to manifest themselves.

On the one hand, the TÜSIAD, the organization of the traditional big bourgeoisie in Turkey, openly criticized the government's policy and demanded an increase in central bank interest rates. [\[1\]](#) On the other hand, there are the "small and medium-sized enterprises," some of which, however, have emerged as large capitalist interests in their own right. These are most often politically allied with the Erdogan government and have relied on him to keep interest rates low.

Despite their relative divergences, these two sectors of the capitalist class also have common interests, whether in terms of their investments in the export-related industrial sector, or their hostility to workers' freedom of association and the right to strike. If, therefore, the nuances can be quite fine between these Turkish capitalist circles, a general classification is possible based on a difference between capitalists in capital-intensive sectors and those in labour-intensive industries. A general distinction could also be made between those who have enough capital to lend and those who are looking for cheap credit. Therefore, despite their common priorities, there is a limited ground for confrontation between these two groups of capital holders.

Faced with an inevitable economic crisis, the government had to make a choice between high inflation or high unemployment. In the run-up to the elections (to be held no later than June 2023), the choice was that of the inflation rate against a possible increase in the unemployment rate, with the continuous reduction of interest rates, intended both to stimulate the economy and to support the capitalist groups around Erdogan, all convinced that, with employment preserved, the loss of purchasing power would cause less discontent within its electoral base.

Over the past ten months, the Erdogan government has been attempting an economic experiment: while keeping the

value of the Turkish lira [TL] low, the government has tried to aid exports while supporting producers seeking to increase production based on very low interest rates, while the real interest rate is approaching -40%. The main objective was to support exports and replace imports with new productive investments. However, their experimentation, coupled with the overall increase in prices, helped trigger a rise in inflation: officially 70%, but according to ENAG, an independent research organization, it has reached 175% annually.

The purchasing power of the working class has fallen sharply, leading to widespread poverty. In particular, the lack of access to imported cereals and other food products because of the war in Ukraine has only aggravated the situation for most workers. The government was forced to raise the minimum wage - usually increased only once a year - a second time this year. The new minimum wage has been increased from TL 4,253 (Euros242) to TL 5,500 (Euros313), but neither of these amounts ensures normal living conditions. It should be remembered here that most Turks earn the minimum wage for a 45-hour work week, and the minimum wage has become virtually the average wage in Turkey.

But at the same time, Erdogan's policy of orienting Turkish capitalism towards export is on favourable ground, especially given the restructuring of supply chains within global capitalism during the health crisis. This policy of cheap production costs in Turkey with low exchange rates has, to some extent, borne fruit. Even in a context where Europe, Turkey's main export market, grew by only 0.3% in the first quarter, for almost a year, every month, Turkey has beaten its export record of the previous months. In May 2022, exports reached \$19 billion. Now, changes in alliances in global politics further foster this trend as supply chains move towards sets of "strategic partners."

## On the foreign policy front

TÜSIAD anticipated this development by issuing a warning to the government: "Now supply chains are moving to countries sharing common 'values' and the government must reorient itself towards Western alliances in order to take advantage of these changes in global supply chains." This statement came during the dispute between Turkey and its NATO allies, particularly over the issue of the integration of Sweden and Finland into NATO. Erdogan openly reproached them for their "treachery" and "anti-national" behaviour before agreeing exactly with the advice that had just been addressed to him: after having played his veto card with NATO, he signed a memorandum of understanding with Sweden and Finland. He had until now accused these countries of supporting "terrorism" and asked for help with his plans to invade Syrian Kurdistan to establish a so-called 30 km buffer zone in Rojava where houses would be built to accommodate refugees.

Strange as it may seem, many people in Turkey believe in Erdogan's project as a way to welcome refugees in Turkey and also to change the demographic balance of Syrian Kurdistan. Of course, the 30 km are also a bargaining issue for Erdogan: with his nationalist allies, he is looking for assets in his negotiations with Russia and the United States in order to be able to launch a military invasion operation.

Sweden and Finland were just the beginning. At the beginning of July, the then Italian Prime Minister Mario Draghi visited Turkey to sign agreements signed on a wide range of topics ranging from military cooperation to diplomatic cooperation, from memoranda of understanding on civil protection to an agreement on the mutual recognition of driving licences between the two countries. During their meeting, among other things, an increase in trade to reach 30 billion euros and a strengthening of road transport between the two countries were discussed, an additional prerequisite for increasing trade with Turkey.

It is no exaggeration to say that over the past two decades Turkey has become one of the main manufacturing centres for European capitalists and now, with the reorientation of supply chains and its very weak currency, together

with a well-trained but unorganized and low-cost workforce, Turkey is more than ever on the way to becoming a new China for Europe. Despite its differences with the government on other issues, even the TÜSIAD could not be happier.

## On the home front

In a context of increasing poverty, loss of purchasing power and repeated military attacks in Iraqi Kurdistan and Rojava, the government knows it must be brutal in the face of any public expression of discontent. It knows that letting the slightest sign of weakness appear runs the risk of seeing the protest spread. Thus, even local demonstrations of workers in their workplaces, for wage increases, are violently repressed by the police. In recent months, however, these police attacks have been accompanied by raids by fascist thugs.

The violent attacks on gay pride, the encouragement given to Islamist far-right groups to attack LGBTI activists in the streets, and the reporting on social networks of various "civilian" paramilitary associations, also raises fears among the opposition that this could be a kind of pre-election strategy. And it seems that these barely concealed paramilitary associations - which make open shows of strength - are aimed at intimidation and paralysis of the opposition, increasingly worried about the conditions in which these elections will take place and the role that street violence will play in them.

The postponement of the crisis in Turkey is being done on the backs of the working class whose lives are increasingly hard. The government is trying to suppress any opposition by terrifying society through arrests, police violence, and by trying to provoke a national mobilization around the wars in Iraqi Kurdistan and Rojava. This strategy seems quite clear: to dissuade by fear any oppositional mobilization, to establish a form of economic aid with the increase in the minimum wage and a marginal improvement in pensions, to push for nationalist mobilizations in the country based on external "victories," and to divide the opposition with the creation of a neo-fascist opposition focused on refugees. For its part, the opposition coming from the bourgeoisie consists in waiting for the elections and not engaging in any "provocation" until they are over, thus getting rid of Erdogan without displaying any political differences between their program and his.

Unfortunately, in the absence of a left-wing alternative, even if we get rid of Erdogan, we still do not see the political program emerging to allow the working class to improve its working conditions and self-confidence.

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[1] TÜSIAD (Türk sanayici ve isadamlar1 derneği), is Turkey's most influential employers' organisation, also active in European lobbying for Turkey's accession to the EU.