

TURKEY'S 2023 ELECTIONS: PERSPECTIVES ON A CRITICAL VOTE

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Cover photo: Election billboards for rival presidential candidates in Turkey's May 14 elections in Istanbul on April 30, 2023. [Photo by Kerem Uzel/Bloomberg via Getty Images](#).

Contents photo: Supporters of the Republican People's Party (CHP) attend its Izmir rally. [Photo by Murat Kocabas/SOPA Images/LightRocket via Getty Images](#).



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Mapping out the Turkish elections

<p>People's Alliance (<i>Cumhur İttifakı</i>)</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>AK PARTİ</p> <p>Justice and Development Party (Adalet ve Kalkınma Partisi, AKP)</p> </div> <div style="text-align: center;">  <p>MİLLİYETÇİ HAREKET PARTİSİ</p> <p>Nationalist Movement Party (<i>Milliyetçi Hareket Partisi, MHP</i>)</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  <p>YENİDEN REFAH</p> <p>New Welfare Party (<i>Yeniden Refah Partisi, YRP</i>)</p> </div> <div style="text-align: center;">  <p>BÜYÜK BİRLİK PARTİSİ</p> <p>Great Unity Party (<i>Büyük Birlik Partisi, BBP</i>)</p> </div> </div>
<p>Nation Alliance (<i>Millet İttifakı</i>)</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>CHP</p> <p>Republican People's Party (Cumhuriyet Halk Partisi, CHP)</p> </div> <div style="text-align: center;">  <p>İYİ PARTİ</p> <p>Good Party (<i>İYİ Parti</i>)</p> </div> <div style="text-align: center;">  <p>DEVA <small>DEMOKRASİ VE ATILIM PARTİSİ</small></p> <p>Democracy and Progress Party (<i>Demokrasi ve Atılım Partisi, DEVA</i>)</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  <p>SAADET</p> <p>Felicity Party (<i>Saadet Partisi, SP</i>)</p> </div> <div style="text-align: center;">  <p>GELECEK PARTİSİ</p> <p>Future Party (<i>Gelecek Partisi, GP</i>)</p> </div> <div style="text-align: center;">  <p>DP <small>DEMOKRAT PARTİSİ</small></p> <p>Democrat Party (<i>Demokrat Parti, DP</i>)</p> </div> </div>
<p>Labor and Freedom Alliance (<i>Emek ve Özgürlük İttifakı</i>)*</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>YEŞİL SOL PARTİ</p> <p>Greens and Left Future Party (Yeşiller ve Sol Gelecek Partisi, YSP)**</p> </div> <div style="text-align: center;">  <p>TİP</p> <p>Worker's Party of Turkey (<i>Türkiye İşçi Partisi, TİP</i>)</p> </div> </div>

*The coalition also includes four other politically marginal factions, the Labor Party (EMEP), Laborist Movement Party (EHP), Social Freedom Party (TÖP), and Federation of Socialist Assemblies (SMF)

**The YSP's party list is composed mostly of members of the pro-Kurdish Peoples' Democratic Party (Halkların Demokrasi Partisi, HDP), which chose not to run under its name because of concerns that the authorities will close the party down for purported links to terrorism.

INTRODUCTION

It is a cliché for politicians to claim that an upcoming election is the most critical vote in the history of the country. In Turkey's case, however, the presidential and parliamentary elections on May 14 are indeed the most consequential ever. The prospects for Turkey's democratic future are at stake. If President Recep Tayyip Erdoğan wins another term, Turkey will degenerate further into authoritarianism in which elections will not matter. If the opposition wins, however, Turkey's democracy will have a shot at consolidating. While there is much optimism among opposition supporters that change through the ballot box is within reach, anxiety and fear over election security are not in short supply either.

The Middle East Institute's Turkey Program put together a short report addressing the key issues in Turkey's make-or-break elections. What do the polls say? What sort of campaigns are the candidates running? There's been a lot of talk about the presidential elections, but what about the parliamentary ones that will be held on the same day? What does the opposition promise when it comes to domestic and foreign policy? What will be the economic impact of the elections? To address these questions and more, please read our report.

— Gönül Tol

Gönül Tol is the founding director of the Middle East Institute's Turkey program and a senior fellow with the Black Sea Program. She is the author of "Erdoğan's War: A Strongman's Struggle at Home and in Syria."



Photo above: A woman walks past billboards, one with the portrait of President Recep Tayyip Erdoğan (L) and another with the portrait of opposition presidential candidate Kemal Kılıçdaroğlu (R), in Şanlıurfa on April 28, 2023. Photo by OZAN KOSE/AFP via Getty Images.

THE DUST HAS NOT YET SETTLED AHEAD OF TURKEY'S ELECTIONS

CAN SELÇUKI

We're only in May but it's safe to say that 2023 has been one of the longest years in the history of Turkish politics. Turkey's political scene is now more active than at any time in the past two decades. The main issues in the presidential and parliamentary elections on May 14 are the deteriorating economic conditions and identity politics. The roughly 40% government, 60% broad opposition balance in the polls in early 2022 remains largely intact with less than two weeks to go until the elections. For the first time in two decades President Recep Tayyip Erdoğan is heading into an election not in the lead.

Potential for Change

One of the most interesting aspects of the 2023 elections is undoubtedly the potential for change. There are three main reasons for this. First, in order to win the presidential election and become the head of the executive, a candidate must win at least 50% of the votes in the first or second round. If no candidate receives 50% in the first round, a second round is held two weeks later pitting the two candidates with the most votes against one another. If Turkey were still a parliamentary system, the People's Alliance, which received about 42% of the votes as of the last week of April, could easily form a government and would have no difficulty in obtaining a vote of confidence. But conditions have changed and Turkey now has a presidential system. The outcome of the parliamentary election on May 14 will play an important role if the presidential election goes to a second round. However, it seems that no alliance in parliament can secure even a simple majority without the support of the Green Left Party (YSP), under whose banner candidates from the Peoples' Democratic Party (HDP) are running.

The second reason we talk about change is related to a structural feature of Turkey's multi-party political life. To put it in simple terms, there are around 35% left-wing and 65% right-wing voters in the country. Previous election results reveal that voters who change their party preferences between elections

do so within the left-wing and right-wing blocs and not across them. In fact, one of the most important reasons behind the electoral success of the Justice and Development Party (AKP) in the last two decades is that Erdoğan has managed to keep a very large right-wing bloc under the roof of the AKP for many years. What is different in this election is that after a very long time, the center-left — the Republican People's Party (CHP) — and center-right parties — mainly the Good Party (İYİ Parti) and other components of the opposition "Table of Six" alliance — have come together against the ruling bloc. The swing voter still remains the preferred ideological bloc. However, this time around, unlike what has happened in the past two decades, this creates a result that goes against the AKP.

The third reason is that the opposition came together in the 2019 local elections and won the metropolitan cities, Ankara and Istanbul in particular. On the one hand, this success created and popularized a "winning formula," and on the other hand, the change in the allocation of local resources following the elections empowered the opposition in many areas. Undoubtedly, without the opposition's success in the 2019 local elections, it would not have been possible to talk about change despite the two previous factors. Indeed, the mayors of Ankara and Istanbul are both playing a critical role in Nation Alliance presidential candidate Kemal Kılıçdaroğlu's campaign across the country.

Direction of the Polls

In early March, right after Kılıçdaroğlu's candidacy was announced, our polls showed him leading by 9 points in the second round of the presidential election. At the end of April his lead narrowed to 6 points. The main reason for this is Erdoğan's propaganda that if the opposition were to win, they would not fight terrorism. This rhetoric has worked so far, although the opposition is trying very hard to combat it.

In polls of the first round of the presidential election Kılıçdaroğlu continues to lead the race by 3-4 points. Erdoğan



Photo above: A person holds the ballot displaying presidential candidates in front of the logo of “Supreme Election Council” ahead of the presidential and parliamentary elections to be held on May 14. Photo by Muhammed Selim Korkutata/Anadolu Agency via Getty Images.

rarely breaks the 43% mark in terms of support, which appears to be a glass ceiling for him. The outcome of the first round depends not on these two candidates, however. Muharrem İnce of the Homeland Party and Sinan Oğan of the ATA Alliance, who have recently started to show up in the polls, are the kingmakers. As of the end of April, they accounted for roughly 10% of the vote between them, which is enough to carry the presidential election to a second round. İnce’s support has waned significantly in the past month, yet neither Kılıçdaroğlu nor Erdoğan managed to benefit. Rather it was Oğan who gained as a result. Unless the combined support for İnce and Oğan falls below 4%, a second round looks like a certainty. Young voters, who account for the majority of support for these two candidates, are proving to be a very volatile group. The volatility in the polls in the past few weeks has been mainly due to young voters changing their minds rapidly. So come May 14 it remains to be seen if they will indeed stick with one of these two candidates or gravitate toward one of the other two,

Erdoğan or Kılıçdaroğlu, that have a chance of winning. If that turns out to be the case, Kılıçdaroğlu is more likely to win their support and make it over the finish line in the first round.

If the presidential election goes to a second round, Turkey will go through two weeks unlike anything it has experienced before. Economic turmoil is likely and the impact of the parliamentary result on electorate behavior is difficult to assess at this point.

Can Selçuki is an economist, data analyst, and the director of Türkiye Raporu, which publishes an influential monthly report on Turkish public opinion.

POLARIZING POPULISM VS. INCLUSIVE POSITIVITY: ERDOĞAN AND KILIÇDAROĞLU'S DUELING CAMPAIGN STRATEGIES

SEREN SELVIN KORKMAZ

As Turkey gears up for a crucial election later this month, the country is currently witnessing two very different political campaign styles. President Recep Tayyip Erdoğan, who is seeking re-election, is competing against Kemal Kılıçdaroğlu, the joint candidate of the Nation Alliance, who is also backed by the Labor and Freedom Alliance. The two candidates' wildly different political and governing styles are apparent in their campaigns: President Erdoğan follows a polarizing, negative, and fear-based approach focused on energizing his base, while Kılıçdaroğlu's campaign is dynamic, inclusive, and positive.

A One-Man Campaign Using a Populist Playbook

Despite Turkey's serious economic problems — high inflation, a large current account deficit, a weak currency, and rising poverty levels — President Erdoğan and his Justice and Development Party (AKP) have maintained considerable support. However, their hold on power has been challenged by a [unified opposition bloc](#), and recent polls suggest that victory may be within the opposition's reach. Turkey has a two-round system for presidential elections: If no candidate receives 50% in the first round, a second round is held two weeks later between the top two candidates. Thus, Erdoğan is primarily focused on winning in the second round and is working to maintain his core support in the first round. His campaign strategy revolves around a populist playbook based on creating an "us" vs. "them" division within society and portraying himself as "the only legitimate and real representative of the people." He aims to keep his base intact while convincing unhappy voters to remain loyal, and his electoral strategy has three main elements.

First, President Erdoğan's campaign style is characterized by a nationalist and Islamist tone. This ideological leaning

is reflected in the broader People's Alliance, which includes the nationalist Great Unity Party (BBP) and Nationalist Action Party (MHP), as well as the Islamist New Welfare Party (YRP), and is being supported by the Islamist Free Cause Party (HÜDA-PAR), whose candidates are also on the AKP list. Erdoğan portrays himself and his alliance as "native and national," while describing the opposition as actors cooperating with "terrorists," foreign agents, and their domestic allies. Religion and morality are at the center of his campaign, with Erdoğan targeting Kılıçdaroğlu's Alevi identity to stir up religious sentiment among his base. President Erdoğan, a Sunni Muslim, is known for his conservative and Islamist policies, and often use religious symbols and discourse in his campaigns. His party recently released a video highlighting the conversion of [Hagia Sophia](#) from a museum into a mosque, a symbol of achievement for Muslims. His campaign also employs an anti-LGBTQ+ discourse, implying that opposition parties will allow a degeneration of values.

Secondly, Erdoğan relies on stoking fear and anxiety among his base to discourage them from voting for the opposition. Through his control of the media, he projects the message that if he were to lose, his supporters would suffer dire consequences. He seeks to paint the opposition as a threat to his supporters' values and way of life, for example emphasizing the risk of the headscarf ban being reintroduced. By playing on their anxieties and fears, he aims to persuade them to remain loyal and avoid voting for change. This fear-based approach is designed to maintain the status quo and secure his party's hold on power, even in the face of the significant challenges facing the country.

The third element of Erdoğan's strategy is to use harsh, polarizing rhetoric toward the opposition, which creates a sense of conflict and division. AKP members and ministers use exclusionary language to describe the opposition. For



Photo above: Turkish President and People's Alliance's presidential candidate Recep Tayyip Erdoğan delivers a speech during an election campaign rally in Ankara, on April 30, 2023. Photo by ADEM ALTAN/AFP via Getty Images.

example, Minister of the Interior Süleyman Soylu even [called the election](#) a “coup attempt.” This rhetoric is designed to create fear and urgency among Erdoğan’s supporters, portraying the election as a battle for the nation’s survival. Under these circumstances, there has been an increase in violent incidents, such as armed attacks on opposition party offices, including those of the Good (İYİ) Party and the Republican People’s Party (CHP) in Istanbul. Even individuals who criticize Erdoğan and his allies can be targeted, as seen in the case of the graphic designer who was [taken into custody](#) for producing stickers critical of Erdoğan and MHP leader Devlet Bahçeli. This kind of repression and violence aims to suppress opposition voices and increase fear among opposition supporters.

Erdoğan also uses his media power and state resources to imply that only the AKP can ensure that areas hit by

the devastating February earthquakes are rebuilt. He has already started reconstruction projects and given a sense of hope to those affected by the quakes. This strategy could work for some voters, despite the widespread anger toward the government. Erdoğan has also been highlighting his previous successes in carrying out mega-projects and recent advances in Turkish military technology, with the aim of appealing to voters’ nationalist sentiments. Additionally, he is using economic tactics, like [discounts on energy bills](#), to win votes as well.

Erdoğan’s main campaign slogan, “Right time, right man,” is ironic given Turkey’s crippling economic crisis and the widespread destruction caused by the February earthquakes. In Malatya, a city that saw massive earthquake damage, a large poster of Erdoğan with his campaign slogan was displayed on one of the few buildings still standing. In addition, he is



Photo above: Leader of the Republican People’s Party (CHP), Kemal Kılıçdaroğlu (L5), and the vice presidential candidates of the main opposition alliance greet supporters at a rally while campaigning in Izmir on April 30, 2023. Photo by Burak Kara/Getty Images.

attempting to appeal to people’s emotions by emphasizing that this will be his last term, which works for some of his loyal supporters. Erdoğan has made himself the centerpiece of his campaign; he is portrayed as a solitary figure even when accompanied by other AKP ministers and MHP leader Bahçeli. However, his team is not creating hope among voters and they are not as popular as previous AKP figures.

Kılıçdaroğlu’s Inclusive, Positive Campaign

As President Erdoğan escalates his harsh and divisive rhetoric, Kılıçdaroğlu’s approach has been dubbed “calm power,” and the CHP leader has successfully run an [inclusive and positive campaign](#).

Kılıçdaroğlu has taken a dynamic team approach, in contrast to Erdoğan’s one-man show. By holding rallies with popular mayors who would be appointed as vice-presidents if he wins, Kılıçdaroğlu’s campaign has gained momentum. Mayors Mansur Yavaş of Ankara and Ekrem İmamoğlu of Istanbul appeal to different bases, with Yavaş gaining the support of nationalist conservatives while İmamoğlu is favored by youth and women. In contrast to Erdoğan’s emphasis on mega-projects, Kılıçdaroğlu highlights their successes in local governance. Other leaders of the Nation Alliance are also actively campaigning and participating in huge rallies in major cities with Kılıçdaroğlu. The pro-Kurdish Peoples’ Democratic Party (HDP), running under the Green Left Party (YSP) banner due to a party closure case, has begun to ask for votes for Kılıçdaroğlu as well, mobilizing large crowds in the Southeast. Başak Demirtaş, the wife of jailed HDP ex-leader Selahattin Demirtaş, is also actively rallying and asking for votes for both Kılıçdaroğlu and the YSP.

Kılıçdaroğlu's campaign strategy is characterized by inclusivity. His alliance with other political parties indicates that he is running as the candidate of diverse ideological groups, including Kurds, secularists, nationalists, and conservatives who want a more democratic Turkey. Unlike Erdoğan's polarizing rhetoric, Kılıçdaroğlu's campaign is centered around an inclusive message symbolized by a heart symbol. He is taking a page from his 2019 "[radical love](#)" campaign and focusing on positive messaging instead of fear-based tactics. By avoiding divisive issues and emphasizing hope and unity, Kılıçdaroğlu aims to appeal to a wide range of voters.

Kılıçdaroğlu is not ignoring Erdoğan's focus on identity politics and attempts to target him, however. Instead of simply responding to Erdoğan, Kılıçdaroğlu is directing his message toward the people and is presenting a vision for freedom and justice. Erdoğan frequently emphasizes Kılıçdaroğlu's Alevi identity, to which the Nation Alliance candidate responded by releasing a [video](#) acknowledging it and encouraging young people to choose a politics that does not exclude people based on their identity. This video has become the most watched of the entire campaign. Overall, Kılıçdaroğlu is trying to shift the focus away from identity politics and toward issues of justice and equality.

Kılıçdaroğlu has made the use of social media to communicate his plans and ideas to the public a central part of his campaign. Unlike the government, which relies on identity politics, mega-projects, and election-oriented economic inducements, Kılıçdaroğlu's focus is on providing solutions to people's everyday problems, especially economic ones. By emphasizing the importance of practical solutions, Kılıçdaroğlu hopes to gain the people's trust and provide them with a viable alternative to the government's policies.

Kılıçdaroğlu's main campaign slogan — "promise you, spring will again come" — offers a message of hope and renewal. It aims to inspire voters and give them optimism about the future, despite the challenges and difficulties Turkey is currently facing. They added a new slogan to their campaign, "Let's win" (*haydi kazanalım*), with dynamic music in the final phase of the election to motivate people to vote in an effort to win in the first round.

The upcoming election is crucial for the future of Turkey. Kılıçdaroğlu is committed to working toward a more inclusive

and democratic country, whereas President Erdoğan is focused on retaining power and maintaining the status quo by provoking fear of change among his base. It remains to be seen who will win the elections, but it is evident that the choice voters make will have far-reaching consequences for Turkey's future.

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ASSESSING COMPETING SCENARIOS FOR TURKEY'S PARLIAMENTARY ELECTIONS

BERK ESEN

On May 14, Turkish voters are headed to the polls for [twin elections](#) — presidential and parliamentary — that are expected to shape the country's political trajectory for years to come. More than 60 million voters in Turkey and some [3.5 million](#) voters abroad are registered to cast their ballots. While the presidential race has generated wide interest in the [international media](#), there is little informed discussion when it comes to the parliamentary elections, which will select 600 deputies. Unlike the presidential elections, which quickly turned into a tight [contest](#) between President Recep Tayyip Erdoğan and the main opposition leader, [Kemal Kılıçdaroğlu](#), the parliamentary races are more unpredictable at this point.

Electoral Alliances

[Twenty-six parties](#) are competing in this year's parliamentary campaign, though half of them have joined various electoral coalitions. The ruling People's Alliance, currently led by President Erdoğan, is composed of the Justice and Development Party (AKP), the [Turkish ultra-nationalist Nationalist Action Party \(MHP\)](#) and Great Unity Party (BBP), the Islamist [New Welfare Party \(YRP\)](#) and the [Free Cause Party \(HÜDA-PAR\)](#), and, surprisingly, the Democratic Left Party (DSP), a fringe center-left faction that was once the leading member in a former coalition government (1999-2002).

The opposition Nation Alliance is also a diverse [six-party coalition](#), representing almost the entire political spectrum: from the center-left Republican People's Party (CHP) and moderate Turkish nationalist Good (İYİ) Party to four minor right-wing parties, including two splinter parties founded by former AKP ministers, the Future Party (GP) and [Democracy and Justice Party \(DEVA\)](#).

The leftist [Labor and Freedom bloc](#), led by the pro-Kurdish Peoples' Democratic Party (HDP), is the second major opposition alliance. It includes six other minor leftist parties, such as the Workers' Party of Turkey (TİP). Among factions running

independently, only the [Homeland Party \(MP\)](#), established by [Muharrem İnce](#), CHP's former presidential candidate in the 2018 elections who resigned from his former party to run for the [presidency again](#), carries some electoral weight.

To enter parliament, a party either needs to obtain [7% of the vote nationwide](#) or join an alliance that does, according to the [electoral law](#) amended last year. This rule encourages minor parties to run as part of electoral alliances to overcome the high electoral threshold, even though seat allocations are distributed proportionally according to the [D'Hondt method](#). Those parties running under their own party logos and lists in the same alliance will, therefore, compete against each other as well.

Surprisingly, despite the obvious electoral advantages of nominating candidates under a single party banner, the [three main alliances](#) failed to prepare a joint candidate list. Most significantly, except for HÜDA-PAR and DSP, the other four parties of the People's Alliance are fielding their own candidates under their own logo. Given their minor status, the BBP and YRP are not expected to attract much support from the AKP electorate but may nonetheless cost the ruling party a few seats in tight parliamentary races. However, this same decision by the MHP leadership, which obtained an 11.7% vote share in the 2018 general elections, could prove decisive in preventing the People's Alliance from attaining a majority.

By contrast, the Nation Alliance achieved a higher degree of success in inter-party negotiations for its parliamentary lists. Although they are competing under their own party logos nationally, the two leading parties of the alliance — namely, the CHP and İYİ — decided to merge their candidate lists in 16 provinces. Meanwhile, 76 candidates from the other four right-wing parties will run under the CHP logo, though [approximately 30 candidates](#) are placed in safe electoral seats in CHP strongholds, in metropolitan areas like Istanbul, Ankara, and Izmir. Arguably, the CHP leadership hopes to create



Photo above: Turkish President Recep Tayyip Erdoğan addresses parliament at the opening of the new legislative year in Ankara on Oct. 01, 2021.

Photo by Ali Balıkcı/Anadolu Agency via Getty Images.

synergy at the polls that would enable Kılıçdaroğlu to win the presidency and push its vote share above 30% to compensate for the allocated seats. However, the presence of [former AKP politicians](#) among DEVA and GP candidates may motivate some traditional CHP voters to cast their ballots for İYİ or the Homeland Party.

Except for TİP, which will compete separately in 49 provinces, all the other political parties that make up the Labor and Freedom Alliance decided to run their candidates under the banner of the [Green Left Party](#) (YSP). Although the HDP is the leftist bloc's leading party, its leadership decided on this course because it faces a [closure case](#) at the Constitutional Court. Meanwhile, TİP's choice to run under its own banner led to an internal crisis within the coalition, as other parties criticized this decision for splitting their vote in a critical election. With

only a handful of energetic members of parliament, TİP has, in recent months, mobilized young leftist voters with its hardened opposition against Erdoğan and effective use of digital media. It hopes to obtain 3% of the vote (the threshold to receive public funding) and 20 deputies in the legislature.

Election Outcomes: Trends and Scenarios

There are several [possible scenarios](#) for the parliamentary composition after the upcoming elections. The government's [mismanagement of the economy](#) and [incompetence](#) in the aftermath of the devastating February 2023 earthquakes are expected to reduce the incumbent vote share. That said, unlike in the presidential elections, in which Erdoğan [is no longer the clear favorite](#), the ruling People's Alliance is still

expected to win more parliamentary seats than the Nation Alliance, according to estimates by reliable polling agencies. The AKP is predicted to become the top party in a majority of the 87 electoral districts across the country, thereby securing the marginal (swing) seats available in each area. Some analysts suggest that due to the divided nature of the opposition camp, even 43% or 44% of the vote may be sufficient for the ruling alliance to retain its parliamentary majority. According to [most polls](#), the AKP has not fallen below 35%, while the MHP is projected to get approximately 7%. Of course, this result would still represent a major electoral decline for the AKP and the MHP, which obtained 42.6% and 11.1% of the total vote share and 290 and 49 seats in the 2018 general elections, respectively.

By contrast, the likelihood of the Nation Alliance gaining a parliamentary majority is very low. CHP lawmakers lead [municipal governments across Turkey's major metropolitan areas](#), so the party may very well expand its vote share and the number of its parliamentary deputies in those larger urban districts. The CHP joint list, which includes four minor right-wing parties, may also draw support from swing voters in some conservative provinces. However, these electoral windfalls will probably not be sufficient to get the People's Alliance to 301 seats. Neither the CHP nor the İYİ Party has a strong organizational presence in sparsely populated Anatolian provinces that are overrepresented in terms of parliamentary seats. Both parties similarly have low levels of electoral support in the Kurdish-populated eastern region, where the pro-Kurdish movement is predominant, except for Kılıçdaroğlu's hometown of Tunceli.

A more likely scenario is a hung parliament in which neither alliance gains a majority, with the pro-Kurdish YSP finding itself in a strong bargaining position. Despite internal rifts in the leftist coalition, TİP's ability to spoil the opposition vote is most likely limited to major metropolitan districts with sizable urban secular constituencies in Istanbul and Izmir. Therefore, the YSP can repeat the HDP's performance in the 2018 general elections, when it won 67 deputies with 11.7% of the vote. Despite repeated government crackdowns since 2015, [with a recent wave of arrests](#) on April 25, the pro-Kurdish movement retains its political presence in the eastern provinces, where it is expected to win an overwhelming majority of the parliamentary seats, and enjoys strong ties to Kurdish voters across the country.

Post-Election Scenarios

The results of the parliamentary elections will have major political and electoral implications. In case the presidential election advances to a second round, Erdoğan could spin any result besides an outright Nation Alliance majority in parliament to his advantage. Should his People's Alliance win a parliamentary majority but the presidential election goes to a second round, Erdoğan will presumably try to convince voters not to cast their ballots for Kılıçdaroğlu in the May 28 presidential runoff so as to avoid a divided government. Under a hung parliament scenario, however, Erdoğan may attempt to scare Turkish nationalist voters by portraying himself as the only leader capable of resisting the pro-Kurdish alliance becoming a key actor in the next term.

Due to the highly polarized political arena in Turkey, a cohabitation scenario under either leader as president would usher in a very contentious period for the foreseeable future. Cohabitation under an Erdoğan presidency might lead to [executive aggrandizement](#), since a reelected Erdoğan would seek to erode parliamentary powers further, while attributing blame to the legislature for not resolving the country's pressing problems. By contrast, cohabitation under the CHP leader could turn the [soft-spoken](#) Kılıçdaroğlu, who already leads a very [diverse coalition](#), into a lame duck president. Faced with a strong parliamentary opposition headed by the People's Alliance and [massive problems](#) on the home front, Kılıçdaroğlu would be forced to negotiate deals with Turkish and Kurdish nationalists to implement his legislative agenda. This unmanageable scenario would raise the likelihood of an early election. Either way, the outcome of the May 2023 general elections will shape Turkey's political trajectory for the foreseeable future.

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AN OPPOSITION FOREIGN POLICY IN ERDOĞAN'S SHADOW

ALAN MAKOVSKY

If Turkish President Recep Tayyip Erdoğan and his Justice and Development Party (AKP) are defeated in this month's elections, the next government, led by the Republican People's Party (CHP), will likely prove more agreeable — or at least no more difficult — on virtually every issue of importance to the United States and Turkey's other allies in the North Atlantic Treaty Organization (NATO). There undoubtedly will still be areas of contention, including some of the same ones that have bedeviled the West's relations with Turkey under Erdoğan. For reasons both ideological and economic, however, a new Turkish government would want a closer relationship with the West than Erdoğan has pursued for many years.

Opposition leader Kemal Kılıçdaroğlu is a secularist who comes from a tradition that sees Turkey's proper place as part of the Western world. As such, he and his CHP cadre feel more at home in the secular West than in the Middle East or even Russia. Indeed, he lacks the religious credentials that have helped facilitate Erdoğan's popularity in the Middle East — on the street, if often not with the region's ruling regimes. He would certainly continue to pursue ties with Russia, which are now economically critical for Turkey, but he would lack the history and avoid the intimacy that Erdoğan has cultivated with Russian President Vladimir Putin.

Far more important than personal or ideological compatibility, however, would be the new government's need to boost Turkey's shaky economy. The economy, more than any other issue, will likely be responsible for an opposition victory, should it occur; it would also be the issue on which the new government's success or failure would stand or fall.

Should Kılıçdaroğlu win, his victory will probably be greeted warmly in the West, where frustration has long simmered over Erdoğan's unpredictability, bluster, and neutralist — and, increasingly in recent years, authoritarian — tendencies. For example, should Turkey need to turn to the International

Monetary Fund (IMF) to boost its economy, the new government could at least count on a sympathetic hearing.

Assuming the new government takes some of the early steps it has pledged — such as ratifying Sweden's NATO application,¹ implementing outstanding European Court of Human Rights (ECHR) decisions,² and generally increasing Turks' scope for freedom of expression³ — most Western states will look for ways to support it. And assuming that the new government is seen to be stable and begins the process of implementing some key economic promises differentiating it from the Erdoğan government — such as steps to ensure central bank⁴ and (more challengingly) judicial independence⁵ as well as the passage of a public procurement law that meets the European Union's standards⁶ — increased private Western investment will likely follow.

In opposition, Kılıçdaroğlu has not been above trying to outflank Erdoğan's nationalism on issues ranging from Greece and Cyprus to Israel and Saudi Arabia.⁷ But as president, his need for Western support, if nothing else, is likely to keep him on a moderate, non-provocative path. Indeed, his campaign rhetoric and platform generally reflect such a restrained course. By temperament and style, he almost certainly will not match

1. See quote from Kılıçdaroğlu advisor Ünal Çeviköz: "If the opposition wins, there is a high probability that Sweden's application will be approved before the meeting in Vilnius on 11-12 July," <https://www.euractiv.com/section/politics/news/former-diplomat-turkish-opposition-win-could-benefit-swedish-nato-bid/>.

2. *Memorandum of Understanding on Common Policies 30 January 2023* (platform document of Nation Alliance — hereafter, MOUCP), p. 38.

3. MOUCP, pp. 41-43.

4. MOUCP, pp. 57-59 (also, pp 88-90).

5. MOUCP, pp. 38-41.

6. MOUCP, pp. 10, 52.

7. See, for example, Ragıp Soylu, "Turkey's opposition promises to target Israel, Saudi Arabia, and Greece," June 27, 2022, accessed at <https://www.middleeasteye.net/news/turkeys-opposition-promises-go-after-israel-saudi-arabia-and-greece>; and "Turkish opposition leader backs two-state solution in Cyprus," June 11, 2021, accessed at <https://ahvalnews.com/cyprus-issue/turkish-opposition-leader-backs-two-state-solution-cyprus>. See also <https://twitter.com/bulutuzay/status/1570393461043625986>, regarding Kılıçdaroğlu taunt that Erdoğan, if serious about attacking the Greek islands (as Erdoğan had frequently threatened), should stop talking and just send in the troops, as then-CHP leader Bülent Ecevit did in Cyprus in 1974.

Erdoğan's stridency. Moreover, he inherits a post-earthquake atmosphere, in which even Erdoğan has calmed ties with Greece.

Who Will Run Foreign Policy If the Opposition Wins?

The main Turkish opposition, known as the Nation Alliance, consists of six parties, but its government is likely to be dominated by its two largest members: the center-left CHP (the largest) and the right-wing Good (İYİ) Party, which is likely to win less than half as many votes as the CHP.

If CHP head Kılıçdaroğlu wins the presidency, he will be the dominant decision-maker in foreign policy, per the “executive presidency” system he would inherit from Erdoğan. However, Kılıçdaroğlu's focus — on account of both national interest and personal preference — is likely to be on domestic matters, particularly the economy and issues related to democracy and personal freedoms.

For the day-to-day management of foreign policy, Kılıçdaroğlu will rely on the career bureaucracy and probably a few of its alumni. The common six-party opposition platform pledges to “reinstate the role and duty of the Ministry of Foreign Affairs in foreign policy-making.” Both Kılıçdaroğlu and İYİ Party leader Meral Akşener, neither of whom have served in government in a foreign policy capacity, seem fully committed to this course. Each has a former ambassador as a top foreign policy advisor. Kılıçdaroğlu himself is a former senior bureaucrat,⁸ so it is not surprising that he turns for advice to the bureaucracy's experts and alumni: As leader of the CHP since 2010, Kılıçdaroğlu has had a series of foreign policy advisors, all former ambassadors.

It is not clear who will be foreign minister or even from which party the minister will emerge. Turkish media speculation is focusing on a group of individuals who have at least one thing in common: They are not candidates for the next parliament. Under the current Turkish system, members of parliament are not allowed to serve as cabinet ministers.

Two of the tiny factions in the six-member coalition are headed by former foreign ministers, Ahmet Davutoğlu of the Future Party (GP) and Ali Babacan of the Democracy and Progress

8. Kılıçdaroğlu was a civil servant from 1971 to 1999, rising to become director general of the Social Insurance Institution.

Party (DEVA), both of whom served in Erdoğan's government but later broke away from the AKP. Like all five leaders of CHP's alliance partners, they have been promised a vice presidency. (Turkey's system allows the president to appoint an unlimited number of vice presidents.) Kılıçdaroğlu has promised to consult and seek consensus with these leaders on all major decisions, including national security issues,⁹ but Davutoğlu's and Babacan's influence on foreign policy and national security is likely to be minimal, if that. In office, Davutoğlu was the architect of an aggressive, Islamist-oriented foreign policy that is at odds with Kılıçdaroğlu's views and whose elements are indirectly denounced by the six-party platform. Babacan is more associated with economic issues, a realm in which he enjoyed considerable success as the dominant player during the AKP's first years in power.

Outlook: Turning the Page on the Erdoğan Era

Predictions based on governing parties' statements and votes while in opposition are uncertain at best; the requirements of office often alter an opposition leader's outlook. Predictions based on campaign pledges are even more hazardous. Platforms, after all, are political documents, designed to attract votes, not force constituents to come to grips with hard truths.¹⁰

With those caveats in mind and using the Nation Alliance's joint platform as a departure point, two main themes are likely to mark a CHP-led foreign policy, restraint regarding neighbors' affairs and an effort to strengthen ties with the West.

Non-interference. The platform foresees a far less assertive regional policy than Erdoğan's. It pledges to “respect the independence, sovereignty, and territorial integrity” of Middle Eastern countries and “not interfere in their internal affairs.”¹¹

This could be strictly boilerplate or simply a jab at Erdoğan's Syria and Libya policies. However, it also mostly tracks with

9. “Güçlendirilmiş Parlamenter Sisteme Geçiş Sürecinin Yol Haritası, 6 Mart 2023,” a 12-point agreement on governance procedures signed by the Nation Alliance's six party leaders. See especially point 8.

10. The six-party platform devotes less than 5 pages (MOUCP, pp. 232-236) out of 245 to its foreign policy section, although some other sections do touch on issues related to foreign affairs. It contains very few specifics, but, as suggested here, there are hints at the course the opposition wishes to take.

11. MOUCP, p.235.



Photo above: The Republic of Turkey Ministry of Foreign Affairs building rises high in the Ankara skyline on May 8, 2018. Photo by Diego Cupolo/ NurPhoto via Getty Images.

past positions taken by the CHP and İYİ. From the beginning, the CHP opposed Erdoğan's regime-change policy in Syria, advocating instead continued recognition of the Bashar al-Assad regime. It likewise opposed sending Turkish troops to Libya in 2019 and voted against extending the presence of troops in Syria in 2021. İYİ joined the CHP in opposing the deployment of troops to Libya; it supported the troop extension in Syria but said it nevertheless opposed any new intervention there. Both parties supported the maritime delimitation agreement with the Tripoli government, while opposing the companion military accord.¹²

12. "Turkish opposition votes against military deal with Libya at parliamentary committee," December 18, 2019 (updated December 19, 2019), accessed at <https://ahvalnews.com/turkey-libya/turkish-opposition-votes-against-military-deal-libya-parliamentary-committee>; Hande Fırat, "Main opposition CHP objects to sending troops to Libya," December 17, 2019, accessed at <https://www.hurriyetdailynews.com/main-opposition-chp-objects-to-sending-troops-to-libya-149940>; "Turkey's parliament approves military deployment to Libya," January 2, 2020, accessed at <https://www.aljazeera.com/news/2020/1/2/turkeys-parliament-approves-military-deployment-to-libya>; Nazlan Ertan, "Turkey's

In a similar spirit, the platform pledges to end foreign policy based on "domestic political calculations and ideological approaches"¹³ — a charge Kılıçdaroğlu has frequently made against Erdoğan. The clear implication is that foreign policy should be driven strictly by a clear-eyed calculation of national interest.

The reference to "ideological approaches" likely reflects Kılıçdaroğlu's oft-stated accusation that Erdoğan's foreign policy,

parliament votes to extend mandate for troops in Iraq, Syria," *Al-Monitor*, October 26, 2021, accessed at <https://www.al-monitor.com/originals/2021/10/turkeys-parliament-votes-extend-mandate-troops-iraq-syria>. Kılıçdaroğlu explained his negative vote on Syria mainly in technical terms, emphasizing that he objected to a two-year extension rather than the more standard one-year extension. This allowed him to say that his vote should not be taken as undermining the troops already in Syria. Many saw his stance — probably correctly — as outreach to the Kurdish-dominated Peoples' Democratic Party (HDP), with an eye on the 2023 elections. HDP strongly opposed the extension, and, as Ertan points out, an HDP parliamentarian from Diyarbakir warned CHP of political consequences if it supported the extension.

13. MOUCP, pp. 29, 232.



Photo above: Leader of IYI Party Meral Akşener (L) and Republican People’s Party (CHP) leader and presidential candidate Kemal Kılıçdaroğlu (R) on stage during a rally in Kocaeli on April 28, 2023. Photo by YASIN AKGUL/AFP via Getty Images.

including his Syria and Libya policies, is “Muslim Brotherhood-driven.”¹⁴ He has muted that language in recent times – including in the drafting of the common, six-party platform – probably in deference to the fact that at least two of the smaller parties in the coalition have their own history of closeness to the Brotherhood. Nevertheless, the Brotherhood and Hamas would seem to have little future in a Kılıçdaroğlu Turkey.

Pro-Western direction. Support for NATO and for relations with the U.S. is expressed somewhat unsentimentally but unmistakably – unsentimentally, presumably, because of the general unpopularity of the U.S. and the West in Turkey. The opposition pledges to support NATO “on a rational basis and

with our national interests in mind,” while acknowledging that “NATO is of critical importance in terms of the deterrence it provides for our national security.”¹⁵

Regarding the U.S., the opposition pledges to “establish” bilateral relations “on an institutional basis with an understanding that both parties are equal” and to “advance the *alliance* [emphasis added] relationship” on an “equal” basis. The reference to “an institutional basis” is intended to contrast with Erdoğan’s emphasis on personal diplomacy.¹⁶

A subsequent pledge to “take initiatives for Turkey to return to the F-35 project” is a veiled suggestion that a new government would seek to resolve the diplomatic problem caused by Erdoğan’s purchase of the Russian S-400 surface-to-air

14. See, for example, Kılıçdaroğlu quote accusing Erdoğan’s foreign policy of being “purely based on the Muslim Brotherhood,” in Serkan Demirtas, “CHP leader criticizes Turkey’s Libya policy,” *Hurriyet Daily News*, December 28, 2019, accessed at <https://www.hurriyetdailynews.com/chp-leader-criticizes-turkeys-libya-policy-150360>.

15. MOUCP, pp. 30, 234.

16. MOUCP, pp. 30, 236.

missile system — a known prerequisite for any possible return, however unlikely, to F-35 stealth fighter co-production with the United States and the project's other international partners.¹⁷

The plank regarding Russia calls for “balanced and constructive dialogue,”¹⁸ but there is no reference to partnership or friendship, much less alliance. Kılıçdaroğlu has made clear that he would continue Turkey's anti-sanctions policy, but it seems reasonable to expect that he would at least work with the West to limit Moscow's ability to use Turkey to circumvent sanctions. In a recent *BBC* interview, Kılıçdaroğlu affirmed that he would prioritize relations with the West over ties with Russia.¹⁹

Potential Restraints

There are a number of potential obstacles that could ruffle the implementation of a CHP-İYİ foreign policy, particularly in its early days:

Learning curve. As noted, neither Kılıçdaroğlu nor Akşener have foreign policy experience.

Inherited policies. Kılıçdaroğlu probably wouldn't have pursued Erdoğan's policies of military occupation in Syria or outreach to the Tripoli government in Libya, but he won't find it easy to undo them.

Cohesion. The CHP and İYİ generally see eye-to-eye on foreign policy, but İYİ is the more nationalist of the two. How well will they be able to manage differences that inevitably arise in a multi-party government? Will they agree on issues such as Libya, Syria, and the stationing of Turkish troops in places like Qatar and Somalia?

Parliamentary factor. How much impact will the Green Left Party (YSP)²⁰ have, particularly if the Nation Alliance has to

depend on it for its parliamentary majority? How much foreign policy mischief will the People's Alliance (AKP-MHP) cause if it retains a parliamentary majority? (Considerable, one would assume, starting with the budget.)

Opposition leader Erdoğan. Parliamentary majority or not, Erdoğan as opposition leader would set the nationalist bar high, frequently putting Kılıçdaroğlu on the defensive and possibly pushing him into a foreign misadventure.

Stature gap. Erdoğan has been a commanding foreign policy presence domestically and, to a certain extent, regionally and globally for two decades. Kılıçdaroğlu's policies are likely to be more congenial to many of Turkey's neighbors and friends — not all — but will his words carry the same weight? Will he be as adept as Erdoğan at managing the Russia-Ukraine-NATO balancing act?

Conclusion

A CHP-İYİ government would include some neutralist elements, and it would likely be loath to compromise on issues related to Azerbaijan, the Aegean, the Cyprus problem, and perhaps the Eastern Mediterranean coastal shelf. But its ideological predilections and economic demands will almost inevitably veer it in a less provocative and more pro-Western direction than Erdoğan has pursued, especially in recent years. The Nation Alliance's success or failure in implementing its foreign policy, however, would likely depend both on its ability to command respect through economic success on the home front and its adeptness at maneuvering through the many obstacles that potentially await it on all fronts.

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17. MOUCP, pp. 30, 236. Turkey's participation in the F-35 co-production project came to an end early last year; the U.S. decision to wind down and terminate Turkey's involvement was made in 2019, in response to Turkey's acquisition of S-400s. Turkey's purchase of 100 F-35s was also canceled as a result of the S-400 purchase. Were Turkey to resolve the S-400 issue with the U.S., it could presumably once more purchase F-35 aircraft; it is unlikely, however, that it could re-join the co-production program, which has moved on, distributing to other partner-nations the production tasks formerly fulfilled in Turkey.

18. MOUCP, pp. 31, 236.

19. Orla Guerin, “Turkey election: Erdogan rival Kilicdaroglu promises freedom and democracy,” May 4, 2023, accessed at <https://www.bbc.com/news/world-europe-65467117>.

20. Operating under the expectation that the pro-Kurdish HDP might

be shut down by the authorities, party members instead decided to run as part of the YSP party list. The YSP leads the Labor and Freedom Alliance coalition, which has endorsed Kılıçdaroğlu for president but is concurrently running its own candidates in the parliamentary elections.

THE ECONOMIC IMPACT OF TURKEY'S ELECTIONS: SIX POTENTIAL SCENARIOS

M. MURAT KUBILAY

As Turkey heads to the polls for presidential and parliamentary elections this month, the consequences for its troubled economy are likely to be significant and wide-ranging. Financial stability, business confidence, purchasing power, and asset prices all depend on whether President Recep Tayyip Erdoğan's two-decade-long rule will continue; at the same time these factors will also determine his chances for re-election. Key economic stakeholders at home and abroad are hopeful, nervous, and uncertain about what will happen next. The government's current economic policies are clearly unsustainable, but it retains considerable power to shape public perception through the media. There are a number of potential election outcomes that could lead to greater uncertainty and volatility rather than clarity and stability.

Uncertainty and Instability

It is not long until the elections now and it is unlikely there will be a shocking crisis before the vote. Despite the country's serious problems, the government has found a variety of ways to keep the economy afloat, including by using mega-projects, low interest rates, state-owned bank loans, taxes that target their opponents, social transfers, new external finance channels, and stricter currency market regulations. But skepticism among households and investors alike is at an all-time high.

Of total bank deposits, [40.4%](#) are held in foreign exchange (FX) and gold accounts, while another 19.3% are in state-guaranteed accounts protecting against local currency depreciation. Most trade pricing is in hard currency. Even the government uses dollar or euro terms for its tenders. The 12-month foreign trade deficit is [\\$120.4 billion](#), a record high. Properties and local currency-denominated bonds are already expensive. Time deposits are not attractive due to the low interest rates on offer. The crypto asset rally ended a long time ago and investing in international equity markets requires significant technical expertise.

Therefore, there is a high demand for anything denominated in hard currencies, provided the price is still reasonable. Because of the inflationary spiral, demand for consumer goods is strong. The Central Bank of the Republic of Turkey (CBRT) cannot implement contractionary monetary policies since Erdoğan's unofficial mandate is to promote growth as much as possible. Under these circumstances, all players in the Turkish economy tend to hold FX-denominated or FX-protected assets. Furthermore, it is standard practice to keep assets abroad or under the pillow given the low trust in the financial system and government policies.

The CBRT has the responsibility of maintaining confidence; however, its FX and gold reserves, worth [\\$114.9 billion](#), are not fully available for intervention. Net reserves excluding external liabilities, borrowing via swap agreements, and central government FX accounts are -\$67.2 billion for the week ending on April 28. Recently, the CBRT started to sell its gold holdings indirectly to traditional jewelry stores and exchange offices in the Grand Bazaar. There are major question marks over financial stability and economic activity and any election result that has a thin margin of victory, leads to a compulsory run-off, or ushers in a divided government will have a swift and severe impact on financial and commercial markets.

The official inflation rate remains high, at [43.68%](#), and the real rate is likely to be even higher still. Unemployment is at [10.0%](#) but comes to more than twice that — 23.4% — when using more realistic definitions. To sum up, people are extremely dissatisfied with the economic situation and trust in the government's management is in short supply.

Six Election Scenarios

The results of the presidential election are the main factor shaping the future of the Turkish economy. How the state bureaucracy and foreign governments react will also be crucial. The composition of parliament and make-up of the majority



Photo above: Customers queue to exchange money at a foreign currency exchange bureau in Istanbul on May 3, 2023. Turkey's inflation slowed below 50% for the first time in over a year. Photo by Kerem Uzel/Bloomberg via Getty Images.

will affect the new government's ability to pursue reforms, and the local elections in March 2024 will be important for its continuity as well. The total number of deputies in parliament is 600. A minimum of 300 are needed to pass legislation, 360 can propose amendments for a referendum, and 400 can amend the constitution.

Recent polls suggest that the Nation Alliance candidate Kemal Kılıçdaroğlu is leading in the presidential race but that he will not have enough votes to be elected in the first round. Neither the ruling People's Alliance nor the Nation Alliance is expected to have a majority in parliament; therefore, the Labor and Freedom Alliance, which is directly supporting Kılıçdaroğlu for now, will probably be the kingmakers. Voters in the earthquake zone, those residing abroad, and those eligible to vote for the first time could increase the margin of error in these polls, and ensuring an accurate ballot count will be a key issue as well.

There are three main alliances contesting the elections:

- Nation Alliance (Mİ): Made up of the "Table of Six" opposition parties and supports Kılıçdaroğlu
- People's Alliance (Cİ): AKP is the leader of this alliance and supports Erdoğan
- Labor and Freedom Alliance (EÖİ): The pro-Kurdish Peoples' Democratic Party (HDP), now under the Green Left Party (YSP) banner, is the leader of this alliance and supports Kılıçdaroğlu

There are six potential scenarios for the May presidential and parliamentary elections, each of which will have a different impact on the economy and prospects for reform.

Scenario 1: Kılıçdaroğlu wins in the 1st round. Mİ and EÖİ win a total of 360-400 deputies.



Photo above: A view of the exterior of the Central Bank of the Republic of Turkey in Ankara on April 16, 2021. Photo by Ali Balıkcı/Anadolu Agency via Getty Images.

There will be a rapid and complete change in the senior management of key economic institutions. Inflation targeting will be the CBRT's main mandate. Strong support in parliament and from the public will result in more determined investigations of corruption claims involving former managers. Currency markets will be stable and strict regulations will be eased rapidly. The Turkish lira may depreciate again until foreign deficits become sustainable; however, no more currency shocks will occur. Medium-term reforms and constitutional amendments will also be implemented. Both hot money (short-term speculative capital) and foreign direct investment (FDI) will flow into Turkey. No International Monetary Fund (IMF) agreement will be necessary.

Scenario 2: *Kılıçdaroğlu wins in the 1st or 2nd round. Mİ and EÖİ win a total of 300-360 deputies.*

There will be a quick but less radical change in the senior management of economic institutions. Inflation targeting will be the priority, but economic growth will also be pushed given the importance of the 2024 local election for maintaining political stability. Policy normalization will still result in the depreciation of the lira. There will be no need for IMF funds as hot money will come in, while FDI inflows will depend on the local election results. There will be a risk of stagnation as normalization policies will partially hurt the real sector. Foreign policy reforms will be more gradual. The fight against corruption will be intense, but there will be resistance in some parts of society because of polarization and the pro-Erdoğan judiciary.

Scenario 3: *Kılıçdaroğlu wins in the 2nd round. Mİ and EÖİ win fewer than 300 deputies.*

Investors and society will be skeptical about the potential for the government to work in harmony and last for more than a few years. There will be much less opportunity to amend the constitution or implement medium-term reforms. Gradual policy normalization will still result in more stable financial markets. However, the main mandate of the new government, and thus the economic institutions, will be to ensure victory in the 2024 local elections to continue wielding power. Some hot money flows will ease the pressure on the local currency, but this may dissipate before the local elections. There will be no need for IMF funding, but inflationary pressure will be sticky. A mild recession is possible due to the combination of policy normalization and uncertainty. Attempts to pursue corruption investigations could lead to more political dissociation among the public.

Scenario 4: *Erdoğan wins in the 2nd round. Çİ wins fewer than 300 deputies.*

Due to Erdoğan's promise to maintain existing economic policies, the demand for hard currencies will jump and this will trigger a massive currency shock. Any attempt by Erdoğan to roll back his economic policies will only reduce the magnitude of the shock; regardless of who is in charge of the Treasury and the CBRT, the market will know he remains the final decision maker. Capital restrictions will become stricter and authoritarian social policies will be a must to implement them. There will be efforts to develop much closer relations with alternative sources of external finance. The long-delayed economic crisis will emerge as a severe recession.

Scenario 5: *Erdoğan wins in the 1st round. Çİ wins a total of 300-360 deputies.*

Erdoğan receives strong approval of his policies; therefore, the low-interest rate policy will continue and capital restrictions will be expanded to full-scale controls. Due to his renewed public support and an additional five-year term, he will try to secure new external financing by bargaining on foreign policy issues. Rapprochement with the West, particularly with the U.S., may be pursued in an effort to receive IMF loans. If that fails, a more determined and sharp change in the international political axis will be on the table. This transition process will be volatile and this uncertainty will result in greater poverty and more authoritarianism to preserve order. The magnitude and

severity of the eventual expected recession will depend on how much foreign funding can be obtained.

Scenario 6: *The elections are not successfully completed. Erdoğan keeps his post without legitimacy.*

Due to chaotic events before, during, and after the second round of the elections, no candidate will be elected and Erdoğan will remain in charge as acting president. His control of the upper ranks of the bureaucracy and judiciary may enable him to wield power for a number of months until new elections can be held under more favorable conditions. However, business and consumer confidence will plummet, prompting citizens to keep their savings under the pillow. This will lead to hard capital and price controls not only in the financial sector but also in a variety of other industries, resulting in the emergence of a black market for basic goods. External debt redemptions may also be delayed via a temporary moratorium, due to a lack of FX liquidity. Financial instability, a sharp drop in production, and mass poverty could lead to widespread demonstrations. A state of emergency will be implemented and a vast exodus of capital and even consumer goods will occur. The Turkish economy will be in the state of a deep depression.

Outlook

As outlined above, there are a wide range of possible outcomes for Turkey's presidential and parliamentary elections, each of which will have a different impact on the economy and prospects for reform. How much will change after the May elections remains unclear, but what we do know is that Turkey's economic status quo cannot be sustained. The economy will be at the top of the agenda for the new government for at least another year, until local elections are held in 2024.

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