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Putin and Erdoğan: a common road from utopia to dystopia shaken by protest, poverty



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Russian-Turkish relations have long been based on a complex set of dynamics. Yet when it comes to the governing styles of their two leaders, they share common goals and methods. Both have managed to preserve their hegemony for many years, risking much to keep themselves in power.









Peaceful street protests in Russia since January and equally peaceful demonstrations beginning in Turkey the same month have led to a very similar turn of events due to their respective governments' choices and the political dynamics they have created.

The timing of the start of street protests in Russia and Turkey in 2021 is not surprising at all. In both countries, those who took to the streets, those who are joining the protestors' ranks and those who were mistreated by police are nothing but ordinary citizens. These people, who have been living under intensifying political pressure from authoritarian leadership, are facing rising poverty as the already troubled Russian and Turkish economies are hit hard by the COVID-19 shock.

The world's attention is focused on the fate of Russian President Vladimir Putin's only serious political rival, Alexey Navalny, who survived an assassination attempt by the Kremlin and who is now sentenced to three and a half years in prison. The demonstrations in Russia coincided with Navalny's return to the country from Germany and with his release of a video outlining corruption allegations against Putin and his political and business associates.

Meanwhile in Turkey, student protests that began at Istanbul's Boğaziçi University, the country's most prestigious academic institution, against President Recep Tayyip Erdoğan's appointment of a party loyalist as rector, have spread across the country and underscore the government's denial of the most basic human rights and freedoms in the country, as well as Turkey's deteriorating economic conditions.

It is no coincidence that the widening economic divide in both countries is symbolised by the palaces built by their leaders – Putin's "secret \$1.4 billion palace" on the Black Sea and Erdoğan's imposing, sprawling residence atop a hill in Ankara.







When Putin became the prime minister of Russia in 1999, he took over a collāpsed economy that had declared a moratorium on debt repayments and a massive currency devaluation. As an economic recovery evolved into stable growth with the support of rising oil prices, Putin's power base strengthened and he moved up to the presidency. Putin managed to do lucrative business with the oligarchs he created, but also increased the welfare of Russia's citizens, who had become poorer since the collapse of the Soviet Union. He also fueled a sense of belonging among the population by fermenting nationalism.

But as is so often the case with autocrats, Putin's power became based on corruption, policy missteps, anti-democratic repression and even political murders, and the Russian economy began to deteriorate.

When Navalny garnered the support of millions with his opposition to Putin from 2011 to 2012, Putin succeeded in mobilising the economy with giant infrastructure projects for a short while. But the turning point came in 2014 when he annexed Crimea. Western countries imposed sanctions, oil prices fell and growth slowed in the Russian economy. The economic difficulties created by the COVID-19 virus underscored the gross financial disparities between an over-enriched Putin entourage and the ordinary public. Leaving the Navalny issue aside, the demonstrations in Russia may now expand and morph into a protest against the deteriorating economy, rising corruption and poverty, and against the tightening political grip of the Putin regime.

The people of Turkey and the followers of political and economic events in the country may find the story of Putin and the Russian economy very familiar.

When Erdoğan came to power in 2002, he took over an economy in crisis due to a massive currency devaluation, a bankrupt public sector and a sinking banking industry. He followed an International Monetary Fund rescue program to the letter, helped by billions of dollars of loans.

Erdoğan's successful portrayal of a government following moderate Islamic values with close connections to the West opened the path to EU membership talks in 2004. A strengthening economy and the prospect of EU accession then worked wonders in attracting tens of billions of dollars of foreign direct investment to the country. Between 2005 and 2010, ordinary Turkish citizens reaped the financial rewards and their living standards improved significantly.

As Erdoğan's conservative voter base got richer, he managed to strengthen his political position at each election that followed. But Erdoğan parted ways with the IMF in late 2008 and then began taking control of the economy without feeling the need to anchor it to a rules-based system. This change in policy coincided with the global financial crisis. The U.S. Federal Reserve began boosting global liquidity with very low interest rates and the money flooded to countries like Turkey. This fortuitous situation gave Erdoğan's administration ample room to get away with the economic policy mistakes that would follow.

As Erdoğan's democratic face began to morph into that of an autocrat, the powers of his previously powerful and well-qualified economic team faded. In May 2013, when the U.S. Federal Reserve announced its tapering plans, the devaluation of the Turkish lira began. But the Gezi Park protests of the same year provided Erdoğan with an ideal opportunity to strengthen his power base even as the economic cracks began to appear.





Then-prime minister Erdoğan increased his use of nationalist rhetoric, depicting the protests as a rebellion backed by foreign powers. At the same time, he began to crack down on his former ally Fetullah Gülen and his clandestine Islamic network to consolidate his personal power base. Then came the coup attempt of 2016, which was allegedly masterminded by Gülen and his followers. Fortunately, the putsch failed, but the political volatility it created paved the way for the Erdoğan presidency. The change of the political system in Turkey to a presidential form of government granted Erdoğan unlimited powers. It also locked him into a coalition with the ultra-nationalist National Movement Party (MHP) and thus into even harsher nationalist rhetoric.

Erdoğan's "closed-circuit" presidential system led to Turkey's currency crisis of 2018. Then came the COVID-19 shock. By attempting to boost economic growth with totally misguided policy choices, Turkey's inflation rate surged, the current account deficit widened and the central bank's foreign exchange reserves melted away. At the same time, Erdoğan engaged in increasingly harsh political rhetoric to keep his support among the public from eroding.

At the start of 2021, poverty is widespread. Statements from government officials denying the existence of economic difficulties have sowed further public disquiet. While those close to Erdoğan continue to prosper from state-awarded contracts, the number of disgruntled people in the country has continued to increase.

The economic policy mistakes of 2018 to 2020 and their negative impact on the Turkish economy has now forced Erdoğan into an attempt to attract Western capital back to the country. He promised economic reform and more democracy in return. Yet any







attempts by Erdoğan to strengthen democratic freedoms and the rule of law, if ever genuine, always faced significant political hurdles due to his alliance with the nationalist MHP.

The harsh reaction of Erdoğan and the MHP to the student demonstrations in Istanbul, mirroring those of Putin and his allies against the pro-Navalny protesters, have shown that Erdoğan's promises of more democracy were little more than a ruse. That pretense has been exposed.

MHP leader Devlet Bahçeli's positive response this week to Erdoğan's surprise call for a new constitution, which came within hours, perhaps means things will get worse in Turkey before they get better. It is not difficult to imagine what kind of a constitution the AKP and MHP will put together when they cannot even agree on any move towards democratisation.

The harsh police response to public demonstrations by Turkey's youth over the past month and the way the protests have been met with accusations of terrorism by the very top names in Turkey's administration, makes it seem likely that very tough days are in store for Turkey and its economy until the presidential and parliamentary elections in 2023.

Indeed, the course of events in Russia in modern times could be a very useful gauge in trying to predict what lies ahead for Turkey.