

Erdogan won the presidential election on 24 June handily enough, securing 52.59% of votes cast, against the 30.64% of his nearest challenger. His AK Party fell just short of a majority, with 295 seats in the 600 strong Parliament having achieved 42.56% of the vote, nearly 7% fewer than at the last general election.

This means that for the first time since 2002 the ruling AKP will not have a majority in Parliament; they will need a few votes from their electoral ally, the ultra-nationalist MHP. This matters less than might seem the case, as Erdogan has made clear that he intends to rule largely by presidential decree. Also, ministers will not be members of Parliament and will not require parliamentary approval. In fact, under the system of executive presidency that now comes into force the checks and balances that mark most parliamentary democracies are striking by their absence. (Even under the more than 500 years of Ottoman rule there was always a Prime Minister, aka Grand Vizier). Erdogan might reasonably be described as an elected autocrat.

The electoral playing field was far from level. The print and electronic media, including state television and radio, overwhelmingly favoured Erdogan and AKP, carrying his speeches in full and giving scant coverage to his opponents. The resources of the state were similarly mobilised. Polling stations in Kurdish areas of the South-East were moved to inconvenient locations, ostensibly on security grounds. The Kurdish focused HDP were relentlessly presented as pro-terrorist, and the main opposition People's Republican Party (CHP) - the bastion of Kemalist secularism and the minority Alevi community - was similarly painted as unpatriotic and soft on terrorism. Most troubling of all, a large portion of the HDP leadership, including their young, charismatic and appealing presidential candidate, Selahattin Demirtaş, were unable to campaign having been in prison for months on ill-defined terrorism charges.

For Erdogan, victory in the presidential election was an existential issue. Had he lost, he and his family would have been hounded mercilessly through the courts for alleged corruption and other misdeeds. It was clear from early on that, one way or another, he would be re-elected. There were some oddities about the election results, particularly the parliamentary elections. Nevertheless, Erdogan won comfortably, and the outcome was not challenged. He retains a vast and loyal following among the pious, conservative Turks who still make up the majority of the population, and is significantly more popular than his own party. He was also able to rely on votes from nationalist MHP supporters.

In the parliamentary election, the CHP vote fell, contrary to poll predictions, including in strongholds which had held huge rallies only days before for their presidential candidate. Some CHP supporters appear to have voted tactically for HDP, to ensure they made the undemocratically high 10% threshold (had HDP fallen short, AKP would have been allocated virtually all the seats in Kurdish areas). CHP and the new İyi Party had expected to benefit from the parlous state of the economy, but it looks as if many dissatisfied AKP voters switched to MHP instead, which did much better than predicted.

The elections were in many ways the easy bit. Turkey faces a wall of daunting challenges. Erdogan has long claimed that an executive presidency with wide-ranging powers is needed to surmount them. He now has those powers and dominates Turkey as no one has since Atatürk. If he falls short Erdogan is now very exposed. The old claims of foreign conspiracies and plots against Turkey by jealous powers and 'international capital' cannot be recycled indefinitely.

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The challenges include:

- Polarisation: nearly as many Turks distrust and dislike Erdogan as give him their unquestioning loyalty as 'one of us';
- Governance: the democratic advances of the first decade of AKP rule have been systematically rolled back. An atmosphere of intimidation and suppression of dissent is the order of the day. The programme of 'cleansing' following the failed July 2016 coup continues apace. More than 100,000 public employees have been removed from their jobs by emergency decree; many thousands more have been suspended. In the latest round, on 8 July, another 18,632 were dismissed, mainly police and military personnel;
- The grounds for dismissal, often tenuous, are alleged membership of the 'Gülen Terror Organisation' which is accused of organising the July coup. Fethullah Gülen is a Sufi mystic who lives in exile in Pennsylvania. His followers are well known to have penetrated the police, prosecutors, judiciary and military. What is less well known is that they did so as de facto allies of AKP. But the two sides fell out in 2011 over division of the spoils and AKP found out to their cost that the Gülenists had used their time all too well to plant sleepers throughout the system, including key positions in the military;
- The economy faces daunting challenges. Producer price inflation rose above 20% in May. The bank rate is near 18%. Turkey's risk premium is around 300 points. The foreign borrowing requirement over the next 12 months is estimated at \$233 billion, made up of \$183 billion in rolled over overseas debt and a current account deficit of \$50 billion. This at a time when the US Fed is rapidly winding in the programme of quantitative easing and interest rates are rising. Several major Turkish conglomerates have had to go to the banks to reschedule their debt. Moreover, Turkey is heavily dependent on energy imports; rising prices will exacerbate the current account deficit and further fuel inflation;
- Something will have to give. Domestic investment has largely been in the construction and housing sector. FDI has declined as investors take fright at the increasing authoritarian tendency and the prevalence of crony capitalism. Costly prestige PPP projects, with guaranteed minimum returns for investors, are losing money. Not surprisingly, Turkish business associations are calling for a programme of austerity. However, this would mean reversing course on the programme of handouts on which Erdogan fought the election;
- Erdogan has said he will appoint a Cabinet made up of non-political technocrats. It remains to be seen whether they can restore fiscal discipline and resist Erdogan's populist instinct to cut interest rates, thereby triggering a further decline in the value of the lira, which has already fallen sharply over the past year; and
- Foreign and security policy represent further major challenges. Atatürk's motto was 'Peace at Home, Peace in the World'. Not much sign of that in today's Turkey. Relations with the US, Nato, the EU, Israel, Egypt and the neighbours are fractious at worst, ambivalent at best. Putin is trying to detach Turkey from her western moorings. The Kurdish issue has morphed from being a long-running domestic insurrection into a single theatre covering the Qandil mountains of Northern Iraq and the Kurdish controlled region of Syria (which the Kurds call Rojava) as well as Turkey itself. Hard power has failed to solve the issue over the past 40 years. How much room for maneuver for a more pragmatic approach Erdogan has on such issues given his alliance with the hard-line, ultra-nationalist MHP remains to be seen.

In fact, almost everything remains to be seen since Erdogan has only just been sworn in and appointed a Cabinet. The challenges are clear enough. What is less clear is which Mr Erdogan will emerge in the months and years ahead. In the past, it has seemed that the more power he accumulates the angrier and more strident he becomes. We can only hope that the

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Erdogan who wields almost total power will be Dr Jekyll rather than Mr Hyde. But most of the smart money seems to be on Mr Hyde.



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