



 KCS Country Risk & Threat Advisory

Security and Governance Briefing: Turkey
30 November 2011

Security and Governance Briefing: Turkey



Country: Turkey
Population: 72,752,325 million (2011 Census)
Source: World Bank, World Development Indicators

Turkey has a Critical risk/threat rating of 3.5

- 5 Critical** Incidents that pose significant risk to the life, health, security and safety to travellers.
- 4 Severe** Incidents that pose significant danger or disruption.
- 3 Substantial** Incidents that pose localised danger.
- 2 Moderate** Incidents that may cause disruption: public demonstrations, airport, airline delays, etc.
- 1 Low** Informational based notification such as a political event, public holiday or public event.



Turkey's conflict with PKK rebels back to square one

Turkey remains very distant from resolving its long-standing conflict with Kurdish separatist guerillas. The on-going imbroglio has claimed many thousands of military and civilian lives since it started to take the form of a domestic insurgency in the country's south eastern provinces during the mid-1980s. Despite some attempt at "national reconciliation" initiated by the Islamist leaning Justice and Development Party (AKP) of Turkish Prime Minister, Recep Tayyip Erdogan, in many respects the country appears to have returned to square one.

Recent weeks have seen some of the worst incidents of violence in memory, in wake of clashes between the Turkish military (TSK) and Kurdistan Workers Party (PKK) rebels in the country's south eastern regions, bordering Iraq. Dozens of fatalities have occurred, with heavy casualties reported among both rebels and TSK forces. The provinces of Hakkari, Sirnak, Siirt and Tunceli are particularly affected by the conflict and the region is reportedly in a high state of tension at the time of the present writing. These are particularly worrying developments for a country continuing to aspire to membership of the European Union bloc, as well as a regional power increasingly berating its neighbouring Arab states for undermining democracy and cracking down on civilian activists.

Turkey's present situation with respect to its conflict with Kurdish separatist guerillas in the country's south east is reminiscent to Russia's conflict with Islamic radicals in the North Caucasus. Similar to Russian national leader Vladimir Putin, who came to power in 1999 promising to strengthen Russian security in wake of spiraling insurgency in Russia's North Caucasus Republics, Erdogan's AKP embodied substantial hope in its efforts to end the conflict, offering greater scope to incorporate Turkey's Kurds into wider Turkish political and cultural processes.

Yet as KCS wrote in a recent report on the Russian North Caucasus, Moscow appears to be no closer to resolving that conflict than it was when Vladimir Putin first came to power over a decade ago. Horrific terror incidents have recently gripped Moscow's metropolitan transport network and national airports, while Russia's Islamic radicals, having seemingly been defeated in the Chechen Republic, have regrouped their forces in the neighbouring republics of Dagestan and Ingushetia.

PKK-related violence has been spiraling in Turkey since the time of the country's parliamentary elections in June 2011, with no conclusive end game visible at present.

PKK October attacks the deadliest in nearly two decades

During October, large numbers of well armed PKK rebels have been carrying out frequent raids on TSK outposts in Cukurca District, Hakkari, near the border with Iraq, causing numerous casualties on both sides. On October 19, around 250-300 PKK fighters crossed into Turkey from their bases in the Qandil Mountains on the Iraqi side of the Turkish border, killing 24 Turkish soldiers during simultaneous attacks on eight (Turkish) army posts.

The heaviest attack was carried out on the Keklikkaya border post, killing 21 soldiers, according to Turkish sources, which cited the attacks as the deadliest by the PKK in some 18 years. Turkish troops killed 21 PKK fighters in retaliation, after Turkish commandos reportedly crossed the border into northern Iraq in pursuit of the rebels. The attacks come only a day after a roadside bomb planted by the PKK in nearby Bitlis province killed five policemen and four civilians (including two children). Several days later, on October 22, TSK sources reported the killing of at least another 49 PKK militants, during further clashes in the Kazan Valley along the Iraqi border.

Turkish Parliament mandates air strikes on PKK bases in Iraq

Another nine Turkish soldiers were also killed and fifteen injured in Cukurca on August 17 during a bomb attack on their convoy, sparking a series of retaliatory TSK air strikes, which reportedly killed up to 160 rebels. In mid-July, a rescue operation of two kidnapped TSK members and a healthcare technician in Diyarbakir, southeast Turkey, resulted in a close-range skirmish in which 13 soldiers and seven rebels were killed. In September, several Turkish schoolteachers were kidnapped by the PKK in a number of districts of Diyarbakir.

Such incidents have caused outrage in Turkey and no shortage of public anger has been channelled at the PKK. Despite the sympathy which many among the Turkish population have for the country's Kurdish minority in its efforts to enjoy greater cultural rights inside the country, there appears to be substantial public support for measures such as the Turkish Parliament's vote in favour of extending government mandate to order military strikes against PKK bases in northern Iraq. TSK air and artillery operations against suspected PKK bases in the Qandil Mountains in Iraq have intensified in recent months, with the Turkish Parliament once again extending the government mandate (to continue with TSK strikes) in early October.

Turkish Prime Minister enacts war cabinet

The international media tends to portray Turkey's Prime Minister, Erdogan, as the 'man of the moment' in contemporary international relations, giving the impression that the bulk of the PM's time is invested into promoting Ankara's newfound neo-Ottoman foreign policy, berating Syria and Israel alike: for suppressing nascent Arab democracy and for stymieing Palestine's aspirations of self-determination, respectively.

That being said, it is Ankara's domestic conflict with the PKK rebels which is absorbing the bulk of Erdogan's energy at present, with the PM repeatedly called into emergency sessions with his cabinet in wake of increasingly brazen PKK attacks during October. These meetings, which have typically included persons such as TSK Chief of General Staff, General Necdet Özel, Deputy Prime Minister, Bekir Bozda , Interior Minister, dris Naim ahim, Defence Minister, smet Yılmaz and National Intelligence Organisation (M T) Undersecretary, Hakan Fidan, increasingly have the feel of a war cabinet. Ankara's war cabinet will likewise be increasingly concerned that the deadly incidents of spiralling violence that have occurred in recent months have not been restricted to Turkey's south east. This makes the conflict an even more pressing issue from a domestic security perspective.

On September 30, a suicide bombing took place on the (so called) Turkish Riviera, west of the Mediterranean tourism hotspot, Antalya. No fatalities were reported with the exception of the suicide bomber. Ten days earlier an explosion occurred in central Ankara causing three deaths and an unconfirmed number of injuries. On August 26 and 28, there were two separate explosions on beaches in Konyaalti and Kemer (on the Mediterranean coast), while on November 11, a lone hijacker took hostage an entire ferry in the Sea of Marmara, near Istanbul, before being shot dead by rescuers.

Turkish sources described the hijacker as belonging to a PKK youth wing and that he was wearing plastic explosives. The 24 passengers and crew aboard the ferry were released unharmed. While it is not fully clear as to who was exactly behind this wide-ranging spate of incidents, the on-going conflict with the PKK underscores the continuing atmosphere of tension in Turkey at present. It ensures that the adrenalin is felt not only by Turkey's population segments caught in the cross-fire between the TSK and Kurdish separatists in the distant south east of the country, but also by the wider population throughout the country.

Prime Minister's convoy attacked during electoral rally

The fact that Ankara continues to employ strident rhetoric in the propaganda war component of its conflict with the PKK rebels is unlikely to contribute to an easing of tension at any time soon. In a similar series of outbursts to Russia's Vladimir Putin, who has on many an occasion promised to crush Russia's Islamic radicals once and for all, Turkey's Erdogan continues to embrace Turkish public sentiment by promising to annihilate the PKK rebels after each of their major sorties against the TSK. The Prime Minister's rhetoric is becoming increasingly reminiscent of the best of Turkey's conservative governments of the 1990s, which were widely perceived to have been more staunchly secular and outwardly nationalist than today's ruling AKP. The latter remains associated with its Islamist roots and dogged efforts to reduce the power of the Turkish generals in domestic policymaking.

Erdogan's emotions would have been ruffled further earlier this year (May 4), when armed men allegedly linked to the PKK reportedly ambushed the prime minister's convoy during an electoral rally in the northern Turkish city of Kastamonu. Although Erdogan was said to have already left Kastamonu by the time of the attack, which targeted a police vehicle providing an escort for an AKP campaign bus, one policeman was killed during the incident. Despite positive references to Turkey's Kurdish communities in his victory speech following the June 12 parliamentary elections, six deputies of the pro-Kurdish BDP Party faction in the Turkish Parliament were imprisoned shortly after the poll on charges of violating Turkey's anti-terror laws. The arrests led to a BDP boycott of the Turkish Parliament, which was only lifted at the end of September, further underscoring the current tensions between the government and the pro-Kurdish political groups on the one hand, and the TSK and PKK on the other.

Security risks negating business opportunities?

Despite all of these worrying developments, Turkey remains a very sizeable, highly dynamic economy that continues to attract investor interest during times of trouble in the Eurozone and a dramatic rise in South-South economic co-operation: the tendency for closer trade and investment relations between countries that investors often view as “emerging markets”.

From the business perspective therefore, while the violence and tension described above is a worry for any group engaged in present-day Turkey, investors in the country are still likely to be more concerned about business climate related themes rather than security in the distant south east and isolated terror incidents on the Mediterranean coast. Clearly, as is the case with most emerging market jurisdictions, corruption remains a major governance related challenge that the Turkish authorities will have to address.

However, as KCS noted in its last corruption briefing on this country, despite the fact that corruption and cronyism is widely perceived to be part of daily life in Turkey’s business environment, Turkey’s corruption perception indexes (CPIs) tend to be no more alarming than those of many European countries.

Bribery remains common, widespread and acceptable

There is little scope for KCS to revise its view of business related corruption in Turkey since its last reporting. As mentioned in previous writings, Turkey has been ranking in the high 50s and low 60s out of some 180 countries ranked on corruption perception watchdog, Transparency International’s, CPIs in recent years, placing it in consistently similar positions (rankings) to mainstream EU members such as Italy and Greece, and new EU members Lithuania and Poland.

Brussels EU institutions have mentioned corruption as being a problem while evaluating Turkey’s Euro-integration prospects, but continue to cite other challenges as more important. That being said, it remains a worry that studies into the corruption phenomenon in Turkey tend to find that key forms of corruption, such as bribery, remain “common, widespread and acceptable”. A recent study by an international business consultancy released in mid-2011 found that “while Turkish companies are making progress in strengthening their ethical culture, many (business figures and company employees) still consider it acceptable to pay bribes to win or retain business.”

Up to 77% of respondents participating in the study felt that bribery and fraud is common in Turkey today, and that enforcement of anti-fraud legislation remains particularly weak. Up to 37% of respondents approved of bribery as an instrument to allow businesses to become successful (much less in Europe: 10% in Germany, 13% in the United Kingdom, 23% in Spain) while 29% reported that they accepted personal gifts in order to retain business (17% in Europe).

34 Turkish customs officials arrested for corruption

At a practical level, these statistics translate into a major corruption scandal breaking out at the start of 2011, when 34 persons serving at the Istanbul Customs Regional Directorate were detained during an investigation into bribery and corruption allegations at the customs department.

The detained state officials included the Director-in-Chief of the Istanbul Customs Regional Directorate, Lütfi Ekinci. Sources in Turkey reported that allegations against the suspects included the collection of money paid in bribes into a pool, followed by the distribution of this money to Istanbul customs officials every Friday on the basis of rank and seniority. Investigators asserted that Lütfi Ekinci was aware of this practice among his staff. Ekinci was detained in the city of Mersin, on Turkey's Mediterranean coast, where he was vacationing in his summerhouse at the time.

Such incidents of governance abuse are worrying and indeed, some sources currently suggest that as the Turkish economy expands, it is a near inevitability that scope for fraud and corruption in the country will likewise increase. Despite various anti-fraud laws that have been passed in Turkey and honest attempts to create more ethical culture in the corporate sector, the Association of Certified Fraud Examiners notes that whereas the world average for fraud in corporate organisations is calculated at seven per cent of total turnover, in Turkey the figure is about 15%. Looking ahead, KCS may yet have to revise its evaluation of the corruption phenomenon in Turkey,.