

Informatics Consulting

POLITICAL STABILITY in Turkey

2022 June Monthly Report



Political Stability Index (PSI) June Report Reference: 12186

Summary and Evaluation

The Political Stability Index (PSI) decreased in June; from **37.424** to **37.182**. The decline in the “**Government Forming and Operation**” sub-sector index is remarkable.

The sub sector index, “**Basic Legitimacy and Decisiveness of Governance Norms**”, decreased seriously. The main reasons for the decrease were those: first of all, it is the jump of our negative records, in the form of an increase in numbers. In particular, there are many violations of basic administrative norms, both by law and administrative regulations. The heavy, irregular and inappropriate practice of burning reserves by the Central Bank and the public banks is also viewed as a violation in the national state parameter.

The sub sector index, “**Parliament Support and Structure**”, decreased very little. In one way or another, the TGNA continued to be seriously differentiated from other parts of the political system, with its structural character and functionality. The parliament is superior to other parts of the political system, even with minimal openness and deliberation/negotiation. The main reasons for the decline in the sub-sector are as follows: the continuing decline in the quality of enactment/decision, especially the overflow of the financial bureaucracy to the parliamentary function.

The sub sector index, “**Government Forming and Operation**”, went down sharply. The main reasons for the decrease were those: In foreign policy, the removal of the blockade on the entry of Sweden-Finland (exclusively Sweden) into NATO, as well as severe damage to the state's intelligence and diplomatic prestige in relations with Saudi Arabia. The 66th Government is blocking the economic life of large masses with its macroeconomic implementation. The economic survival of civil society is under threat. The 66th Government denies its previous monetary and fiscal policies, and is drifting contrary to recent practices. Certain large companies and banks in the private sector reject the 66th Government macroeconomic and monetary policy framework and give strong warnings and signs of



resistance. It seems that the 66th Government will not be able to enter the June 2023 elections in the environment it has targeted or desired.

The sub sector index, **“Political Efficiency and Governance”**, decreased. The main reasons for the decrease are those: The administration is constantly making new arrangements/decisions in order to keep the society in a certain consistency, and the decision/settlement frequency has jumped. Beside the integrity and the inconsistency, the conflicts of purpose in the decisions make the regulations either dysfunctional or largely invalid. Legislations are also in this way. The macroeconomic frame (framelessness) followed by the government is blocking the ordinary life of large masses. In foreign policy, the logic of "resource comes, whatever the cost" is in effect, on the other hand, there is no resource etc. coming to the country. What happens is that while civil society shrivels, it also bows its head.

The sub sector index, **“Relations with Institutions”**, went up very slightly, and stability and even flatness are active in the sub-sector. The course can be viewed from the sub-sector graph. The judiciary interrupted and handed over the judiciary, which was pursued by the government - supposedly for foreign policy (the Khashoggi case).

The sub sector index, **“Relations with Foreign Political Actors”**, went up. With all these concessions, the index rise is natural in the Saudi-Swedish interaction; it is also unhealthy, which is unsustainable. Under these conditions, a naive improvement in our country's NATO interaction is expected.

The sub sector index, **“Bureaucratic Capacity and Full Usage”**, went down. The main reasons for the decrease were those: Our CBRT and BRSA finance bureaucracy, in particular, is persecuting the banks and the companies in order to maintain the current irrational macroeconomic framework and monetary policy, which has completely lost its functionality. Under the cover of loyalty to the government, the CBRT and the BRSA have become the enemies of market-based Turkish civil society. The security/police operations are dynamic. This mobility includes consolidation and implicit “political dictation” originating from S. Soylu in the government. The appointment system in health (doctor appointment) is locked. In the NATO-Sweden issue, Turkey's deprivation of diplomatic and related geopolitical intelligence has been confirmed.



The sub sector index, “**Political Violence**”, increased. The main reason for the rise is PKK members who were eliminated inside and beyond the border. Operation Claw-Lock is an ongoing military operation of the Turkish Armed Forces in northern Iraq. In Operation Claw-Lock, the course, number, and frequency of conflicts are under negative monitoring.

The sub sector index, “**Economic Stability Factors**”, increased very slightly. The main reason for the increase was that: Even though it is caused by inflation, income increases and resource structure/liquidity appearing to be strong in the public sector. Rising asset prices have seriously supported the collateral buffers of the banks, and their liquidity processes, albeit a little, are in place. It should be evaluated cautiously, waiting for clarity. Limitations on housing loans are fundamentally positive. In some large groups, large-scale early FX loan closures, grain yields in the South East were observed positively. Banks and companies' rejection of the 66th Government's macroeconomic framework and implementation is concrete, promising despite the heavy shocks it will cause.

The Political Stability Index decreased in June. The technical-functional bankruptcy of the 66th Government also collapses the economic and financial bureaucracy. This situation leads to the abandonment of geo-political reason in diplomacy.

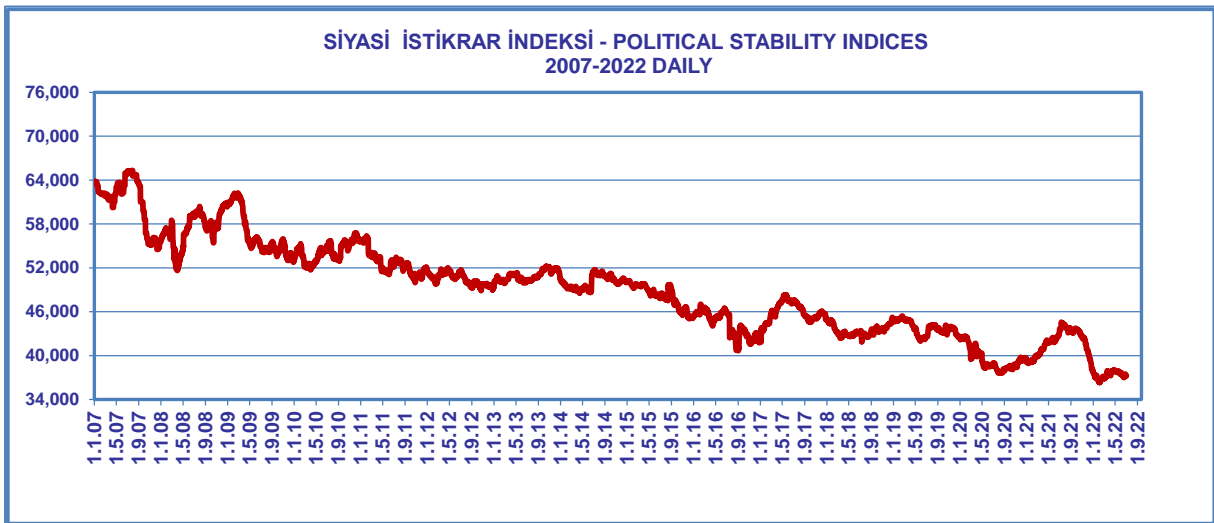


Sub-Sector Developments

	31.05.22	36.06.22	% Değişim / Difference
Siyasi İstikrar İndeksi (Sİİ) / Political Stability Index (PSI)	37.424	37.182	-0,65
Temel Meşruiyet ve Yönetim Normları / Basic Legitimacy And Governance Norms	3.939	3.764	-4,44
Parlamento Desteği ve Yapısı / Parliament Support and Structure	11.571	11.567	-0,03
Hükümet Kurulum ve İşleyişi / Government Forming and Operation	876	733	-16,32
Siyasa Uygulama ve Yönetişim / Political Efficiency and Governance	5.110	5.032	-1,53
Kurumlarla İlişkiler / Relations with Institutions	3.197	3.217	0,63
Dış Politik Aktörlerle İlişkiler / Relations with Foreign Political Actors	2.556	2.693	5,36
Bürokratik Kapasite ve Tam Kullanımı / Bureaucratic Capacity and Full Usage	1.764	1.677	-4,93
Siyasi Şiddet / Political Violence	4.274	4.349	1,75
Ekonomik İstikrar Faktörleri / Economical Stability Factors	4.137	4.151	0,34

Data

In these evaluations, including surveys and reports, **1.507** news articles (from **7.499** to **9.005**) and **385** economic data were analysed. Record rate of news/data is **3,1%**.



Yours Sincerely,

S Informatics Consulting

Note: The main report contains 72 pages.



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