

Informatics Consulting

POLITICAL STABILITY in Turkey

2022 April Monthly Report



Political Stability Index (PSI) April Report Reference: 12184

Summary and Evaluation

The Political Stability Index (PSI) increased in April; from **37.549** to **37.897**. The rise in the “**Relations with Foreign Political Actors**” sub-sector index and the decline in the “**Bureaucratic Capacity and Full Usage**” sub-sector index are remarkable.

The sub sector index, “**Basic Legitimacy and Decisiveness of Governance Norms**”, decreased seriously. The main reasons for the decrease were that: The government is trying to put pressure on the opposition, even the opposition in the past, through the judiciary. It is different whatever it is useful; the government takes effort to make it work. The 66th Government has gone beyond the lack of macroeconomic framework. In TL funding after foreign currency, it applies directly to the CBRT loan by getting/slipping around OMO and similar mechanics. Moreover, these loans are not for export purposes.

The sub sector index, “**Parliament Support and Structure**”, decreased very little. The main reasons for the decrease were that: The distances between the relevant fields and the law techniques in law proposals and conclusions have started to widen again. Regulatory quality declines in enactments accelerated. The government pierces through/riddles with holes in the budget and borrowing principles through the CBRT, and in this way, the budget right of the Parliament. A large number of individual developments that destroyed the parliamentary institutionalism were observed.

The sub sector index, “**Government Forming and Operation**”, went up remarkably. The main reasons for the increase were those: The serious regression in the Covid-19 figures, the very serious decrease in the number of patients in intensive care units, is the first. It can be said that the pressure on the 66th Government due to Covid-19 has been lifted. The 66th Government continued to keep military diplomacy alive on the issue of the Russia-Ukraine war. Let's add that compared to February-March, the value of Turkey's efforts decreased significantly. The reason for this value erosion is the US-UK aiming to keep Russia in the war.



The sub sector index, “**Political Efficiency and Governance**”, decreased slightly. The main reasons for the decrease were those: The government either does not care enough about the cost of living or masks its inability to find a solution. The happening is the accumulated stress due to the high cost of living, which is devastating to the economic/financial as well as the political stability. The trial of the Gezi Park protests, aside from the destruction of justice, was heavily negative "in the name of the state". The trial, one click away from human rights and freedoms, has brought down the state. On the other hand; on similar issues such as irregular migration and waste in the public sector, signs of flexing have been observed in the civil society, which is increasingly made subjects and the government. Diplomatic activity in Ukraine is under positive monitoring even though its value is decreasing.

The sub sector index, “**Relations with Institutions**”, went down. The main reasons for the decrease were those: The Constitutional Court, the Supreme Court, and the Council of State continued their decisions against the government. The decision of the Supreme Court of Appeals in the Island of Man case was seriously compelling, it had been skipped. It was unexpected that the prosecutor of the Council of State questioned the authority in exiting the Istanbul Convention.

The sub sector index, “**Relations with Foreign Political Actors**”, went up seriously. The main reasons for the increase were those: The US State Department gives concrete signals for its decision and implementation to improve relations with Turkey. The implementation of these signals is based on Congressional resolution. The transition from the order of intimacy between the presidents to the order of technical negotiation between the delegations in the US-Turkey relations is promising. This is perhaps the most critical development of April.2022. Together with the USA, Germany took action to support the democratic capacity in our country. In France, the scourge of Le Pen has been overcome. Is there any distancing with Russia that matches the improvement in relations with the USA? Yes. However, is it good? It is not clear yet. As the US-Turkey relations improve, do the weapons systems supplied by the US to Ukraine gain qualifications? And are these two processes interdependent or even dependent? Uncertain but it generates risk.



The sub sector index, “**Bureaucratic Capacity and Full Usage**”, went down remarkably. The main reason was the CBRT, BRSA and Treasury-Finance bureaucracy with their executions, practices. The negotiation-contact mechanism of the US-Turkish Ministry of Foreign Affairs, which came into play in mutual delegations, is an extremely positive development. The frequency of adjudications in accordance with the law and democracy in the courts is slightly active, and the Gezi Park trial is beyond explanation. The epidemic pressure on the health bureaucracy is about to be lifted.

The sub sector index, “**Political Violence**”, increased remarkably. The main reasons for the rise were the fight against the PKK and the positive improvement in the Covid-19 figures.

The sub sector index, “**Economic Stability Factors**”, fluctuated, increased very slightly. The main reasons for the increase were those: High inflation was a high profit generator, and it also somewhat protected companies and the banks. Despite the pressure from the BRSA and the CBRT, private banks insisted on not solving FX Deposit Accounts. The CBRT "leaned on" the exporters to acquire foreign exchange, which was confirming the resistance of the banks. We rely on that bureaucracy cannot defeat the manufacturer-exporter even with the strongest government. The power of the market has begun to restrain the bureaucracy and the government, and the government has reached the limits of destruction in the macro-economy.

The Political Stability Index increased in April. The stability of the country continues to be supported by foreign-political functional positioning, *without clarification of core-central values or without providing an exit from the escape of the geo-political positioning, and also without scaling heavy economic and political issues at home.*

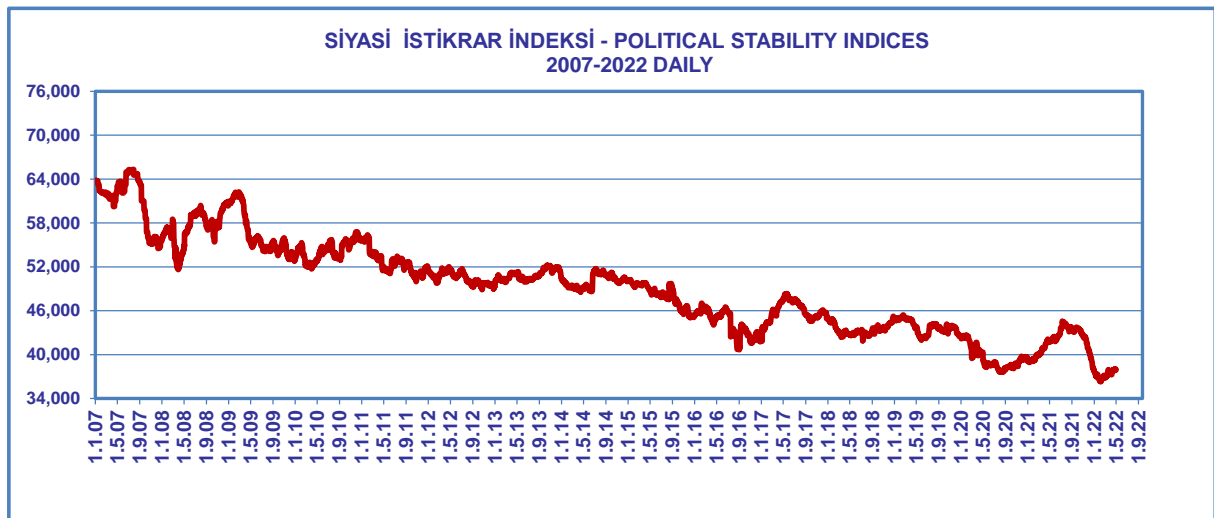


Sub-Sector Developments

	31.03.22	30.04.22	% Değişim / Difference
Siyasi İstikrar İndeksi (Sİİ) / Political Stability Index (PSI)	37.549	37.897	0,93
Temel Meşruiyet ve Yönetim Normları / Basic Legitimacy And Governance Norms	4.299	4.199	-2,33
Parlamento Desteği ve Yapısı / Parliament Support and Structure	11.615	11.579	-0,31
Hükümet Kurulum ve İşleyişi / Government Forming and Operation	1.020	1.051	3,04
Siyasa Uygulama ve Yönetişim / Political Efficiency and Governance	5.102	5.079	-0,45
Kurumlarla İlişkiler / Relations with Institutions	3.276	3.201	-2,29
Dış Politik Aktörlerle İlişkiler / Relations with Foreign Political Actors	2.431	2.531	4,11
Bürokratik Kapasite ve Tam Kullanımı / Bureaucratic Capacity and Full Usage	1.827	1.764	-3,45
Siyasi Şiddet / Political Violence	3.736	4.249	13,73
Ekonomik İstikrar Faktörleri / Economical Stability Factors	4.244	4.245	0,02

Data

In these evaluations, including surveys and reports, **1.717** news articles (from **4.394** to **6.110**) and **380** economic data were analysed. Record rate of news/data is **2,7%**.



Yours Sincerely,

S Informatics Consulting

Note: The main report contains 65 pages.



“The information in this report, or on which this report is based, has been obtained from sources whose authors are believed to be reliable and accurate. However, it has not been independently verified and no representation or warranty, express or implied, is made as to the accuracy or completeness of any information obtained from third parties. In addition, the statements in this report may provide current expectations of future events based on certain assumptions and may include statements that are not directly related to historical or current fact. These statements involve known and unknown risks, uncertainties and other factors which are not exhaustive. The companies contributing to this report operate in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on these statements. The companies contributing to this report are under no obligation to publicly revise or update any statements, whether as a result of new information, future events or otherwise and they shall in no event be liable for any loss or damage arising in connection with the use of the information in this report.” No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, or by any information storage and retrieval system.