



INFO PACK

The Economic Factor in the 2019 Local Elections in Turkey

TRT WORLD
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PUBLISHER

TRT WORLD RESEARCH CENTRE

March 2019

PHOTO CREDIT

ANADOLU AGENCY

TRT WORLD İSTANBUL

AHMET ADNAN SAYGUN STREET NO:83 34347

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Introduction

On March 31st of 2019, Turkish local elections will be held across the country. Turkish electors will decide on their mayors and neighbourhood representatives for a period of five years. Campaigns for the election geared up once political parties had selected their candidates and concluded on the alliances that they sought to form together to take part in the elections. While the main theme of the election manifestos was prepared by the political parties, the candidates themselves have actively taking part in the campaign process by door to door canvassing as well as through other means of communication channels such as social media, television programs and rallies. Their election promises covers to resolve various local priorities, which vary from economic, social, environmental and infrastructural issues.

Local elections campaigns in Turkey have a certain particularity. Turkish policy makers usually consider the process as the training ground for the upcoming general elections and they spearhead a significant effort to promote their parties, which eventually turns the streets of the entire country into festival-like environment. Nonetheless, unlike the general elections, in which the political parties and their

leaders heavily influence the decision of the electors, in the local ones, Turkish electors tend to base their voting preferences on the profiles of candidates and their promises. There are also several independent candidates participating in the upcoming local election, however, overall, the election race takes place between the candidates of major political parties.

Since the speculative attack on Turkish lira during the summer of 2018, the Turkish economy is in the process of recovery from its negative effects. Whilst the government has immediately taken necessary measures to protect its currency from these attacks to ensure economic stability, economic issues are still considered to be a crucial theme for the election campaigns of the competing candidates.

While focusing its attention to the role of economic matters after the speculative attacks on Turkish currency and the early measures that have been taken by the government to eliminate the spillover effects, this info pack provides details about the current situation of the Turkish economy that is in its en route to local elections. The pack will also provide a detailed insight on the election campaigns of political parties and their candidates for the two major Turkish cities, Istanbul and Ankara.



(Aytaç Ünal - AA)

31 March, 2019 Local Elections

Main Political Parties and Their Candidates

■ 13 political parties will participate the 31 March 2019 elections.

■ Major participating parties are the ruling Justice and Development Party (AK Party), main opposition Republican People's Party (CHP), Nationalist Movement Party (MHP), Good (İYİ) Party, and Peoples' Democratic Party (HDP).

■ Other participating parties are the Independent Turkey Party (BTP), Grand Unity Party (BBP), Democrat Party (DP), Democratic Left Party (DSP), Felicity (SP) Party, Communal Democracy Party (TDP), Patriotic (VP) Party, and Free Cause Party (Hüda-Par).

■ Although the constitutional amendment adopted after 16 April 2017 referendum allows for alliances in the general elections, there is no similar alliance system in the local elections. Hence, People's Alliance, composed of the AK Party and MHP, and the Nations Alliance, composed of the CHP and İYİ Party, will function differently than they did in the general elections. Parties decided to nominate joint candidates in certain provinces and districts after a bargaining process between joining parties.

■ The AK Party and MHP (People's Alliance) have nominated Mehmet Özhaseki, AK Party's deputy chairman and former Minister of Environment and Urbanisation, as their mayoral candidate for capital city Ankara, and Binali Yıldırım, former Parliament Speaker and former Prime Minister, for mayor of Istanbul.

■ The CHP and the İYİ Party (Nation's Alliance) have nominated Ekrem İmamoğlu, current mayor of Beylikdüzü province of Istanbul, for mayor of Istanbul and Mansur Yavaş, former mayor of Beypazarı province of Ankara, for mayor of Ankara.

Registered Voters

■ About 58 million Turkish citizens are registered to vote at the local elections on March 31.

■ The preliminary preparations for the local elections are almost complete and the current number of voters in Turkey is 57,970,985.

■ Turkish local polls are held every five years to elect mayors of 1,398 municipalities across the country.

■ Among them are municipalities in 81 provinces, including 30 metropolitan municipalities, and 921 districts.

Electoral Calendar

January 1: Election process officially began.

January 2: Names of political parties that may run in the polls are announced.

January 27: Order of political parties' names on ballot papers are determined by lots drawn by the Supreme Election Council.

February 22: Temporary lists of candidates for provincial and district mayors are announced. Lists was subjected to appeal until March 3rd.

February 28: The delivery process of voter notification cards began (until March 24).

March 21: Campaigning period officially begins.

March 30: Campaigning period ends.

March 31: Election Day.

Why Local Elections Matter in Turkey?

The first local election with multiple parties in Turkey took place in 1950. Since then, local elections are set to be held across Turkey periodically. As required by law, there should be local elections in every five years, however, due to the military coups in 1960 and 1980, and military memorandum in 1971, the intervals between elections differed from each other until 1984. After 1984, local elections have become regular in Turkey. The last local elections were held in March 30, 2014, which saw the AK Party clinch more than 45.5 percent of the vote.

Through local elections, mayors of metropolitan municipalities, cities, districts as well as representatives (mukhtars) of neighbourhoods and members of elder councils are elected in Turkey. According to the latest changes in the Code of Municipalities on 12 November 2012, there are 30 cities in Turkey with metropolitan municipalities.

Voters living in the other 51 cities will elect members of provincial general councils, mayors, city council members, and mukhtars and members of elder councils.

Local governments are responsible for certain activities determined by the law such as urban infrastructure, transportation, forestation or garbage collection within their regions' borders. Since it is hard to govern all regions

from the centre carefully, local governments actually pave the way for the state to render services to the local people and fulfil their needs. Through local governments, the locals can reach responsible bodies and come to solutions easier. In other words, they bring decentralisation and increase efficiency and effectiveness. Having a well-functioning local governance system is, therefore, critical for both the democratic development of regions and accelerating the decision-making process at the local level.

Since the mid-1990's, local governments in Turkey and metropolitan municipalities in particular have become one of the major influencing factors that affect the economic growth in Turkey. Local governments and municipalities are contributing the economy through transportation, tourism, art and culture and through their large-scale investments. Important aspects of social welfare provision, such as food, cloth, health, and education assistance to the needy are implemented or coordinated by local governments.

Voting Behaviour

While some recent studies (Carkoglu & Hinich, 2006) show that religiosity and ethnicity are the most significant determinants of voting behaviour in Turkey, some others studies emphasize the importance of socioeconomic and ideological factors (Yilmaz, 2002). The traditional approach to the study of voting behaviour discussed by Mardin (1973) supports the claim that centre/periphery relations are the key factor that predicts voter's preferences. The financial crisis in 2001 was one of the decisive factors that had an impact on the result of the national election in 2002. Kalaycioglu (2007) finds that the voters make their choices based on their economic interests rather than purely ideological beliefs.

One of the important issues that came to the fore in the local elections of March 30, 2014 was social welfare provision at the municipality level. The concept of social state, which was frequently emphasized by the AK Party governments, came fully into life with all its institutions in recent decades.

Over the course of the last 16-years in which AK Party was in power, there has been a significant increase in the social assistance and service budget. In this period, the social assistance and services budget increased by 28 times to exceed 45 billion TL. Social policy practices and programs that have not been seen in previous periods have been successfully applied and implemented rapidly for different groups ranging from poor people to families, from young people to women, from children to families of martyrs and veterans.

Therefore, the continuation of existing social programs, which is a gain for each segment of the society, and promises of the new social municipality practices in the new era by other political parties, will be an important factor that may change the voter behaviours, i.e. the voting preferences in the local elections.

From Economic Perspective, What Makes 31 March Local Elections Different than Previous Local Elections?

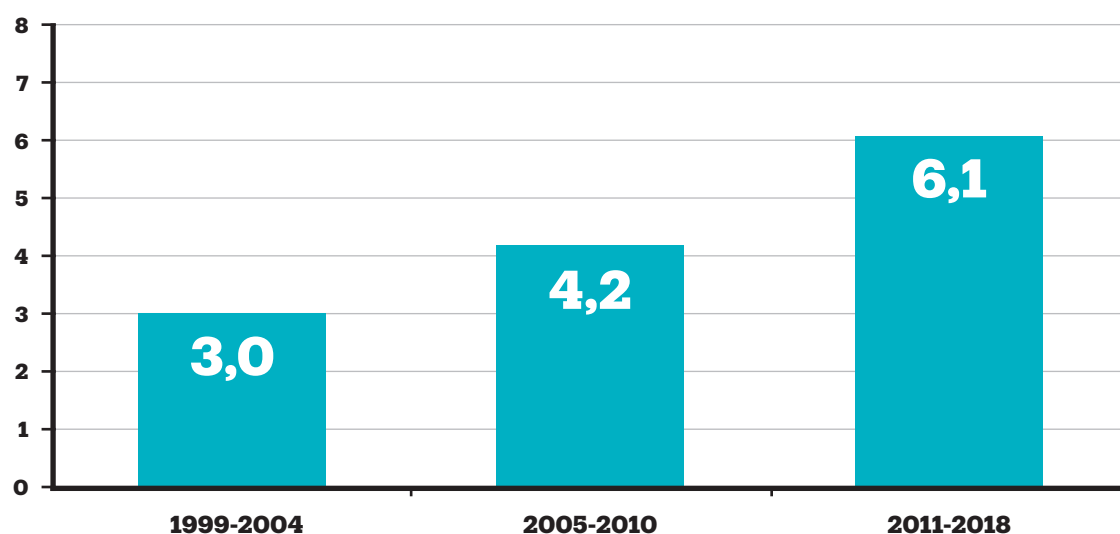
Turkey's economy has been fluctuating since last year for a number of reasons including the rift between Turkey and the US government over regional issues, which eventually has impacted Turkish economy. As a result, Turkish lira has lost almost 30 per cent of its value against the dollar. It should be noted that in the last local elections, which were held in 2014, the economic situation was different than now.

For instance, in 2014, the US dollar was 2.37 against Turkish lira, whereas now the US dollar is 5.45 against lira. Turkey has witnessed "attacks in the dragon's triangle of foreign currency, interest and inflation rates," but the country responded well, said President Recep Tayyip Erdoğan on 12th of March 2018. Furthermore, since Turkish government announced measures against speculative attacks, Turkish economy recovered swiftly and maintained

its stability in the remainder of 2018. 2018 ended with an overall growth rate of 2.6 per cent annually, despite the many risks around.

Like anywhere else in the world, economic performance has been a vital variable in Turkish voting behaviour, for which the benefits of a sustainably expanding economy are a conventional determinant. With the March 31 municipal elections drawing closer, the economic development story of the last 16 years as well as in the last six months particularly bears watching.

Figure 1: **GDP Growth Rate** (Annual Average, %)



Source: TURKSTAT, Ministry of Treasury and Finance

CURRENT SITUATION IN TURKISH ECONOMY

1. Speculative Attacks Against Turkish Economy

During the summer of 2018, Turkey faced speculative attacks on Turkish lira. As a result of these attacks, the value of Turkish lira dropped from 4.80 per dollar to 6.90 per dollar within the same month. When the reasons behind these fluctuations are analysed, it is seen that the main reason is the escalating tensions between Turkey and the United States (US) in the summer of 2018. Turkey and the US are NATO allies and have had very good relations for a long time. However, with opposed viewpoints on the Syrian Civil War and the 15 July coup attempt in Turkey, the relations between both parties went through several ups and downs.

After the coup attempt, Turkey has asked the US to extradite Fethullah Gulen, head of the FETO terrorist organisation, and stop supporting the YPG, the Syrian wing of the PKK. The US has refused both demands. In addition, the US has continued to pressure Turkey for releasing Andrew Brunson who is an American pastor indicted for having links with terrorist organisations, FETO and PKK. On 10th of August 2018, President Recep Tayyip Erdoğan, during

his speech in Rize, criticised the attacks on Turkish lira and asked people to exchange their gold and dollars for Turkish lira in order to tackle the depreciation of Turkish lira.

The US President, Donald Trump, on the other hand, responded this with putting more sanctions against Turkish economy. The Turkish Central Bank (CBRT) responded quickly and introduced the emergency measures on the Turkish lira and the foreign exchange market liquidity management, which aims "to support financial stability and sustain the effective functioning of markets."

In the following period, Turkey and the US relations have relatively stabilised through developing dialogues and with the release of Andrew Brunson. However, Turkey has continued to carry out its measures to overcome this economic downturn and stabilise its economy. Accordingly, the Turkish government has developed a strategy against this economic war and announced measures such as the 100-day action plan and "Full-scale Fight Against Inflation" campaign.



Governor of Central Bank of the Republic of Turkey (CBRT), Murat Çetinkaya (Raşit Aydoğan- AA)

2. Early Measures of the Government

• 100-day Action Plan and ‘New Economic Programme’

President Erdoğan has announced the action plan for the first 100 days of the New Cabinet on 3rd of August 2018. This plan includes 400 projects to be accomplished. Action plan focuses on economic projects in various sectors and seeks to continue investments in order to boost economic growth. In accordance with this purpose, these 400 projects are not limited to energy, economy or trade; but it has been also aimed to grow in other sectors such as environment and urbanisation, defence, education, health, technology, tourism and agriculture as well as public finance.

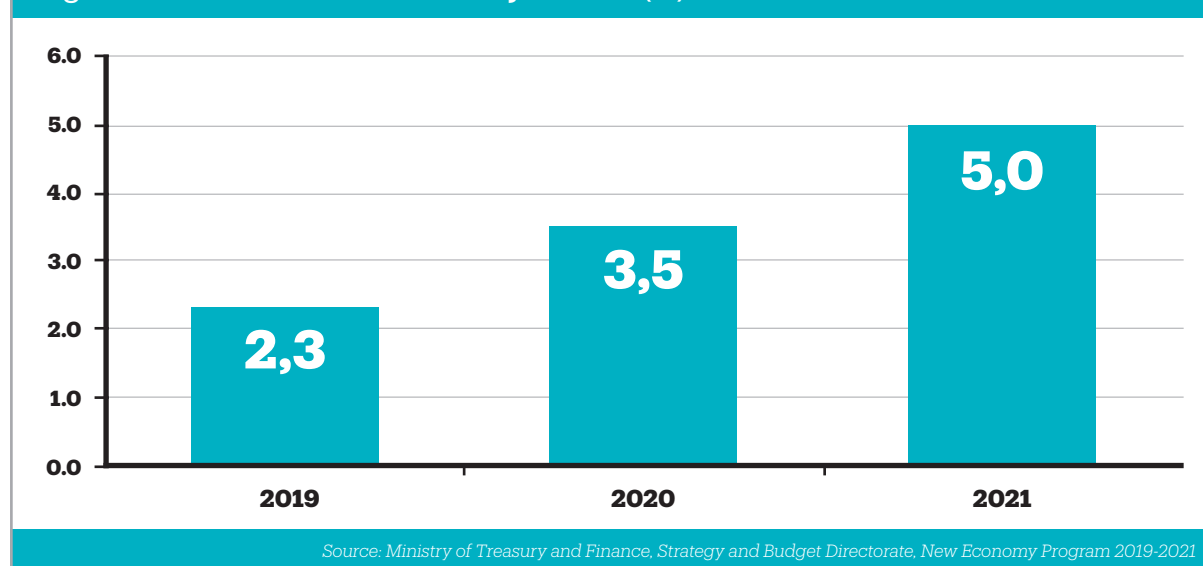
One of the most significant pillars of this action plan is to cut back the inflation through the goals designated by the Ministry of Treasury and Finance. Accordingly, the Ministry of Treasury and Finance is responsible for collecting the financial resources of the public institutions in one hand and generating an additional 3-4 billion TL of revenue per year in the long term. Furthermore, in order to utilise local

currencies in foreign trade, Turkey has planned to improve trade transactions in local currencies with China, Russia, India and Mexico. Besides, Erdoğan has emphasised the importance of domestic defence industry regarding Turkey's economic development, and stated that more than 10% of projects were allocated to this area.

The Minister of Treasury and Finance Berat Albayrak has introduced ‘New Economic Program’ on 20th of September 2018. The program is based on three pillars: balancing, discipline and change. It covers the period of 2019-2021 and focuses on economic balancing with a more dynamic perspective and rational objectives (see Figure 2 for the GDP growth rate projections). It aims to reduce the current account deficit and inflation as a first step.

By means of these policies, one of the main targets of Turkey is to establish a ground to actualise structural reforms in its economy.

Figure 2: GDP Growth Rate Projections (%)



As a next phase, the President disclosed the second 100-day action plan with new projects, on 13th of December 2018. It is announced that 340 projects out of 400 in the first program have been already completed, and the government was ready to move forward. The second action plan includes 450 different projects aimed to be completed with a budget of 24 billion Turkish lira. One of the important projects of the plan is to tackle with the subterranean economy in order to preclude illegal economic activities.

Furthermore, Erdoğan stated that the Financial Stability and Development Committee would be established for the purpose of strengthening economic stability and healthy development of financial sector.

In addition to these projects, the state came together with the private sector and introduced the following mechanism to combat the fluctuations in the economy.

• ‘Full-scale Fight Against Inflation’

Economic growth and price stability are not possible to maintain only through the introduction of state mechanisms but it also requires the support of the private sector and their collaborative work with the government. After currency fluctuations started, some firms have raised their prices substantially in a short time regardless of whether any increase in their costs has occurred or not. As a consequence, government decided to take steps to prevent arbitrary price increases by firms unless they are really impacted by the exchange rate fluctuations.

At the beginning of October 2018, the government launched a campaign called ‘Full-Scale Fight Against Inflation’ with a new set of measures to limit inflation. Within the scope of this campaign, firms and business associations pledged

their support to make 10 per cent discount on the prices of their products. A website ‘enflasyonlamucadele.org.tr’ has been launched to show the companies supporting the program. Since then, more than 2500 companies have supported the campaign and realized at least 10 per cent discount on their prices.

In addition to this, new regulations and auditing mechanisms have been introduced by the government to follow irregular price changes. Under this wide-scale programme, the government has also assured that there will be no increases in electricity and natural gas prices until the end of 2018, and supported businesses to limit layoffs.

3. Recent Developments

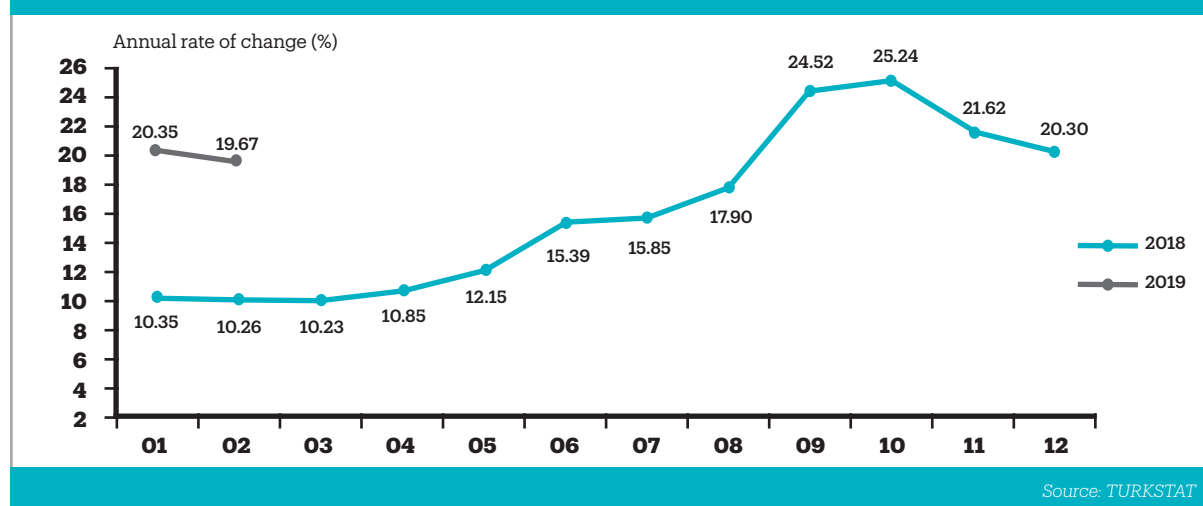
As Minister of Treasury and Finance Albayrak stated in the Izmir Economic Congress on 15 February, the government has considered the last economic turbulence as an opportunity to reorganize and to rebalance the financial structure. Hence, the Ministry of Treasury and Finance played the leading role in order to take necessary measures to rebalance the economy. For instance, as Albayrak explained, the government now aims to turn economic activities into high added value production with a change-based motivation by 2021. In the 134th General Assembly of Tax Council, Albayrak has underscored the importance of taxation system saying that it is one of the critical aspects of structural reforms in the economy. He stated that the government will activate every necessary

mechanism in order to create more fair/equitable taxation system including every citizen.

Through the measures designated by the New Economic Program and the first and second 100-day action plans, it has been observed that improvements have been realized in the economy. As shown in the Figure 3 below, the Turkish consumer price inflation eased to 19.67 percent year-on-year in February 2019 from 20.35 percent in the previous month and slightly below market expectations of 19.9 percent. It was the lowest inflation rate since last August.

In February, the government has initiated two critical measures: the former is direct sales points by municipalities, and the latter is the Employment Mobilisation 2019.

Figure 3: Consumer price index, February 2019 [2003=100]



• Regulations in Food Prices

The announcement of regulations in the prices of some goods came from President Erdoğan himself on 5th of February 2019 during the AK Party group meeting. Accordingly, municipal direct sales points are started operating at 15 venues in Ankara and 50 venues in Istanbul. In these points, fruits and vegetables are sold at cheaper than market prices in an effort to curb the increasing prices of these goods. According to data from the Turkish

Statistical Institute (TurkStat), onions, average price of which in January was 4.9 Turkish liras per kilogram, is sold by a municipality of Ankara for 2 liras as of February 11. These direct sales are important for preventing sudden fluctuations in food prices. Particularly, regarding low and middle-income people's easy access to food, municipal direct sales points are playing significant role.

• Employment Mobilisation 2019

On February 25, 2019, Berat Albayrak announced the 'Employment Mobilisation 2019' during the meeting held by the Union of Chambers and Commodity Exchanges of Turkey (TOBB). He stated that since 2009, 10 million jobs have been created in Turkey, and in 2019, the aim of the new employment program is to provide jobs for 2.5 million more people. According to TurkStat, the country's unemployment rate was 12.3 per cent as of November 2018. As noted in Turkey's new economic program in September 2018, the country aims to reach an unemployment rate

target of 10.8 per cent in 2021. Through this campaign, the government plans to ensure that more people are integrated into the Turkish economy for making it more sustainable and inclusive.

Many companies from the business world supported the 'Employment Mobilisation' campaign, and they pledged to take steps in this direction. Furthermore, several meetings about the campaign have been organized in different cities around Turkey to inform companies and people.



(Mehmet Ali Özcan- AA)

LOCAL ELECTIONS OVERVIEW

AK PARTY AND MHP (PEOPLE'S ALLIANCE)

The People's Alliance (Cumhur İttifakı) was established in February 2018 between the ruling AK Party and the opposition MHP and BBP. The alliance was formed to contest the 2018 general election, and brought together the political parties supporting the re-election of President Recep Tayyip Erdoğan. Its main rival was the Nation's Alliance (Millet İttifakı), that was created by four opposition parties on 3rd of May 2018 but had dissolved by 4th of July.

People's Alliance gained 53.7 percent of the votes in the June 24 parliamentary elections, while the Nation Alliance received 33.9 percent of the votes.

Since the initial formation of the alliance, both President Recep Tayyip Erdoğan, the leader of AK Party, and Devlet Bahçeli, the leader of MHP, have been stressing that the People's Alliance was not simply formed to win elections and that its spirit must be protected in the face of threats posed against Turkey's national security.

In this process, while the two leaders agreed on the principle that AK Party and MHP should act in a way not

to harm the Alliance, the talks for the continuance of the alliance at the local elections started again with a meeting with Erdoğan and Bahçeli on 21st of November 2018. AK Party Deputy Chairman Mehmet Özhasseki and MHP Deputy Chairman Sadir Durmaz resumed negotiations for the alliance in the local elections.

Following the second meeting of Erdoğan and Bahçeli on 6th of February at the Presidency, the provinces to be allied on the local elections were finalized.

Bahçeli announced that MHP won't nominate mayoral candidates in Turkey's largest cities of Istanbul, Ankara and Izmir, but will instead support candidates of AK Party as part of the People's Alliance.

The "People's Alliance" between the ruling AK Party and MHP has expanded further to cover 51 provinces out of 81. MHP will present its own candidates in the southern provinces of Adana, Mersin and the Aegean province of Manisa, while AK Party will race in 27 metropolitan cities.



(Turkish Presidency / Kayhan Özer / Handout- AA)

Party Profile

AK PARTY

Justice and Development



AK PARTİ

AK Party is a conservative democratic party that was founded by a reformist fraction within the Virtue (Fazilet) party in 2001. Recep Tayyip Erdoğan is among the founding members and the current leader of the party. AK Party has won all elections that it took part in since 2002. It gained 34.5% in 2002, 46.5% in 2007, 49.8% in 2011, 40.9% in June 2015 and 49.5% in November 2015 general elections. AK Party, with the exception of the period between June 7 and November 1 elections, has been able to form single party governments since 2002 general elections.

AK Party spearheaded the constitutional referendum in 2017, which resulted in "yes" with 51.4 % of the votes. Accession negotiations between the EU and Turkey has started during the AK Party's rule in 2005. AK Party, in its 16 years-rule, has touched upon several chronic problems in Turkish politics, including normalisation of civilian-military relations, regulations about minorities, Kurdish and Alevi openings. AK Party has led the establishment of the People's Alliance for the upcoming June 24 elections. AK Party is the largest political organisation in Turkey with more than ten million members.

Party Profile

MHP

Nationalist Movement Party



MHP is a Turkish nationalist party established by Alpaslan Türkeş in 1969 with the name of Republican Villagers' Nation Party. Devlet Bahçeli is the leader of the party since 1997. Under Bahçeli's leadership, MHP gained 18% of the votes and 129 seats in the 1999 general elections. With these results, MHP formed a coalition government with Democratic Left Party (DSP) and Motherland Party (ANAP) after 1999 elections. MHP obtained 16.3% and 11.9% of the votes in June 7, 2015 and November 1, 2015 general elections respectively. MHP campaigned for "yes" in the constitutional referendum in 2017.

AK Party's Local Election Manifesto

- City development plans will be transparently prepared with a consideration for the long-term needs of the cities and plan changes that are open to misuse will not be allowed.
- All the basic infrastructure problems such as drinking water, rain water, sewerage, natural gas, energy and communication lines will be resolved in the coming period across the country.
- Public transportation projects will be expanded and traffic problems will be resolved in order to reduce the time people spend in traffic. This will also be supported by new car parking areas.
- The application of 'urban transformation' project will continue with a due care to the characteristics of the cities and needs of the people. This renewal projects will also protect people and cities from earthquake risks.
- Within the framework of unique cities, infrastructure projects and development plans in cities will be prepared in line with each city's own cultural, historical and natural characteristics.
- Projects that disrupt the city's urban design have no aesthetic value and do not contribute to cultural heritage will not be allowed.
- Smart city applications and technological devices will be supported to facilitate people's daily lives from access to municipal services to the management of transportation.
- Cities will become environment- and eco-friendly revitalised with the principle of green and sustainable development. The negative impacts of all elements that harm nature will be eliminated.
- New "People Gardens" will be opened to enable people to spend time with their families in a relax environment.
- The principle of social municipality will be expanded in a way to serve families, children, youth, women, elderly and disabled people along with underprivileged groups.
- Sports activities will become an integral part of the lives of everyone, especially youth.
- Low-rise urbanisation will be the focal point of the municipality's vision in the new period. Vertical urbanisation will not be allowed.
- Local people will be included to the administration of cities through local councils. Particularly for large projects, which concern the people living around, the consultation mechanisms will be in play.
- The municipality budget will be administered in a prudent way and the whole process will be transparent.
- Cities will create and add value to the city economy through cultural and economic productivity.

PEOPLE'S ALLIANCE'S CANDIDATE IN ANKARA



Mehmet Özhaskeci

Mehmet Özhaskeci is the candidate of People's Alliance in Ankara. Previously, he served as the mayor of the Central Anatolian province of Kayseri for 21 years and Minister of Environment and Urban Planning until July 2018 under Binali Yıldırım's premiership.

Projects Of Mehmet Özhaskeci, People's Alliance's Ankara Candidate

- Culture-Art-Tourism projects
- Social Projects
- Environment Projects
- Children's City Projects
- Green Projects
- Local development Projects
- Smart City Projects
- Sports Projects
- Transportation Projects
- Urban Renewal Projects
- Environmental district projects

ECONOMY-RELATED PROJECTS

• Women employment

Women's employment will be prioritized in the projects planned by the municipality.

• Projects to support small businesses

The purpose of this project is to contribute to the initiatives of small tradesmen and industrialists and to create new jobs.

• Encouraging village tourism and housing

Revival of local economy

• Sales units for natural products- Public market projects

The agricultural products produced in the districts will be sold in these markets. It will be a source of income for the producers and enable the public to meet healthy/natural products.

• Projects to support craftsman

In cooperation with universities, trainings and courses will be organized to train and develop craftsmen of the city.

• Incentives to Organized Industrial Zones

Enhancing the current supports to organized industrial zones and increasing employment in organized industrial zones.

• Support to all producers

Supporting all local producers in Ankara; providing consultancy, setting standards, providing accreditation and encouraging the use of local products by public and private sectors.

• Financial incentives projects in the countryside

In agricultural areas, it is planned to provide supports for fruit growing, well drilling, farmers' machinery, seed and fertilizers, licensed storage services to rural areas, agricultural engineering and consultancy; and also, within the scope of the policy of supporting national and domestic livestock breeding in the field of animal husbandry; dairy cows, fattening cows, sheep, goats, hives.

PEOPLE'S ALLIANCE'S CANDIDATE IN ISTANBUL

Binali Yıldırım

Binali Yıldırım is the mayoral candidate of the People's Alliance's for Istanbul. Binali Yıldırım served as the last Prime Minister of Turkey between 2016 and 2018 before the parliamentary system was officially replaced with an executive presidency. Yıldırım, who played an important role in the foundation of the AK Party, first won a seat in Parliament as a deputy for Istanbul in the fall 2002 elections and served the country as the Minister of Transport, Maritime and Communication in the 58th, 59th, 60th, 61st and 64th governments. Yıldırım was elected as Parliament speaker after the Presidential and Parliamentary elections in June 2018.

However, he resigned from his post following his announcement to run as People's Alliance mayoral candidate in Istanbul.



(Hakan Göktepe - AA)

- **Producing Istanbul**
- **Easy Istanbul**
- **Green Istanbul**

- **Environmental Istanbul**
- **Liveable Istanbul**
- **Dynamic Istanbul**

- **Istanbul for all**
- **Safe Istanbul**
- **Smart Istanbul**

ECONOMY-RELATED PROJECTS

• Turkish Technology Base

When Turkish Technology Base reaches full capacity, it will provide employment to 6500 people at the same time. The base will contribute to Turkey's 500 billion dollars export target.

Investment: 1.5 billion TL

Direct employment: 6,500

Indirect employment: 18,000

Contribution to the economy: 8.5 billion TL / year

• Biotechnology valley

According to a statement made by Yıldırım's communications office, the biotechnology valley is planned to accommodate 160 companies and stimulate the economy by offering direct employment to 20 thousand and indirectly 30 thousand young people. The project is expected to contribute 27 billion Turkish liras to the Istanbul economy by increasing the export of

high value-added products. The project will also provide numerous business opportunities especially for new universities.

Investment: 5.7 billion TL

Direct employment: 20,000

Indirect employment: 30,000

Contribution to the economy: 27 billion TL / year

• Pendik Technology Development Centre

Technology Development Centre will be established on the land owned by the Istanbul Metropolitan Municipality in Pendik. Thus, this will be a public investment in physical space and building in order to allow Companies to allocate their resources to machinery, equipment, human resources, R&D activities and innovation. In addition, the industrial facilities in the region will be positioned and thus efficiency will increase.

Investment: TL 3.5 billion

Direct employment: 20,000

Indirect employment: 30,000

Contribution to the economy: 20 billion TL / year

• **Creation of Food Bases in both Asian and European sides**

Vegetables, fruits, dry foods, and fisheries will be gathered in food bases on the Asian and European sides; Mainly, hygiene and quality controls will be made at a single point. Inflation in food prices will also be reduced as producers meet directly with retailers.

• **Silivri geothermal and health campus**

Facilities that will be established to accommodate domestic and foreign tourists will increase employment in the service sector. It will also support agricultural investments using greenhouse irrigation.

• **Yenikapi Cruise Port and Galataport Cruise Port**

Cruise port will enable Istanbul to reach its tourism targets. Yenikapi and Galataport Cruise Ports, which will be visited by 500 thousand upper income tourists every year, will be constructed with the Ministry of Transport and Infrastructure. 4 large, 4 medium, 4 small, total 12 ships will be able to dock at the same time.

Investment: 7.5 billion TL

Direct employment: 5,500

Indirect employment: 22,000

Contribution to the economy: 9 billion TL / year

• **Atatürk Airport Fair and Congress Centre**

One of the most important projects in line with the goal of increasing the trade volume and employment areas in Istanbul is to establish an exhibition and congress centre within the 11 million sq. meter of public garden which will built on the land of Atatürk Airport. The area will be designed to host 5 million visitors annually, of which 2 million are foreigners. Thus, an extra \$3 billion income from tourism will be contributed to the city economy. Fairs currently contribute 35 billion dollars to exports, 20% of all exports (170 billion dollars).

Investment: 450 million TL

Direct employment: 6,500

Indirect employment: 38,000

Contribution to the economy: TL 16.5 billion / year

• **Pendik Exhibition and Congress Centre**

The fair and congress centre, which will be designed in the form of 16 halls and complementary service departments on 429 thousand 270 m2 area in Pendik, will contribute to the economy of Istanbul and create new employment areas in diverse sectors. 3 million visitors, including 1 million foreigners, will be hosted every year. Thus, an extra \$1.5 billion income from tourism will be provided to the city economy.

Investment: 400 million TL

Direct employment: 3,300

Indirect employment: 26,000

Contribution to the economy: 9 billion TL / year

• **Agricultural Production Centre**

Agricultural exports will increase by 50% and the efficiency of unit agricultural area will increase by 15%. It will increase the productivity and profitability in agricultural production and provide 500 direct employment positions in the agricultural sector throughout Turkey.

Investment: 540 million TL

Direct employment: 500

Indirect employment: 50,000

Contribution to the economy: 3.8 billion TL / year

• **Village projects**

This project will contribute to the village economy and the inhabitants of the villages of Istanbul.

Investment: 540 million TL

Direct employment: 500

Indirect employment: 50,000

Contribution to the economy: TL 3.8 billion / year

• **Istanbul's Ornaments from Istanbul's farmers**

In the next 5 years, the need for ornamental plants and landscaping products will increase with the addition of 55 million square meters of green areas to the city. New ornamental plantations in Silivri, Şile, Eyüpsultan and Çatalca districts will employ farmers to meet this need. Greenhouse cloches and irrigation water will be supplied free of charge. 40 thousand new families will produce Istanbul's ornaments and landscaping plants.

Investment: 200 million TL

Direct employment: 4,000

Indirect employment: 2,500

Contribution to the economy: 300 million TL / year

• **Istanbul movie plateau**

This project aims to increase the export of TV series to more than 500 million dollars. For this purpose, a movie plateau will be built in an area of 1.5 million m² (equivalent of 204 football fields) in Arnavutköy. Thus, the conditions of the sector, especially for the employees, will become more favourable. The studios in the plateau will also be used by young people studying cinema and television.

Investment: 900 million TL

Direct employment: 7,000

Indirect employment: 19,000

Contribution to the economy: 3.5 billion TL / year

• **Haydarpaşa Design Centre**

Within the scope of the Design Centre project, the existing buildings will be transformed to have different functions such as culture and art centres, design workshops, conference hall and exhibition area.

Investment: 320 million TL

Direct employment: 5,000

Indirect employment: 10,000

Contribution to the economy: 4.2 billion TL / year

CHP AND IYI PARTY (NATION'S ALLIANCE)

The Nation's Alliance was one of the two main alliances during the 2018 general election, formed by CHP, IYI Party, the Democrat Party and the Felicity Party. The alliance was declared to have formally dissolved shortly after the elections. However, negotiations of a local election alliance between CHP and IYI Party continued in the latter months of 2018.

After negotiations, CHP and IYI Party agreed to form an alliance in the upcoming local elections. According to the alliance's protocol, the aim of the Nation's Alliance is to ensure fairness in representation and to put forward the true will of the nation, by gathering parties with different worldviews around democratic principles. CHP played the leading role in the formation of the alliance by negotiating with IYI Party.

CHP and IYI Party finalized their alliance on 12 December 2018, agreeing on mayoral candidates for 51 provinces in local elections. IYI Party's leader Meral Akşener and CHP's leader Kemal Kılıçdaroğlu met late in the day to discuss their alliance and determine candidates for the upcoming elections after talks between the delegations of the two parties. Following a 40-minute long meeting, the two party leaders held a joint press conference and announced after that they had reached a "good deal" that would be beneficial for Turkey.

According to their agreement announced by CHP Vice Chairman Oğuz Kaan Salıcı, the CHP will support the IYI Party's candidate in Balıkesir, Denizli, Manisa, Kocaeli, Konya, Samsun, Trabzon, Kayseri, Sakarya and Gaziantep provinces, while IYI Party will support the CHP's candidates in Aydın, Muğla, Tekirdağ, Hatay, İzmir, Eskişehir, Ankara, Istanbul, Antalya, Bursa and Adana provinces.



(Sebahatdin Zeyrek - AA)

Party Profile

CHP

Republican People's Party



- Republican People's Party (CHP) is a social democrat party that was founded by Mustafa Kemal Atatürk, who was the founder of Turkish Republic, in 1923. It is also the oldest party in Turkey.
- Kemal Kılıçdaroğlu is the current leader of CHP, elected in 2010.

- Since 2002, CHP has served as the main opposition party in the parliament.
- Six fundamental pillars represent the ideology of CHP, which are: Republicanism, Populism, Nationalism, Secularism, Statism, and Reformism.
- CHP obtained 26.61% of the votes in 2014 local elections and have 6 metropolitan cities (İzmir, Tekirdağ, Hatay, Muğla, Aydın, Eskişehir).

Party Profile

IYI Party

Good Party



- Founded on October 25, 2017.
- The leader of the party is Meral Akşener.
- The main figures of the IYI

Party are from central-right, nationalist and conservative backgrounds of Turkish politics.

- Former MPs of MHP such as Koray Aydın, Ümit Özdağ and Yusuf Halaçoğlu, former MP of CHP, Aytun Çıray, and former head of the Central Bank of Turkey, Dursun Yılmaz are among the founders of the party.

CHP's Local Election Manifesto

- The principle of respectful and tolerant cities vows to show respect to people's values, identities and life styles without allowing any sort of exclusion.
- Cities will be respectful and tolerant in that people's lifestyles, values and identities will be respected and no one will be marginalized.
- Cities will be equitable in revenue distribution. The wealth generated in cities will be distributed to all citizens in a rightful manner.
- Cities will be administered in an accountable and transparent way. Every fund generated through dwellers' taxes will be monitored by the citizens and every spending will be accounted for.
- The principle of poverty-defeating cities will aim at achieving elimination of poverty, hunger and unemployment in cities and that no child goes to bed hungry.
- Cities will be productive. Waste and overconsumption will be reduced. Municipalities will also contribute to the creation of high-quality employments.
- Innovations and smart technologies will be adopted with a respect to the nature and cultural heritage of cities.

- Cities will become free of transport and infrastructure problems. The amount of time people spend in traffic and the cost of transportation will be reduced with the implementation of innovative and alternative transportation models.
- The principle of breathing cities will aim at promoting low-rise urbanisation while enabling children to play in green parks within planned, clean and breathing cities.
- Cities will provide social justice by making positive discrimination in favour of the poor, the disabled, the elderly and people with disadvantages. They will be provided with social assistance in line with human dignity.
- Cities will promote the development of art and culture. Municipalities will provide easy access to the culture and art activities and sports programs.
- Not only the rights of the people but also rights of all living beings will be protected and respected in environment friendly cities.
- People from all segments of the society will have happy and peaceful living in smiling cities.

IYI Party's Local Election Manifesto

- Residents of the cities will be treated equally without being subject to any sort of discrimination on the basis of race, religion, language, gender, ethnic origin, or any difference of opinion.
- In the administration of municipalities, every opinion will be respected and single tone will be rejected. The decisions that directly concern people's interest will be taken through popular vote and people's participation in decision-making processes will be ensured.
- The resources of municipalities will be viewed as the wealth of the people. Information about public spending of municipalities will be shared with the people in a transparent and accountable manner.
- Artistic and cultural organisations and artists will be supported. The Aesthetic Councils will ensure that the architectural structures of the cities are in accordance with the national, historical and cultural heritages of the cities.
- Merit- and competence-based recruitment will be adopted in personnel recruitment processes. Municipalities will encourage investment, production and employment.
- All technological innovations will be used in smart cities in order to increase the life quality of people.
- Internet access will be free of charge in public spaces including municipality buildings, city squares, and public transportations.
- People in need will be located through the technological devices and provided with the necessary social services. City identities will be formed and social segregation will be eliminated.
- Children, youth, women, elderly, disabled, and people with disadvantages will be provided special services, and their needs will be addressed in municipal decisions.
- Smart Transportation System will be established to allow fast, affordable and good transportation. Students will benefit from public transportations without charge during the school time.
- Eco-friendly cities will be established. Any negative impacts on nature will be abolished. Parks and forests will be increased allowing all animals and plants to maintain their lives.
- The city councils will become active. Representatives of all segments of the city will participate in the decision-making mechanism. Planning of municipal activities will be opened to the opinion of the people of the region through digital devices and applications.

CANDIDATE OF NATION'S ALLIANCE IN ISTANBUL

Ekrem İmamoğlu

Ekrem İmamoğlu is the mayor of İstanbul Beylikdüzü district since 2014 local elections. Before his current post, İmamoğlu served as the chairman of his family business, a board member of Trabzonspor Football Club and the head of CHP's local organisation in Beylikdüzü.

Following his tenure in Beylikdüzü, Mr. İmamoğlu was nominated for the İstanbul Metropolitan Municipality by his party, CHP. Ekrem İmamoğlu's candidacy is also supported by İYİ Party, the other member of the Nation's Alliance with CHP.



(Elif Öztürk - AA)

Nation's Alliance Economic Promises in İstanbul

- Residents of İstanbul will access cheap and healthy food
- Welfare system will include more people to benefit
- New employment opportunities will be provided to 150 thousand people
- We will encourage more women to work
- We will provide vocational training to young people and support entrepreneurs
- We will provide more affordable and efficient public transport
- We will provide 2000 Turkish lira for couples who are in need to get married
- We will reduce the traffic jam
- We will build new parking spaces
- We will provide some educational packages for young students who are in need
- We will create more social activity programs for elderly people in order to prevent loneliness
- We will protect agricultural areas and develop rural areas to make more livable environment
- We will provide more equal educational opportunities to everyone
- We will try to reduce the cost of living in İstanbul to make İstanbul more affordable

CANDIDATE OF NATION'S ALLIANCE IN ANKARA



(Binnur Ege Gürün - AA)

Mansur Yavaş

Mansur Yavaş was elected from MHP as the mayor of Ankara's Beypazarı district in 1999 and 2004 elections. In 2009, he was the candidate of MHP for the Ankara Metropolitan Municipality and became third following the candidates of AK Party and CHP. Prior to 2014 local elections, Yavaş joined CHP and ran for Ankara's governance for the second time. Although Yavaş lost the elections, he was able to raise his votes. Yavaş will be running for the third time to become the mayor of Ankara as CHP's candidate. His candidacy is also supported by İYİ Party.

Nation's Alliance Economic Promises in Ankara

- We will encourage more women to work
- First priority will be given the employment of disabled citizens in the municipality
- We will provide health and safety training programs to help businesses to create safe work environments
- We will provide job opportunities for inexperienced young university students who like to work in the field of tourism and education
- Will be created more job opportunities for teachers who have not been placed in any schools
- We will provide more affordable and efficient public transport

EXPERT VIEWS

Experts from various fields of study provided their views on the following questions which aim to reveal the impact of national economy on the upcoming local elections:

- Are local elections different than general elections in terms of how economic situation affects voter behaviour?

- How much does the quality of the local candidate matter? Is it the general economic environment that have more impact on voting behaviour?

- To what extent has the recent fluctuations in Turkish currency influenced voter inclinations?



Sadık Ünay Professor at Istanbul University

The general economic situation of the country affects the outcomes of the general elections more than the local elections. But in some cases, the electorate chooses to experience its dissatisfaction with economic dynamics in local elections as well. The 2009 local elections after the global financial crisis was a clear case in point where the incumbent AK Party suffered some losses due to the domestic impact of the crisis. But in the following 2011 general elections all those losses were recovered.

In local elections the quality and local perceptions of the candidate matter more than the general economic situation. Even during times of grave economic difficulty, highly qualified candidates are able to receive high votes from the electorate. Therefore, selection of the right candidates

by the managements of the political parties carry great significance.

It is still early days to measure the political impact of the economic slowdown, but there seems to be early signs of voter dissatisfaction with high inflation (especially price increases in fruits, vegetables, meat and daily consumed foodstuff). If the current slowdown continues for over a year and the impact on the real economy becomes more visible via serial bankruptcies in small firms, then we might observe a bigger reflection in voter preferences. At this moment in time, most of the Turkish electorate seem to be willing to stick with their political/ideological affiliation with their parties despite the economic difficulties. The incumbent AK Party might suffer some local losses, but its overall electoral performance is likely to be strong.



Fuat Erdal Professor at Ibn Haldun University

I believe, voters' behaviours might be different in general elections than local elections. Current economic problems such as financial fluctuations, unemployment, high inflation, budget deficits might be more effective in their decisions in case of general elections. The rationale behind this thought is that current economic situation indicates the performance of the government in power except the cases of external shocks such as political conflicts, wars or natural disasters such as earthquakes. That is why, the voters would value projects towards solving general macroeconomic problems and vote for the party which has reasonable and convincing projects.

The results of the previous local elections indicate that the quality of the candidate and his or her projects towards local problems always matter. The voters would even vote for a candidate of another party that they usually do not vote. Mayors of several cities or towns changed from a left party candidate to a right party candidate or vice versa.

This indicates that Turkish voters are quite rational in their decisions. Thus, general economic environment is expected to have less impact on voting behaviour in local elections when compared with general elections.

The sudden and unexpected rise of Turkish lira/USD exchange rate in August 2018 has affected our economy considerably because devaluation of the currency leads to further increases in interest rates as well as inflation rates inevitably. Almost all parts of the society have been influenced from these shocks: The incomes of the tradesmen who used to import decreased, the incomes of the businessmen who used to borrow in foreign exchange and who used to expand their businesses by borrowing at lower interest rates declined. The purchasing power of the citizens deteriorated due to rising inflation rates. The previous elections indicate that voters usually react negatively to the current governing party in these situations and decide to change it. Although existing macroeconomic environment is more influential in general elections, the current government is still expected to solve these problems before the local elections.



Prof. Talip Küçükcan *Senior Fellow at TRT World Research Centre*

Local and general elections are obviously different by their nature, and there are many factors which influence voter behaviour in both elections. There are, however, many overlapping issues, concerns and expectations of voters from both local and general elections. The most important factor for the voters is the confidence in the vision of the party leadership and the ability of the leaders and candidates to persuade voters. Secondly, the track record of the political parties and their leaders in general and mayors/local governors in particular. Economic concerns naturally play a role in the preference of the voters as they seek better standards in education, health, transportation, water and food safety and cleaner environment etc. However, in the context of Turkey, some issues such as security, combating terrorism and addressing existential regional risks has the priority and thus might have more influence on the voters than other factors. Economic situation is an important factor but not the only variable that shapes voter decision.

When we look at the history of the Turkish local elections, we can identify several factors affecting the voting behaviour of the electorate such as environmental issues, transportation, housing, access to energy and clean water etc. In the metropolitan areas and large cities, party affiliation and political identity outweigh many other variables while perceived failures or successes of the mayors in charge are

equally important that affect how people vote. Voters also look at the strengths and weaknesses of the candidates along with their political affiliation when making decisions. Therefore, in metropolitan areas and large cities, political parties try to identify well known, respected and reliable individuals with a history of experience as their candidates. However, in smaller cities and towns in particular, quality and personality of the candidates might outweigh party affiliations.

Turkish economy started to recover after the August 2018 currency fluctuations and the Government took decisive measures to initiate structural reforms to stabilize the economy. Given the economic slowdown in the largest economies such as China which announced the lowest growth rate in the last thirty years, voters are well aware that Turkish economy is part of the global economic system and its influence.

In light of this trend, the Turkish Government also revised its growth rate and shared it with the public to boost the confidence in economy which is directly linked to political stability in the country. In the Turkish political context, one might argue that there is not an absolute separation and differentiations between the local and general elections where boundaries are flue and fluid. That means not a single factor including the economic situation is a decisive factor that would shape the final choice of the voters.



Nurullah Gür *Assoc. Prof. at Medipol University and Director at SETA*

In general, the impact of the economic situation on voting behaviour is limited in local elections. Electorates vote on the basis of the candidate profile, projects and general positions of the parties, rather than the developments and policies on a macro basis. In the past, we have even witnessed the times when the ruling party lost votes in the local elections whilst the economy was improving. Turkey has experienced a severe financial turbulence very recently, and its effects still continue. Hence, compared to previous local elections, economy's impact on the voting behaviour may have a bit more determining role on 31 March local elections. Nevertheless, the main

determinants of voting preferences will be the performance of municipality service expected from parties and its candidates, and ideological approaches as well as political stances of the parties.

Even if economic activity slows down, it is another point to be considered by voters whether the ruling party or the opposition parties have the capacity and economic policies to reverse the course. If voters believe that the current administration will be more effective in solving problems, they are not expected to make a radical change in their voting choices. Besides, in a period when the country is struggling to survive against high internal and external threats, economic developments are much less reflected in voter's preferences.



Metin Başbay *Researcher at TRT World Research Centre*

Ideally, one would expect local elections to be exclusively about the quality of the candidates or local issues such as transportation, infrastructure, social care, etc. But, this is rarely the case in Turkey. Instead, we usually see macro-political and economic issues dominating the agenda. Of course, this is partly due to the nature of Turkish politics in general. Politics in Turkey is not only a competition about whose projects will be realized but also a fight over country's soul.

This does not mean that voters do not have any consideration for the local issues and candidates, but ideological preferences have a central role in local elections too.

Local elections often also serve as a poll of voters' satisfaction with the economic policies of the current government. When people are pleased by the economic policies of the party in power, they have a tendency to neglect local issues and support its candidates anyhow, and vice versa. This local election is no exception. In fact, considering recent political events and economic trends, upcoming elections

will be a textbook example of how voting dynamics at the local level are influenced by the national issues including the economy. Turkish economy is going through a deep transformation and recovering from last August's currency fluctuations. Voters evaluate government's effectiveness in dealing with the problems, and will use local elections as a means to send a message about the 'New Economic Program'.

I would argue that Turkish local elections will be influenced most directly by how ongoing economic process is perceived by the voters. Those who believe that Turkey's economic challenges, namely currency fluctuations of last August and ongoing inflationary pressures, are due to the power conflict with the US and threat of sanctions against Turkish economy over regional issues (such as the fight against PYD terror in Northern Syria, purchase of S400 missiles from Russia, or the extradition of Fetullah Gulen after the 2016 coup attempt), will strongly support the governing party AK Party while those who blame the government will support opposition. In that sense, Turkey's local elections will be affected by not even national but global political events and how Turkish society perceives and interprets them.

Conclusion

This info pack has analysed the potential impact of the national economy on local elections. There are many factors that play a role in voter preferences, and economy remains as one of the most important determinants of the voting preferences.

Turkish economy has faced a downturn over the summer of 2018 as a result of its political rift with US government and disagreements on various issues such as the conflict in Syria. Also the global economic slowdown as a result of the trade wars has created further fluctuations in Turkish currency. Thereupon, the Turkish government has taken various important measures to stabilize the economy and recover the currency. The annual current account deficit, which peaked in May last year at \$58.1 billion, dropped to a level of \$27.6 billion by the end of 2018. Treasury and Finance Minister Berat Albayrak stressed that "The Turkish economy has a powerful balance and enjoys a much better performance than the summer period. With effective measures, Turkey has propped up its immunity against turbulence and volatility". Turkey's economy grew by 2.6 per cent in terms of real gross domestic product (GDP) in 2018 compared to the previous year, the TurkStat figures showed.

The info pack also provided information about political parties and their alliances for the local elections. Additionally, it highlighted information about the party manifestos, candidate profiles and promises for the cities of Istanbul and Ankara for the upcoming local election.

The reason that this info pack took two cities (Ankara and Istanbul) as case studies is that they are the most important cities in Turkey. Istanbul is the most populous city with more than 15 million population, and remains the most important city for all political parties in local elections with a title of economical and sociocultural capital of the country as Ankara, on the other hand, is the capital of Turkey and the second most populated city with 5.5 million inhabitants. Istanbul's share in the country's GDP was 31.2 per cent, or 970 billion Turkish liras, in 2017, data from TurkStat have shown. Istanbul was followed by Ankara with 280.5 billion liras and a 9.0 per cent share.

Finally, expert views have been provided to give readers a more informed and deeper overview about the effect of the national economy on the upcoming local elections.

