

In this edition of *Türkiye in Focus*, we cover the following topics:

- The economy remains the most crucial issue for both Turkish citizens and party politics.
- The performance of the Turkish men's football team in EURO 2024 is significantly influencing the national mood. Researcher İhsan Faruk Kılavuz provides his insights on this matter.
- The AK Party has begun signalling changes within its party organisations. We explore how this transformation process might unfold.

Economy Takes Centre Stage as Summer Begins

As the Eid holiday concluded, several leaks caused a public stir. News filtered that the new tax package would tax even waiter tips and increase the departure tax from 150 Turkish liras to 3000 TL. However, the tax package is still in draft form and is expected to be less stringent than initially claimed. It will likely undergo discussions before passing through parliament.

Finance Minister Mehmet Şimşek is at the heart of this debate. He argues that strategies imposing extra burdens on pensioners and lower-income groups are unavoidable. Notably, the usual half-year increase in the minimum wage, implemented over the past two years due to high inflation, is not on the agenda this year. Şimşek emphasised the importance of not compromising the inflation target despite expectations for a raise.

Amidst the economic discussions, CHP's shadow minister, Yalçın Karatepe, met with Şimşek for four hours earlier this week. Karatepe's proposal for a mid-term increase in the minimum wage did not receive a positive response. His critical remarks about the meeting were perceived as ungracious by the AK Party.

The economy is increasingly dominating the CHP's discourse. The party has been organising rallies to address various agricultural issues and highlight specific problems. Next



(Metin Aktaş - Anadolu Agency)

Sunday, they will hold a "Labor Rally" in Gebze, one of Türkiye's industrial hubs. While CHP has yet to achieve significant social mobilisation, growing demands and tightening economic measures have provided an opportunity for opposition. The tension and dialogue between the AK Party and CHP over economic issues will likely shape the political landscape in the coming months.

Football is More than a Game: Türkiye at EURO 2024

The hottest topic in Türkiye these days is the men's national football team's up-and-down adventure in EURO 2024. In this context, researcher İhsan Faruk Kılavuz describes the general atmosphere in the country:

"The enthusiasm for the ongoing EURO 2024 Football Championship in Germany is being felt across Türkiye as well as the entire continent. The Turkish national team's successful performance and victory against Georgia in their opening match brought immense joy and raised the nation's expectations. However, a subsequent heavy defeat to Portugal quickly turned this optimism into anger and despair. Following this loss, sharp criticisms were directed towards the Football Federation President and the head coach, underscoring the emotional nature of football in Türkiye.

Football in Türkiye is not just a game but a societal force encompassing social, economic, and political dimensions. For many Turks, their allegiance to a football club is a fundamental part of their identity. While club-level support often reflects micro-nationalist sentiments, support for the national team evolves into a macro-nationalist fervour. Football bridges societal gaps, uniting the nation in a shared passion.



(Mustafa Hassona - Anadolu Agency)

In Türkiye, football exists in two realms: one is the game played on the pitch, with the players as the protagonists, and the other is the game experienced in the stands, with spectators as the actors. These two aspects are deeply intertwined. Historical triumphs in international tournaments, like those in 2002 and 2008, have had profound positive effects on Turkish society. As the national team excels, public attention shifts from pressing issues like the economy and politics, focusing instead on the joy and pride of football.

Nevertheless, this emotional connection sometimes leads to adverse outcomes. Football can be used to manipulate public sentiment and create artificial rivalries. Social media plays a significant role, with high-profile accounts often acting as influencers, exploiting the public's passion for football. Discussions on the negative impacts of social media frequently highlight the manipulative activities of football-centric accounts. This was particularly evident following the loss to Portugal this week. Amidst the heated debates surrounding Türkiye's national football team, young star Arda Güler found himself at the centre of controversy. The decision to bench Güler for the match against Portugal sparked an outcry on social media, where a seemingly routine training video was manipulated to suggest friction between the player and the head coach. This episode of misinformation aimed to exploit the deep emotional connection the Turkish public has with football and the young star Arda.

Beyond all that, the Turkish national team's success in the tournament in Germany will likely enhance the recent positive momentum in Türkiye's politics. As the team advances, the nation watches with bated breath, hoping for a performance that not only brings glory on the pitch but also uplifts the spirit of the entire country. Indeed, in a critical group stage match against the Czech Republic, Türkiye clinched a victory that propelled them to the next round. This triumph dispelled the dark clouds hovering over the nation, reminding everyone of the resilience and spirit that define Turkish football."

Initial Signs of Change in AK Party: Provincial Heads Replaced

Following local elections, the AK Party experienced a significant loss of votes in many strongholds, while the CHP saw a substantial increase. President Erdoğan, also the AK Party leader, has hinted at internal changes within the party since the elections, though no concrete steps had been taken until this week. Recently, the AK Party replaced its provincial heads in seven regions, including Kastamonu, Afyonkarahisar, and Adıyaman, areas where the party lost to the CHP.

While this move does not signify a major overhaul, it indicates a shift in the party's long-term strategy. This strategy appears to unfold across three main areas:

1. Rivalry with the CHP: The two-decade-long competition with the CHP is evolving. Despite ongoing mutual criticism, a new dialogue platform has emerged.

2. Alliance with the MHP: The alliance with the MHP is being recalibrated. Recent interactions between the MHP leader and Erdoğan suggest that the alliance will remain intact for the foreseeable future, but adjustments in administrative roles and opposition space are being made.

3. Internal Changes within the AK Party: The recent replacements of provincial heads mark the beginning of expected internal changes within the AK Party organisation.

These steps indicate the AK Party's preparation for long-term changes. Any drastic changes in the current balance could potentially lead to early elections. The four-year period without elections presents an opportunity for the Erdoğan administration to implement these changes and stabilise the economy.

Highlights

- Tensions persist between Istanbul Mayor Ekrem İmamoğlu and residents of Istanbul's Princess Islands. The introduction of larger electric minibuses by İmamoğlu has sparked protests from island residents who argue that these vehicles threaten the natural environment and are aesthetically displeasing.
- Credit rating agency Fitch Ratings has revised the outlook for the Turkish banking sector from neutral to "improving." This change is attributed to reduced external financing pressures and decreased macro and financial risks following the implementation of more conventional economic policies.
- Turkish electric car manufacturer TOGG will start taking pre-orders for its new fastback model, the T10F, as well as the T10X, for European sales at the end of the year. These models will be officially launched early next year.

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