



## **ECONOMIC AND SOCIAL MAKE-OVER IN TURKEY: BY ERDOGAN**

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### **ABSTRACT**

After the collapse of the Ottoman Empire, a new Turkey was born in 1923. Since then till 2001, the nation was governed by either military rule or democratically elected entity which, for political reasons, could not continue their term of reign. Post-birth of an independent Turkey, it has been going through a lot of ups and downs economically; before the arrival of Adalet ve Kalkınma Partisi-AKP (Justice and Development Party) in power, the country was in massive debt. The administrative strategy of Erdogan brought about a drastic geopolitical change in Turkey, not only that also, in the economic field. Today, Turkey is said to be the most influential country among the developing fellow nations who were in debt to IMF and World Bank. Now, the question comes to mind that in what sense of the country did he take initiatives to bring about such results? Some political groups blame him for the eradication of democracy whereas others rejoice him for handling the nation democratically. Recently, three events took place in Turkey respectively that marked history; firstly, the coup of July 15<sup>th</sup> 2016, in order to de-throne president Erdogan; secondly, the referendum in 2017 where he slightly won by 51%; and thirdly, with a new presidential system Erdogan once again won by 52.5% in 2018. To what extent do these circumstances provide for further economic and social development in Turkey? This paper evaluates the steps taken by Erdogan to bring about such an outcome, giving argumentative and empirical statements.

JEL Classification: O1, O21

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### **1. INTRODUCTION**

Almost 600 years into its reign, the Ottoman Empire fell in 1923 giving birth to Independent Turkey in 1924. While most Muslim

countries have been a colony to various countries, which is a prestigious trait of Turkey in its history was that it was never a colony. Although the Ottoman Empire was in power based on religion in 1924 the nation was eliminated its religious constitution and a one-party state was established under the Cumhuriyet Halk Partisi-CHP (Republican People's Party). A culmination of secular, modern, military, bureaucratic and elite classed group took part in governing the country. The financial condition of the nation was not good at all; the government at that time did not have a base to run the state that could stabilize the economy. At that time, two groups emerged under the government claiming the administration of the country based on the elites of the state or both the elites and laymen such led to the hardline and moderate groups who brought out arguments based on "class base movement" (Fitzgerald, 1977).

In 95 years of the birth of Turkey, the military had many times attempted to overthrow the government by performing coups that affected investment fluidity and destroyed the financial stability of the nation. Eventually, the coup of 1997 and the economic crisis of 2000-2001 affected the banking sector leading to massive breakdown in the financial structure of the whole nation. The unemployment rate of 1999 stood at 6.4%, rising to 10.4% in 2002. Also, the public debt of the year 2000 was 38% that increased to 74% of GDP in 2001. It had gone to the extent that the banks of Turkey had to become the main source of the debt repayment utility; along with the depositors and the investors they were the short-term lenders to clear the government's debts (Macovei, 2009). In November 2002, under the administration of Erdogan, the AK party took steps toward Economic Reformation that would help the macro-economic sector of the nation develop economic growth (Uğur, 2009).

## 2. TURKISH ECONOMY AND POLITICAL SCENARIO BETWEEN 1923-2001

### 2.1 ECONOMIC CONDITION IN THE ERA OF ATATURK 1923-38

The founding Father of Turkey, Kamal Ataturk, after establishing a new constitution declared that a state can be Sovereign if it is economically independent, that is, it functions on its monetary supplies alone, such is possible through an industrial zone. The probability of acquiring a stable position of Sovereignty was low because of the deterioration of the Ottoman Empire, the catastrophic aftermath of World War I and the private sector of the newly born

Turkey were financially immature that did not make any successful procedure to build a strong zone of the economy (Takim and Ensar, 2010).

At the time of the Ottoman Empire, many states were together then, there was an easy access to free trade among the states; after its breakdown it became difficult for the Turkish people to do trade or any sort of business as they had to pay tariff to cross borders since the inception of Turkey. However, in the process of economic reform of Ataturk, in 1923, a congress was organized in the state of Izmir that passed down a Lausanne treaty that tied up most of the reform. For the above-mentioned reasons, any prosperous economic zone was impossible to build, as result there was no possibility of any steps towards liberal economic zone in the 1923-1929 period (Uzun, 2005). Moreover, it interrupted the domestic economic structure of the nation (Avcioğlu, 1969). Two elements could be seen in the years 1929 and 1938, the national businessmen could make assumptions that there will be tax allotments on them for the purpose of a decrease in the Foreign Trade Deficit. Anyhow, a crisis evolved in the United States of America that affected many neighboring countries including Turkey (Tokgöz, 2004). Despite this fact, towards the end of Ataturk's term of reign, it had a five- year plan put forth for the economic development whereby to eliminate dependency on other countries rather produce the nation's own agricultural products like sugar, flour, and cotton etc. During the throne of İsmet İnönü in the year 1933 took a loan of eight million Turkish Lira based on no interest to outline the five-year plan but the outbreak of the second world war did not allow it to go any further as planned (Daşdemir, 1998).

## 2.2 THE ECONOMIC CONDITION BETWEEN 1939-1980

After the demise of Ataturk in 1938, İsmet İnönü paved the way for the people to start new groups and parties as the country had been based on a single party state that could not see through the internal problems of the nation and failed to cover all. In the general election of 1946, a new Democratic Party won and in the year 1950 as proven trustworthy to the people it comes in power again. According to Turkish history from 1947 to 1953, the democratic government succeeded in accomplishing State Economic Enterprises (SEE) and met domestic demands through infrastructure (Ahmad, 1977). The increase in the financial flow of the country and the trading system was a great influence of the government (Wagstaff, 1989). Also, at

that time GDP growth exceeded 10% and as a result of the governmental concern over agricultural projects raises the annual growth rate to 11%. The sole reason for this is that the authority eradicated tax payment upon agricultural projects. From 1950-53 a great value of Public Investment Expanding was tangible to 30%. Meanwhile, with many other cities and villages, it brought them towards further development. However, the United States came forward in support of communication and connection development all throughout. Another factor should be included that the literacy rate was 28%, where men were 47% and women 13% because the language during the Ottoman Empire was similar to Persian-Arabic alphabets. Later when the nation came under Turkish Republic, the alphabets were altered to Latin alphabetic system as what it is now. However, from 1954 export and import level started falling and could not be recovered till 1960.

Towards 1958, the Turkish economic condition was falling so badly to the extent that it could not take any sort of financial help from any aid from the foreign organization. But in the 1960s when the economic growth was fruitful then GNP rate increases rapidly. It stood at 6.4% in 1963-67 and 6.7% in 1972. If compared with other 55 countries such growth rate makes the Turkish per annum average rate six percent which was substantial (World Bank, 1980). Another interesting fact, 1963-1972 were the crucial years where industry share rises from 16.2% to 22.6%. A disturbing fact is that the annual rate starts falling drastically as the government (in order to gain the more political support) increased the wage rate of the SEE and it has coped up through the funding of transfers and the loan from foreign countries. As a result, the deficit of SEEs was visible clearly; any onset of hope in economic growth could be established that the political unrest and violence disturbs the whole nation. Even though the years from 1973 to 1977 was phenomenal for economic growth yet inflation rate continued. In the year 1970, the unemployment rate increased from 4% to 5%.

The foreign organizations express irritation in giving any further loan to Turkey. Therefore the country was forced to pay debts from their own bank reserves. Meanwhile, investment was reduced to a minimum and inflation rose to a peak rapidly, resulting in negotiations with foreign delegates. In 1980, IMF got involved in the crisis of Turkey to resolve it and launched many projects with regard to it. However, it proved to be a failure as it could not overcome the political problems of the country. According to Kazgan (1993)

national and international factors gave way to the impossibility of reviving the nation from any economic instability.

### 2.3 THE ECONOMIC CONDITION FROM 1980-2001

Under the influence of foreign money lenders, the military took over the country again in 1980. The events in this category can be divided into two parts, they are 1980-89 and 1990-2001. On January 24<sup>th</sup>, 1980, the Demirel government introduced a new economic policy which differed from any previous policies. The fiscal standard of the country at that time was devaluated to 49% i.e. per dollar is equivalent to TL47-70. Because political instability prevailed from 1977-1980 and the rise of inflation brought about inequality in the wages of the people drastically (Celasum, 1986), a contract was signed between IMF and Demirel to transform Turkish politics through the radical change in its economy in 1980; the sole purpose for it was to bring about a variation in the trading system (Togan, 1994). Turkish politics since its inception was not based upon any foundation of principles. A single party state, political unrest, and military takeover were the main objects experienced by the people of Turkey.

In 1990, Turkish economic growth kept developing, despite the ongoing structural unresolved situation and high inflation rate. The GDP growth in 1992-93 was floating, but towards the end 1993, it started declining. The domestic demand in 1993 kept rising 12% and import increase at 36%, an annual 50% fiscal deficit and inflation rate stood at 70% resulting in a chaotic unrest in the country. Due to the presence of deficits in the national and international sectors, towards the beginning of 1994, the decline in the value of Turkish Lira unleashed an economic crisis (Altug, Filiztekin, and Pamuk, 2008).

A gradual increase in the GNP security issues that was 6.9% in 1988 went up to 38.7% in 1999. The most disappointing moments of growth rate were during 1998-2001. But the Turkish financial problem is one of many crises that portrays the present international financial system (Eichengreen, 2001). Despite registering a positive economic growth for several years (1981-87, 1990, 1992-93, 1995, 1997 and 2000), yet it was never stable. As consequence, the 2001 crisis will have remained as a dark history in Turkish Economy. Due to the abandonment of Crawling peg exchange rate system by the government, on the 22<sup>nd</sup> February, the Turkish Lira lost about 40% of its value against US dollars in a duration of few days. Following the crisis, a high increase in interbank interest rates was seen to a

minimum of 7000 and around 7.5 billion fled Turkey in just two days (Yeşilada, 2002). This has resulted not only economic dysfunction but also social and political influence over Turkey. Also, evidently the crises hit Turkish labor more than capital (Diwan, 2001). However, a recovery was not yet made in 2004, whereby a loss of 20% in labor share again resulted due to the 2000-2001 crisis. This did not affect the Turkish financial market and investors alone but also, crashed the lives of the lay men. It is assumed that approximately 500,000 people were unemployed in the time period of only 45 days. Within 20 years, unemployment rate hits 20% (Turkish daily news, 2001). GDP per capita was 4,021 in 2000 but it dropped to 3,736 in 2001. Turkey was ranked first in loan taking from IMF among other loan taking countries that it owed a debt of USD19 billion. According to Akyuz, Zaratlyla and Bankaları (2011) the crisis of 2000-2001 shut down almost 20 banks in the country. In December 2002, after the throne of AKP, the loan taking process from IMF was reduced whereby in 2000-2001 an amount of USD23.8 billion was borrowed. However, Erdogan received only a specific amount of USD1.7 billion.

### 3. A NEW ERA IN THE HISTORY OF TURKEY 2002-2007

Since Turkish politics never barred a code of transparency in its conducts and policies, therefore, it was never able to show any consistent economic growth and they failed to present their foreign policies ahead. In this perspective, the blame goes back to the interference of the military forces and coups. For instance, a nuclear reactor holding country like Pakistan where economic problem prevails because of the interruption of military forces in the country several times. After the rejoicing victory of AKP in 2002, this event made a great effect on Turkish politics creating milestones for the country which seemed to have an indication of revival as a 'New Turkey' in politics and economics spheres. The Turkish average economic growth rate crosses 6.8% during the period of 2002-2007 (Tatliyer and Gür, 2016). Turkey was considered to be one of the most fast-paced economic growing countries. Also, it made a record in creating a deduction in the 'single digit inflation'. Consequently in the year 2005, the public stands with AKP government that dropped 'six zeros' from Turkish Lira (Ibrahim, 2007). In 2002, the investment ratio of the GDP was 22.5% that reached at 29.5% in 2007. Few sectors of the nation set records in their growth performance such as motor vehicles, machinery, metals, textiles and leather products etc. Another factor to be accounted for that the 2001 borrowing demand in

the public sector which registered 12% it was successfully reduced to a zero performance in 2007.

#### 4. ECONOMIC CONDITION BETWEEN 2008-2015

Like the rest of the countries during the period of global economic catastrophe, Turkish economy also suffered a downward direction in 2008-2009. However, an interesting factor in the Turkish economic growth rate showed that during this time of crisis in 2008-2015 Turkey performed with an average growth rate of 3.4% per annum and towards the beginning of 2016 it secured 4.8%. It is to be noted that among the G20 countries, if a scale of comparison is made then Turkey performed better than all these countries (Tatliyer and Nurullah, 2016).

TABLE 1  
Economic Growth Rates of Selected Countries/Areas

Country	2002-2007	2008-2015	2002-2015
Turkey	6.8	3.4	4.8
Argentina	5.4	3.6	4.4
Belgium	2.4	0.7	1.4
Brazil	3.9	2.2	2.9
Germany	1.4	0.9	1.1
Spain	3.5	0.4	1.3
France	1.8	0.4	1.0
UK	2.8	0.9	1.7
Greece	4.1	3.7	0.4
Italy	1.1	1.1	0.1
Japan	1.6	0.2	0.8
Mexico	2.8	2.0	2.4
South Korea	5.0	3.1	3.9
Malaysia	5.9	4.6	5.2
South Africa	4.6	1.9	3.0
European Union	2.3	0.4	1.2
OECD	2.5	0.9	1.6
WORLD	3.7	2.2	2.8

Source: World Bank, various years.

A variation in the development of growth rate as in Table 1 is estimated in comparison to selected countries or areas. The Turkish economic growth stood out from 2002 to 2007 with a scoring percentage of 6.8, after a recovery from financial crisis in 2000 to 2001. During this period, the EU or OECD countries were far below in the growth rate than that of Turkey. The 2008 to 2009 global financial crisis brought about a waking change in the average economic growth rate of the country at a declining rate as the world economy slowed down by a significant extent. However, in real terms Turkey has been showing its best performance in the world with an annual economic growth rate of 3.4 % in the period 2008 to 2015 whereas, the EU countries registered at only 0.4 % annual growth. Also, the economy of Turkey has been gradually growing relatively well for the last few quarters as compared to other G20 countries.

According to the report of Organization for Economic Co-Operation and Development (OECD), an approximation was made that among the countries of OECD an annual record of 6.7% attainment is possible by Turkey in 2011-2017 (OECD, 2010). The GDP per capita increased from USD3,492 in 2002 to USD10,504 in 2012. The rate of low-income households that was below USD4.3 per day has reduced from 30.3% in 2002 to 1.62% in 2014. According to World Bank (2015) a decline in poverty was seen in Turkey due to more access to better jobs, higher wages, and social assistance. The strengthening of the labor market and the increase in their wages contributed a lot towards employment. Recently, the government reformed the payment system and developed a payment scheme, unemployment benefits, and temporary work contracts. In January 2016 a 30% increase in the minimum wages has resulted in a great positive impact on the social life. It is recorded that Turkey was one of the most consistent countries that accepted loans from International Monetary Fund (IMF) at a huge amount. In almost 32 years, IMF lend of about USD50 billion.

Erdogan made a drastic change in the economy of the country and in the tenure of AKP in its first 11 years, it repaid the Turkish debt of about USD23.5 billion to IMF and foreign organizations. Towards the beginning of 2013, the entire debt was repaid and Erdogan announced Turkey as a debt-free country. A significant accomplishment of AKP is that despite clearing the country from all debts, in lieu it offers to keep USD5 billion as a reserve in IMF for global financial stability.



## 5. AKP-KURDISH PROBLEMS

After Erdogan's came in power, he emphasized a one-state nation where its intention was to solve the Kurdish issue. This was proposed in their given agenda at an organizational program of the future plan in 2001. Amongst the principles of Erdogan government, one prominent agenda was to replace the previous governmental systems on Kurdish issue with the new route leading to create a new nation. Simultaneously, their first step towards this new map was the removal of 20 years- long curfew in the south-eastern side of Turkey. In order to expand the Kurdish ethnicity, the government introduced broadcastings in Kurdish language and their educational system was propagated for their convenience. Kurdish and terrorist PKK were divided by Erdogan and to give them an identification he portrayed a line of differentiation that was convinced to the Kurdish community. Resulting in a 50% vote polls from them in favor of Erdogan in 2007 election. A governmental television channel is known as TRT which was broadcasted as TRT 6 for continuous twenty-four hours in 2009 also, a higher education council YOK was established for the enhancement and propagation of Kurdish language and literature in universities was initiated, this culture became as one of the symptoms of Turkey. However, in the Presidential Referendum, a 51% vote polls win was a major contribution of the Kurdish which was pointed out by Erdogan in his presidential victory speech.

## 6. ARAB-SPRING, SYRIAN REFUGEE ISSUE, AND ISIS

The emergence of Arab-spring was due to few factors like autocracy, long-term power, and unemployment that was believed to be darkening their future, however, the initiation of this was in a positive perspective but it diverted towards another segment that befell on the whole of Middle-East. America and its Western allies did not foresee the consequences of the Arab revolution that came about today where, Syrian is the most affected one and this ongoing civil war destructed the peace of that country. On one hand Assad's fascism, ISIS act of genocide and the quarrel between Syrians themselves with no stability of objectives that draws in a stormy destiny in their future. In this matter, Erdogan came forward overcoming the policy of 'zero problems with neighbors' and helping the oppressed like the Syrians etc. In an effort to eradicate the issues of Assad regime and ISIS

massacre, Erdogan meets with the Western allies to come to a solution similarly, it can be set as an example for world humane act that Turkey is the world's largest refugee dwelling where 4 million refugees survive and educational institutions have been provided for their children to lead a bright future ahead. The state relation between Turkey and Syria breaks for such bestial actions upon its people (Michael, 2012).

Although the Arab-spring affects the financial structure of Turkey yet it attends to the oppressed of the Syrians, because on one side the destroyed state of Syria whereas on the other the rise of ISIS and PKK terrorist groups, Turkey had to secure its grounds and it stressed the people to strengthen for their own protection. In consequence, Ankara demanded western support whether it be through either military forces or helping the free Syrian army to diminish the terrorist activities (Joshua, 2012).

## 7. SOCIAL POLICIES TAKEN BY AKP

### 7.1 EDUCATION

During the academic session of 2012-2013, eight to twelve years of children were made compulsory to attend school. And gender based enrollment gap has been removed, primary educational enrollment rate maintained 93% for women and 95% for men. Although the educational level of Turkey is lower than the OECD countries, AKP academic strategy initiated a revolution in this sector rather than the previous government educational planning. In 1970 only eight governmental universities were started and in 1984 only one private university was organized. Currently, along with 104 public universities, 180 additional universities have been established. At present, in different universities of Turkey, more than hundred thousand foreign students are studying according to estimates. The education arrangements of Turkey are qualified up to the mark by few renowned universities Bosphorus, Bilkent, METU, and Sabanci etc.

### 7.2 HEALTH

In 2003, Turkey develops a new segment of improvement in the health sector of the country keeping in consideration accessibility, insurance coverage, and services. In statistics, it is seen that a change in the mortality rate is found where before this movement of alteration in 2005, 100,000 per life birth had 28.5%, whereas in 2013 it reduced to

15.94%. Since 2010 the government passed a policy that every patient will have a sole doctor for his/her benefit. World Bank suggested that as per the age differences of the patients' different sets of equipment are required for treatment and therefore they should make the availability of those items throughout the health facilities of Turkey (OECD, 2015 and WHO, 2013).

### 7.3 GLOBAL INEQUALITIES

The initiations and implementations of Turkish support to the Syrian refugees, disaster areas and many other poor countries are to be noted. Through Official Development Assistant (ODA) Turkey was able to provide 967 million dollars to the needy countries which later came to 4.5 billion dollars in 2015. The sub-organizations of ODA came forth to extend the supporting hand of Turkey such as Turkish Cooperation and Coordination Agency (TIKA) and the Disaster and Emergency Management Presidency (AFAD), the extent of their help was 1.6 billion dollars. Through their help, the countries mostly benefit from them are Asia, Middle-East, and Africa. For the first time, Turkey arranged world Humanitarian Summit in 2016.

## 8. FAILED COUP AND THE ROLE OF GÜLENIST MOVEMENT

According to William H. (1994) Turkish-civil-military an observation is made that the Turkish military does not act as a security basis alone but also as a political key factor. Since the time period "between" 1960-2000, whenever the military felt the need for a change in the political system they came forward with immediate effect (Haper, 2011). The equilibrium of the democratic stability is interrupted by the military (1960-61, 1971, 1980-83, 1997 and 2016). A hostile disturbance in the political constitution of a country not once but numerous times affects the economic stability of the nation. In 1950, Adnan Menderes was the Prime Minister of Turkey who had a democratic party, under his authority the economic growth of the nation was very high, however, the military demanded the President İsmet İnönü to dethrone Menderes but İnönü himself was dedicated towards democracy broadening and he declined the request (William, 1994). Yet the military removed power from Menderes and in lieu hanged him. As per the accountancy of Oran (2009) Turkish first coup occurred in 1960. Likewise, the military acts again in forbidding

Erbakan, the PM at that time and his party from practicing politics for five years as punishment in 1997. Eventually, in 2007, to take down Erdogan from power the military releases a threatening message on their internet website where they asked for an early election before the term ended, in the Turkish history only AKP for the first counter attacked the military with stern words. More than hundred soldiers including senior officers who tried to dethrone AKP were arrested and for the first, they were judged by the Civil Court and sentenced their punishments. During 2008-2010, the Chief of General Staff (military) İlker Başbuğ was sentenced to punishment for conspiracy in 2012. The success of Erdogan is that the 'High Military Council', where the place of the military was in equilibrium with the Prime Minister this act was declined by President Erdogan so that they are controlled and not to be controlled by them. In order to democratize the nation, he stressed on the civil power growth. An incident of 15<sup>th</sup> July 2016, was an attempt to dismiss the AKP from power, involved police, military and a few government officers. However, according to the Turkish official statement, it is considerably informed that the main mastermind behind the failed strategy, the chief of Gülenists movement, Fetullah Gülen was accused. In an Eastern province of Turkey, Fetullah Gülen was born in 1941. As a religious preacher, he was able to approach the ordinary people progressing to a mass. Also, he was favored by many because in 1970, he attained a governmental position as an Imam, which was influential to make a network among people. Through this medium, he was able to make many establishments like schools, colleges, foundations, publishing houses and companies like Kaynak Holdings. Along with, leading media groups like FEZA media was launched under his provision. Besides this, universities, NGOs, think-tank groups, websites and television channels were accomplished towards in 2000. Also, he made powerful progressions by a hand-in-hand combination of elite business groups creating a syndicate like TUSKON (Aydintasbas, 2016). Another factor to the strengthening of financial stability of Gülen movement was that a bank named 'Bank Asya' was a prominent element. According to Gurdogan (2010) many business and "Bank Asya", the net worth of Gülen movement was fifteen to twenty five US billion dollars. In a reference it is indicated that, through the reports of both the organization i.e. the Turkish government and Gülen movement in culmination about 170 countries comprise of approximately thousand Turkish schools known as Turkish Hope Schools (Hurriyet Daily News, 2016). Commonly, the Gülen movement comes close to the lay men with Islamic sentiments.

In the beginning, its good maintenance of relationship with AKP resulted in replacements of their own officials in different sectors.

Therefore, an equivalency of administration occurred in the Turkish government as per the intentions of Gülen movement to have a parallel momentum with the group and government, where the pro-Gülen officials interfered in the administrative functions of the government resulting in a silent civil war between the Gülen movement and AKP. Towards 2013, according to a Turkish Foreign Ministry report it is known that in 81 provinces comprise of 77 police commissioners who are pro-Gülenists (Ala, 2016). Due to the interference of Gülen deep state policy, different governmental sectors were taken over by them, like Judiciary Law enforcement, tax authority, banking board and high committee of judges and prosecutors (HSYK) also, many other imminent fields that made complications to Erdogan for proper administrative activities. Although, the western think of the failed coup of 15<sup>th</sup> July 2016 as a conspiracy of Erdogan (Akyol, 2016). Ezgi (2016) enumerated eleven factors to Gülen movement's involvement in the failed coup (which AKP and all opposition parties consider terrorist organization (FETO). Turkish primary opposition party CHP, that is opposite to AKP in terms of ideology and policy, believed that the culprit of the failed coup was Gülenist movement (Barcin, 2016). Michael (2016) believed that looking back to the consistency of attacks for political disintegration it is impossible for Turkish secular officers to be held responsible for the coup of 15<sup>th</sup> July 2016. The factors to accuse the Gülenist movement for the incident were that unlike any other conventional terrorists, they would have bombed publicly, public assassinations would have been spotted and hostages held etc. rather they did nothing of such sort to attempt an act like coup.

However, FETO tried to confiscate the administration of the country by making the nation democratically vulnerable which none of the terrorist groups have ever attempted. It is crystal clear from the acts of FETO mainly, through its interference in taking power of the administrative fields like law enforcement agencies, revenue agencies, judiciary department and many more, which it endeavored to take over the government. Long time before the failed coup was even considered, the Turkish government demanded the United States of America to give back Gülen to them. Although the Turkish government accused cleric Gülen of terrorist involvement yet, Washington asked for solid evidence to such claim.

According to the reports of Reuters (2016) about two-thirds of Turks believe that behind the coup of 15<sup>th</sup> July 2016 is Fetullah Gülen. “The Andy-Ar survey” portrays that around 64.4% of the population believed Gülen to be the culprit behind the coup while, 3.8% blamed the U.S also, 3.6% held foreign powers to be responsible whereas, the other 2.2% thought Erdogan to be the reason. Besides this, in another survey it can be seen that about 81.5% of the population voted in favor of bringing back Gulen to the country however, 77.7% thought him to be a national threat to the present and future. In an argument of Yusuf Muftuoglu (2017) with exceptions to media groups like New York times and the World Prost, the global media outlets and opinions are created in them through acquiring information from a limited group of Turkish society where, emphasis is put solely in the post-coup reprisal not taking into consideration any former violent activities in the country, from those who were distinctively against the government of Erdogan.

It should be remembered that the tension between the U.S and Turkey is not circulated around Gulen alone, but a subsidiary ally made with the U.S military among two Turkish groups known as Kurdistan Workers Party (PKK) and YPG, that pose a threat to Turkey. This alignment of connection has made an imbalance to the relationship between Ankara and Washington. The involvement of U.S officials with the Gulenists is very deep, such that, a consistent 200 trips of congressmen and staff to Turkey was made accessible by Gulenists since 2008, elites like Mike Honda (D-calif), Bob Filmer (D-calif) and Mo-Brooks (D-calif), as per the reports of Gordon (2015). And a claim of USA Today is that such trips fall under the disobedience of Federal Law and House Rules. (Paul and Paulina, 2015). On 7<sup>th</sup> August 2016, a rally was programmed by an amalgamation of Turkish opposition parties like Kemalist (CHP), nationalist (MHP) and other prime opposition groups came together with AKP government in Yeni Kapi, Istanbul attended to declare in favor of the Turkish government instated, that Gulenist movement is responsible for the coup of 15<sup>th</sup> July 2016 (CBS News, 2016)

All those governments that are based on democracy and conservative attitudes, the US is always chasing after them to destroy those governments. For instance, democratically elected President Morsi was dethroned in 2013, not acknowledging the victory of Palestinian government Hamas in 2006, the failed coup of 15<sup>th</sup> July 2016 in Turkey and the isolation of Qatar from its neighboring trading partners Saudi Arabia and Dubai, all these are the results of American influence where it plays a major role in disharmonizing such countries.

## 9. CONCLUSION AND VISION 2023

Since 1994 till 2002, the economic growth was seen but it was not stable under any government. The reason behind it is that none of the governments could implement the economic plan properly. As a result, after the fall of the Ottoman Empire not having a proper democracy, the elite class taking power in the governmental activities and the dominant feature of the military over the administration became the factors not to establish an Independent Economic Zone. In 2002, after Erdogan came to power, most of the General Elections were won by them. He regained presidential power and kept the military away from politics as it is the job of the president to govern a nation. It brought forth a vision of being one of the most top 10 richest countries by 2023, which is a challenging aspect for the administration. Various mega-projects like Euro-Asia Tunnel, Istanbul's Third Transcontinental Bridge, Istanbul-Izmir high project, Ilgaz Mountain Tunnels, Satellite, Sultan Selim bridge and world's largest airport in Istanbul have already been completed under the supervision of Erdogan. In order to reach vision 2023, it is estimated that by that year GDP will increase up to two trillion with per capita income of USD25,000 and also the amount of annual export is targeted to reach USD500 billion (Turkey Vision-2023). It can be said that Turkey is a soft-power nation, yet the vision of 2023 will be difficult to attain if further structural strategies are not in place. The problem of current account deficits should be solved immediately. Otherwise, Turkey will fail to move along with the developed countries. Vision of 2023 will be a failure if all the above-mentioned concerns are not fixed. The step to be taken is that this possibility should be made handy, by attracting investment from the Middle-East and the Gulf countries; however, for that purpose tax policy should be made invalid (Emin, Ercakar and Erdal, 2011). For the last five years, more than 100,000 international students from about 100 countries are continuing their studies in Turkey. The intellectual aspect that has landed Turkey should be utilized like the US and EU etc. in making a potential economic development in different sectors to reach vision 2023. These steps will definitely help to prosper further development (Dilşad, 2011).

Among the contributions of Erdogan, it can be added that the mega-project i.e., "Third Istanbul Airport" which is about 90% complete will be officially inaugurated on 29th October 2018. It will accommodate 114 planes on the dock at the same time and it would

employ 225,000 people when fully operational. In addition, it will produce an outcome of TL73 billion (USD15.35 billion). Furthermore, the airport will have 100,000 square meters of living space, a 25000 capacity parking area, 143 boarding bridges, a 42 kilometers baggage system and cargo capacity for 5.5 million tons of freight. As planned to be the largest airport in the world, currently it has a capacity of 90 million but after its completion it will have a 150 million annual passenger's capacity by 2023 (Daily Sabah, 2018).

It can be said that vision 2023 for Turkish government is a difficult task and challenging in order to fulfill all the requirements to reach that goal within five years from 2018. The nation has to go through a phase of changes, especially in economic sector to achieve its goal. For instance, a reduction of trade deficit, an increase in savings rate development in fiscal policy and amendment in transport infrastructure. However, the Turkish government has initiated in implementing six mega projects among the ten great projects of the world (Anadolu Agency, 2017). The government needs to improve its energy sources despite the fact that it has already started a budget of USD20 billion in building a nuclear plant in Akkuyu. This nuclear plant is expected to be completed by 2023, which will be celebrated with its 100<sup>th</sup> Republic Day anniversary in 2023 (France 24, 2018).

On the other hand, the Turkish savings rate must rise from 15% to 20% by 2023, as it is lowest among the emerging markets. Along with many other changes in the country; much more development must be made. Turkey has a quarter of young population who must be taken into account as a "Big Opportunity". If they could be nourished well educationally, then it is possible to create a much stronger state (Chan, Lutz and Robine, 2005). In addition, Turkey is an urban country from a long time where, in 2014, the rate of urbanization was 73%. Hence, Turkey must heavily urbanize and globally integrate itself by 2023 (World Bank, 2016). Also, fluctuation in refugee statistics must be contained as the country has a significant number of refugees. It is likely that, the nation can select the eligible ones among them to further complement the development of the country. The positive point of Turkey is that its poverty rate is minimal to negative in the country. However, the rate of unemployment remains at 11%. In order for the country to stand in the tenth position economically, the per capita income has to be USD25,000 by 2023. The AKP government should realize the indispensable factors for the fulfillment of the vision 2023. Another important factor of development in the country is in the field of energy. It is a powerful



resource nation for various reasons whether be it wars or competitive economy. However, in comparison to other developed countries, Turkey uses old power generation technologies and has very scarce energy resources. Between 2002-2016, an annual economic growth of electricity was found to be an average of 4.52%. The electricity consumption in the country is at a high rate especially in winter seasons (Yucekaya, 2017). The electricity demand is estimated to increase around 4-6 percent per annum until 2023. This is due to the rapid pace of urbanization, the positive demographic levels, the economic expansion and per capita income. According to Tatli (2017) external resources are used in order to meet the electricity demands in population and acceleration of urbanization. However, another method of such production is possible that is non-eco-friendly resources but this method can cause adverse effects on the environment.

From 1923-2001, the Turkish economic development during this period of 78 years constitute only 15 years of Erdogan's tenure. A number of economic development has made Turkey as the center of talk for future development. For many years the high rate of inflation has been reduced and equilibrium between savings and investment has been attained. In addition, the government tries to eradicate the influence of PKK and ISIS, and to completely cease the military interruption on administration. Without any doubt Turkey will attain a great change in both economic and political sectors by 2023.

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