

July 25, 2016

## The Turkish Coup, Part I

On Friday, July 15, reports out of Turkey indicated that unusual troop activity was underway which suggested a coup was in progress. In the U.S., as afternoon turned toward early evening, it was abundantly clear that elements of the Turkish security services were attempting to oust President Recep Tayyip Erdogan. As the hours wore on, a counter coup was launched by supporters of President Erdogan and the tide turned. By the next day, it became obvious that the coup had failed.

There has been a great deal of speculation surrounding the failed coup, including that President Erdogan had engineered a “false flag”<sup>1</sup> operation. Supporters of Erdogan blamed the shadowy cleric Fethullah Gulen, a Turkish Islamist leader from Turkey who lives in self-imposed exile in Saylorsburg, Pennsylvania. Some have also accused the U.S. of fostering the coup. In the aftermath of the dramatic events on the 15th, the Erdogan government is engaging in a massive purge of the military, the judiciary and education.

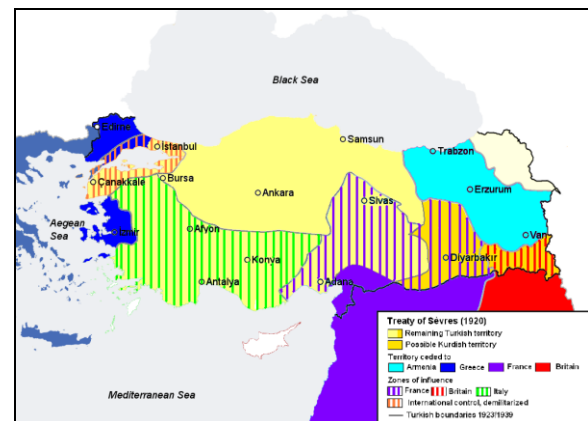
In light of the coup and the potential changes that may be occurring for a key U.S. ally in a volatile region of the world, we believe a detailed examination of this event is in order. Thus, we are publishing a three-part report on the coup. This week's edition will examine the failed coup within

<sup>1</sup> A covert operation executed in such a fashion as to assign blame for the actions to parties other than the ones who actually planned them.

the historical context of Turkey. Next week, we will discuss the coup and the counter coup. Part three will examine the post-coup purge and its impact on Turkey's domestic and foreign policy. We will analyze market effects at the conclusion of the third report.

## The Birth of Modern Turkey

Modern Turkey emerged from the collapse of the Ottoman Empire after WWI. The Treaty of Sevres, signed in August 1920, carved up the Ottoman Empire, ceding territory to the victors of WWI and granting various ethnic groups their own homeland. Note that on this map, Armenia and the Kurds were granted territories.



(Source: Atlas of Europe)

In response to this treaty, Mustafa Kemal, an officer in the Turkish military, laid the groundwork for modern Turkey. The Treaty of Sevres engendered nationalist sentiment among the Turks. Led by Kemal, the Turks fought a war against various parties to the treaty, including the Greeks on the western front, Armenians on the eastern front, France on the southern front and Italy and Britain in Istanbul. The fighting ended with

the Treaty of Lausanne in 1923. It established the borders of modern-day Turkey. The new treaty voided the Treaty of Sevres; it expelled the Greeks from the area west of Istanbul, established the eastern and southern borders and prevented the creation of a Kurdish state. What was the nation of Armenia was absorbed into the new Turkish state and the emerging Soviet Union. Turkey did cede claims to Lebanon and Syria, giving control to France, and gave any claims in Iraq to Britain. This map shows Turkey after the Treaty of Lausanne.



(Source: Wikipedia Commons)

Kemal, who took the name Ataturk (meaning “father of all Turks”), observed that the multi-ethnic empires that existed prior to WWI were crumbling under the weight of emerging nationalism. The Russian Empire fell apart and was replaced by a nominally federal U.S.S.R. The Austro-Hungarian Empire broke into numerous nations. And, of course, Kemal saw firsthand the collapse of the Ottoman Empire. Kemal concluded that the age of empires was over and decided to create a Turkish state that would not have the two factors that, in his view, led to the collapse of the Ottoman Empire. These factors were the multi-ethnic nature of the empire and its Pan-Islamic religious position.

Consequently, Kemal created a nation based on Turkish nationalism that was strictly secular. Non-Turkish minorities were prevented from expressing their ethnicity in language or culture; Kurds became officially known as “mountain Turks.” Religious expression was also suppressed; headscarves for women were frowned upon and religion was mostly removed from public discussion.

Economically, Turkey maintained many of the same characteristics of the empire. It was not an economy based on free markets. Instead, the centralized state supported the creation of large conglomerates engaged in rent-seeking behavior. In other words, these large firms leveraged their contacts with the government to eliminate competition, stifle imports and boost their monopoly power.

Although the capital of Turkey is in Ankara, the center of economic activity and the cosmopolitan, secular nature of the country reside in Istanbul. Essentially, there was a divide; Istanbul was economically powerful, socially liberal and secular, while the rest of Turkey, referred to as Anatolia, was more religious, socially conservative and less affluent. Although Kemal was able to create the nationalistic and secular state he desired, the divide between cosmopolitan Istanbul and the less worldly Anatolian interior was a tension that was imbedded in the structure of the country.

To prevent this division from upending Kemal’s new state, he gave the military the mandate to protect the secular nature of Turkey. The military has taken this role seriously, intervening four times over the past six decades to protect Kemal’s vision. In 1960, the military overthrew a civilian government that was becoming increasingly religious. Eleven years later, after increasing civil unrest between left- and right-wing groups, the military issued a

memorandum to the government in power asking it to address the problems or leave. Shortly thereafter, the government was replaced by the army. This government ouster became known as the “coup by memo.” In 1980, facing similar unrest between the left and right, the military replaced another government and replaced the constitution. This one was notable because Turgut Ozal began directing the economy and he later formed the Motherland Party and become prime minister. Much of Turkey’s economic improvement came from reform policies he implemented.<sup>2</sup> Finally, a fourth coup occurred in 1997, in which the military suggested in a note to the government that it step down. This coup ousted the Welfare Party, an Islamist precursor to the current party in power, the Justice and Development Party (AKP).

### **The Return of the Islamists**

In 2002, the AKP formed a government. Erdogan, this moderate Islamist party’s leader, teamed up with Fethullah Gulen to build support for Erdogan’s administration.

Gulen created a moderate Sunni Islamic movement that put great stock in education. He built a system of Islamic schools that emphasized science education. Over time, due to their education, Gulenists began to infiltrate various areas of society, including business, the media and internal security. They represent something of a secret society within Turkey. Wealthy Gulenists tithe to the movement.

The rise of the Gulenists coincided with and supported the economic growth in Anatolia. This improvement slowly began to undermine the social and economic dominance of the secularists in Istanbul.

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<sup>2</sup> There is evidence to suggest he was fatally poisoned while in office in 1993.

The Gulenists, due to their Islamic leanings, were generally not allowed to participate in leadership positions in the military. However, the secular leadership structure was less concerned about the national police. The Gulenists flocked to this group and built a power structure within it.

Erdogan and Gulen were allied during 2000-2010. As prime minister, Erdogan implemented two purges of the military. In 2007-08, he engineered the “Ergenekon” probe, which involved a military plot to overthrow the government. The Gulenist-controlled media companies widely disseminated reports publicizing telephone conversation transcripts indicating plots against the government. In the end, this probe arrested and convicted a large number of retired military officers.

The second probe, called “Balyoz” (“sledgehammer”), was even more damning. The plot involved 162 military officers, mostly active, including 29 generals. The plan included a staged downing of a Turkish warplane by Greece to trigger a national emergency and a coup to protect the state as it prepared for war. The goal of this coup attempt was to eliminate the Islamists from government. Again, the Gulenist media supported the crackdown.

Both of these probes evolved into purges. Many of the soldiers convicted in the purge were freed on appeal.<sup>3</sup> There is a case to be made that some of those caught up in the purges were probably not part of the conspiracy. Erdogan used the purges to undermine the power of the military. The general opinion was that these two probes removed the military as a major threat to the

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<sup>3</sup> It should be noted that senior judges are most often secular but, in the past decade, a growing number of junior judges are Islamists and, in some cases, Gulenists.

Erdogan government (more on this next week). As the military threat faded, Gulen and Erdogan slowly turned their aim on each other. The Gulenist media uncovered widespread corruption in the government, which included the sons of the prime minister. Erdogan reacted by dismissing the government officials assigned to the investigation. From this point forward, relations between the two men have soured. Prior to the most recent coup event, the Erdogan government had asked the U.S. to extradite Gulen. So far, the American courts have ruled against the Turkish government.

### **The Underlying Issue**

The societal construct created by Kemal had a serious flaw in that it tied religious affiliation with disloyalty. Islam had been a critical element of the Ottoman Empire; in fact, its leaders believed they represented the Islamic caliphate. Essentially, the Ottoman Empire was religious in conception.

Kemal's attempt to eliminate religion from public life was a radical change. In a sense, he probably overestimated the growing role of nationalism after WWI. From the Treaty of Lausanne until 2002, successive Turkish governments have been forced to suppress Islamist sentiment. Occasionally, as we noted above, coups emerge against

governments deemed to be too religious. Containing that sentiment indefinitely is almost impossible, especially when the secular movements in the Middle East, such as Nasser's Pan-Arabism and the Baathists, failed to offer a durable secular alternative.

As we will discuss next week, Erdogan and Gulen are at loggerheads. However, their positions on most issues are not significantly different. In fact, Erdogan may not have survived potential coup attempts in the last decade without the support of the Gulenists. At stake now is who will lead Turkey in the coming years as Islam is reintegrated into society? Erdogan wants to lead this movement; thus, he needs to eliminate Gulen as an alternative. Although both men have much in common in their views toward Islam and government, they each want to eliminate the other to dominate the growing role of religion in Turkish society.

As noted, next week we will discuss the coup. It will include an analysis of the increasing divisions between Gulen and Erdogan.

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