

Turkey PolTrack® Series

ELECTION 2019: ASSESSING THE ECONOMIC DOWN-CYCLE

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The Turkey PolTrack® series interprets Turkish public opinion on the basis of quantitative data compiled from Istanbul Economics Research's monthly public opinion survey.

The notes are prepared by the analyst team of Istanbul Economics Research with academic support.


For more detailed results and analysis, please contact our team at info@researchistanbul.com

Who will ride the down-cycle?

This note is part of Istanbul Economics Research Political Analysis Notes Series. The analysis is based on two public opinion surveys conducted in August 2018 with 2.500 individuals and in December 2018 with 1.500 across Turkey using Computer Aided Telephone Interview (CATI) method. The results are representative at a national level with 95% confidence interval and +/- 2,2 pp and +/- 2.5 pp accuracy, respectively.

Introduction and Summary

Economic development has a cyclical nature. Broadly speaking, the phases are growth and expansion (boom) followed by slowing down and at times recession (bust) characterized by supply exceeding demand and low productivity growth. Elections that take place during the downturn of the economic cycle often provide opposition parties with an opportunity. AK Party managed to ride the wave after the 2001 crises and enjoyed uninterrupted victory since. In the aftermath of the 2008 global financial crises, the AK Party vote dropped to 38%, lowest ever. Likewise, in the June 2015 general elections CHP emphasized economic concerns during its campaign which resulted in AK Party not being able to form a single party government. Once again, Turkey is going through an economic downturn. This note aims to examine the public opinion on the state of the economy drawing from nationwide surveys conducted in August and December 2018.



The role of economy on voting behavior has long been an issue of electoral research. The comparison between today and the economic conditions before the 2009 Municipal Elections has significant value as the election took place in the midst of The Great Recession and the economic markers show a strong similarity with today's data. On the other hand, the analysis of August and December 2018 surveys provides an opportunity to understand the change of public opinion towards the economy and how it is managed.

March 2009 and December 2018: Comparison between economic indicators

After years of robust and stable growth in the first term of AK Party (between 2002 and 2007), the economy started to decelerate and eventually decline on account of the Global Economic Crisis that started in 2008. Comparing general elections with municipal elections can be tricky as local problems and candidates can overcome ideological differences changing electoral behavior. However, voter preference differences between the 2007 General Elections and the 2009 Municipal Elections is too significant to explain without an economic context. AK Party's support dropped from 46.58% (when the economy was healthy) to 38.80% (during a financial crisis) in less than 2 years.

Economic Markers

To test the similarity of the current economic cycle with that of 2009, we picked 3 important economic markers that not only indicate overall well-being of the economy but also have significant impact on the standard of living of an average citizen; inflation rate, consumer confidence index, and unemployment rate. In the last 3 months before the March 2009 elections, the consumer prices rose by 9.50%, 7.33%, and 7.89% compared to the same month of the previous year respectively, while in the last 3 months before this note (September, October, November 2018) the same index rose by 24.52%, 25.24%, and 21.62% points. In terms of Consumer Confidence Index, the 2009 and today's data are close to identical. In January, February, and March of 2009 CCI was 58.3, 60.8, and 61.6; In Q3 of 2018 the CCI was 59.3, 57.3, and 59.6. In the first three months of 2009, the unemployment rate was 12.6, 13.0, and 13.6 respectively while the most current data shows the unemployment rate at 11.0%, 11.2% and 11.4% in July, August and September of 2018. To summarize, while unemployment is better today than it was during the 2009 financial troubles, the consumer confidence is parallel, and CPI is significantly worse than 2009.

Comparison of public opinion on the state of the economy from August 2018 to December 2018

What do you think about the current status of the economy?

Which party did you vote for in 24 June 2018 parliamentary elections?		Very bad	Bad	Neutral	Good	Very good
AK PARTI	August	11.6%	20.1%	35.0%	25.5%	7.7%
	December	35.2%	21.3%	27.8%	14.4%	1.4%
CHP	August	79.3%	15.5%	4.1%	0.7%	0.4%
	December	73.9%	15.7%	8.7%	0.9%	0.9%
HDP	August	81.1%	13.0%	4.3%	1.6%	-
	December	71.2%	11.9%	15.3%	1.7%	-
MHP	August	31.3%	28.0%	24.8%	14.0%	1.9%
	December	58.9%	26.8%	14.3%	-	-
IYI PARTI	August	77.9%	15.5%	6.1%	0.6%	-
	December	60.0%	32.0%	8.0%	-	-
SAADET PARTISI	August	73.9%	13.0%	13.0%	-	-
	December	57.1%	28.6%	-	14.3%	-

While the people who voted for the opposition parties think that the economy got slightly better in the last 3 months, there is a significant drop at AK Party and MHP voter base on economic confidence.

The average value (out of 5) for the current status of the economy decreased from 2.1 to 1.8 (~14.3% drop), mainly due to AK Party and MHP supporters. While CHP, HDP, and IYI Party supporters are still much more pessimistic overall, their stance on the economy marginally improved over time. AK Party supporters that thought economy is very bad or bad increased from 31.7% to 56.5%, and MHP supporters had a similar increase from 59.3% to 85.7%.

Compared to a year ago, is your economic status better or worse?

Which party did you vote for in 24 June 2018 parliamentary elections?		Much Worse	Worse	Neutral	Better	Much Better
AK PARTI	August	4.4%	18.1%	38.7%	32.0%	6.9%
	December	30.1%	22.2%	30.6%	14.8%	2.3%
CHP	August	27.7%	51.0%	17.6%	3.5%	0.2%
	December	43.9%	41.2%	12.3%	0.9%	1.8%
HDP	August	41.6%	40.5%	13.0%	4.3%	0.5%
	December	53.3%	31.7%	13.3%	1.7%	-
MHP	August	9.8%	29.9%	40.2%	16.8%	3.3%
	December	41.1%	23.2%	26.8%	7.1%	1.8%
IYI PARTI	August	29.3%	53.0%	14.4%	3.3%	-
	December	42.0%	32.0%	24.0%	2.0%	-
SAADET PARTISI	August	39.1%	30.4%	17.4%	8.7%	4.3%
	December	42.9%	14.3%	42.9%	-	-

67.8% of the people think that they are in a worse or much worse economic condition than the year before and the same ratio was 52.5 just 3 months ago.

The average value (out of 5) when asked to compare economic status with the year before decreased from 2.52 to 2.06. The most significant reason for the decrease was once again the change in AK Party and MHP supporters. AK Party supporters that believed their economic status got much worse or worse increased from 22.5% to 52.3%, and MHP supporters had a similar surge from 39.7% to 64.3%. Another striking difference is, within the opposition only 0 to 2.7% claim that their economic condition got better or much better in the last year.

How do you think will the economy fare by the end of 2018?

Which party did you vote for in 24 June 2018 parliamentary elections?		Very bad	Bad	Neutral	Good	Very good
AK PARTI	August	3,5%	7,3%	20,9%	51,5%	16,8%
	December	19,0%	11,1%	20,8%	38,0%	11,1%
CHP	August	42,5%	41,0%	10,8%	4,6%	1,1%
	December	32,5%	32,5%	11,4%	14,9%	8,8%
HDP	August	40,3%	41,4%	11,6%	4,9%	1,9%
	December	35,6%	20,3%	15,3%	10,2%	18,6%
MHP	August	10,5%	17,5%	25,0%	39,0%	7,9%
	December	25,0%	19,6%	17,9%	21,4%	16,1%
IYI PARTI	August	40,2%	43,9%	10,9%	5,0%	-
	December	34,0%	24,0%	8,0%	18,0%	16,0%
SAADET PARTISI	August	56,0%	24,0%	12,0%	8,0%	-
	December	28,6%	28,6%	28,6%	14,3%	-

Future economic expectations got slightly worse, again due to the change in AK Party and MHP voters, while opposition voters' future predictions got more optimistic.

The average value (out of 5) when asked to predict economy's well being in a year was 2.77 in August and 2.73 in December. This table combined with the data from other tables shows that AK Party and MHP voters are slower to react to the worsening in the economy. This might be due to the fact that the changes in the economy in Q3 had more significant impacts to the daily life than those during the summer months.

The state of the economy has significantly changed between the months of August and December. While the devaluation of the Turkish Lira stopped and its volatility decreased, interest rates and inflation soared. To counter overheating of the Turkish economy, the government implemented various fiscal tightening policies which resulted quarterly growth decelerating to 1.6% in Q3 as well as a sharp decrease in private consumption. With these events in mind, it is interesting and important to understand how the public is affected by the economic turndown and what the public opinion is towards the management of the economy.

Who do you think is most suited to solve Turkey's economic problems?	August 2018 (%)	December 2018 (%)
Recep Tayyip Erdoğan	46,8	33,7
Meral Akşener	3,7	7,5
Muharrem İnce	14,0	11,7
Kemal Kılıçdaroğlu	1,9	2,9
None of the leaders, we need someone new	23,0	31,2
No answer	5,3	10,6
Selahattin Demirtaş	5,2	0,9
	100,0	100,0

Potential for a new name to emerge for the opposition while confidence towards President Erdoğan's economic leadership falls.

In the question above, the respondents were asked to name the leader they think would be the right person to tackle the economic crisis; and while for the 46,8 %, President Erdoğan was the obvious choice in August, public's confidence on Erdoğan's economic leadership dropped 13.1 pp in about 3 months. What is striking is for almost 1 out of 3 respondents, none of the current political leaders is seen capable of addressing the economy, and they would rather have a completely new and fresh leader. The dissatisfaction towards leaders on economic issues rose in general as only Meral Akşener's share increased from 3.7% to 7.5%. More interestingly public confidence in Kılıçdaroğlu, the leader of the main opposition party CHP to redress the economy remains very low.

Therefore, while confidence in Erdoğan's management of economy has decreased, the President continues to be the only alternative.

Concluding Remarks

In our December 2018 survey, 60.1% of the people answered True or Very True to the following statement: “ In general elections I always vote with party identity, while in municipal elections the local candidates shape my voting preferences.” This statistic proves that municipal elections offer a much more ‘ideology-free’ race than general elections. As briefly mentioned in the introduction, opposition parties were able to get the most traction when the electoral narrative is focused on economic issues rather than political and ideological ones. With consumer consumption, confidence, and purchasing power shrinking, Turkey seems to have entered an economic downturn. However, for the opposition to take fully advantage of the cycle they need to prove (to an unmotivated voter base) that they have a solid economic plan that offers a valid alternative to AK Party’s pitch centered on stability and years of experience. In our December 2018 survey, 29% of AK Party voters indicated that they might vote for another party if the downward trend in the economy continues.

From a pure polling perspective it appears that in many large cities, most notably Ankara and Istanbul, the race will be close. It remains to be seen how much the coalitions on both sides will be able to energize their base. The opposition is facing two main challenges. First is to pick the right candidates that will not only appeal to the whole of the opposition (including HDP) but also will not make the CUMHUR voters feel threatened. The second challenge is to make sure that the electoral agenda stays centered on economic issues.

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