

Erdogan's Anti-Semitism Will Sink Turkey's Economy

The Turkish president's racist conspiracy theories are a threat to economic stability.



President of Turkey Recep Tayyip Erdogan addresses the press during the Argentina G20 Leaders' Summit 2018 on Dec. 1 in Buenos Aires. (Daniel Jayo/Getty Images)

On Nov. 21, Turkish President Recep Tayyip Erdogan told a meeting of local elected officials that "the famous Hungarian Jew Soros" was behind an individual who "financed terrorists" during the nationwide anti-government protests of 2013. He added that George Soros is "a man who assigns people to divide nations and shatter them. He has so much money and he spends it this way."

The individual whom Erdogan smears as a "terrorist financier" is Osman Kavala, one of Turkey's leading philanthropists and civil-society activists. Turkish authorities arrested Kavala over a year ago and have held him without an indictment. The Turkish president and his media mouthpieces accuse him not only of supporting the widespread protests of 2013, which were sparked by Erdogan's plans to raze Istanbul's popular Gezi Park to build a shopping mall, but also the abortive coup of 2016.

After Erdogan's latest attack, Soros's Open Society Foundations (OSF), citing his "baseless claims," decided to leave Turkey, likely worried that the safety of their employees was at risk. Ten days earlier, Hakan Altınay, one of the founders of the OSF's Turkish branch, was arrested.

Although OSF announced that it will "continue to support future partners in Turkey who would want to work with them," this might prove to be impossible for local nongovernmental organizations. Pro-government media have already smeared OSF's partners as "evil structures," claiming that "after the Open Society Foundation of Jewish speculator George Soros, who is an aide of the great devil the United States and Zionist Israel, fled Turkey," German foundations picked up where they left off.

This worrying trend is not unique to Turkey. On Dec. 3, Hungarian Prime Minister Viktor Orbán forced the Soros-funded Central European University into exile. In October, a Dutch public broadcaster drew condemnation for describing the billionaire philanthropist as “the Jew Soros [who] supports organizations openly critical of governments and has tentacles.” From Hungary to the Netherlands, populists exploit anti-Semitic conspiracies to mobilize the electorate. Yet in Turkey, such conspiracy theories not only shape voter preferences—as we again see in the run-up to the municipal elections of March 2019—but also monetary policy.

The accusation that Jews conspired to orchestrate the Gezi Park protests, the largest anti-government rally since Erdoğan’s rise to power, is not new. As the events were unfolding, the Turkish strongman alluded to a treacherous “interest-rate lobby” working behind the scenes. This framing echoes classical anti-Semitic tropes from Europe, the use of which in “fistfuls of cash” ads during the U.S. midterm elections also led to controversy. Turkish society, unfortunately, is obsessed with such conspiracy theories, which Erdoğan cynically uses to his political advantage. Yet anti-Semitic conspiracies also profoundly influence the president’s own worldview, and his bigoted beliefs are dragging the Turkish economy into a catastrophe.

It is no secret that Erdoğan deplures interest rates, which he denounced earlier this year as “the mother and father of all evil.” The president not only sees interest rates as a “tool of exploitation,” comparing them to “heroin trade,” but also insists that high interest rates lead to higher inflation. Economists know that raising interest rates tends to bring down inflation, but Erdoğan’s willful ignorance of this axiom cannot fully explain his hostility. Indeed, Erdoğan’s antipathy to interest rates stems from his often conflicting convictions, ranging from the religious to the conspiratorial.

Many Turkey watchers ascribe the president’s views on interest rates to the traditional Muslim belief that *riba*, or usury, is *haram*, or forbidden by Islamic law. While this is true, the real issue is that in Turkish Islamist thinking, as espoused by Erdoğan’s political mentor for nearly 30 years, former prime minister Necmettin Erbakan, interest rates are a tool employed by Jews to control world events. Even until the end of his life, as Soner Cagaptay of The Washington Institute for Near East Policy writes, “[Erbakan] entertained the fantasy that a cabal of Jews controlled the West.”

Following his break with Erbakan's Islamist party in 2001 to establish his own "conservative democratic party," Erdogan claimed that he had "taken off the shirt" of Islamism, and posed as an opponent of anti-Semitism. He even went so far as to declare anti-Semitism a crime and accept the Anti-Defamation League's Courage to Care Award. Nevertheless, unable to suppress his deeply internalized anti-Semitic convictions, he has continued to employ bigoted rhetoric scapegoating Jews for Turkey's political and economic problems.

Crucial for understanding the direction of Turkish monetary policy is Erdogan's use of the term "interest-rate lobby," or *faiz lobisi*. Western media continue to describe Erdogan's "interest-rate lobby" as merely "shadowy" or "mysterious," overlooking the anti-Semitic undertones obvious to every Turk.

Many in the West assumed that when Erdogan blamed the 2013 Gezi Park protests on an "interest-rate lobby," he intended it as a jibe against bankers. However, to a Turk, "interest-rate lobby" invokes the familiar conspiracy theory that Jews, as American Foreign Policy Council's Svante E. Cornell put it, control nations by "driving countries into economic crises and then lending their governments money at exorbitant interest rates." By referring to Soros as the "Hungarian Jew" behind the protests, what Erdogan has implied with the euphemism, "the interest-rate lobby," is finally out in the open. Such rhetoric, when combined with state-sanctioned anti-Semitism purveyed by pro-government media, leads to a spike in everyday anti-Semitism. According to the Anti-Defamation League's Anti-Semitism Index, Turkey ranks 17th among 102 countries, with an even higher incidence of anti-Semitism than Iran.

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