

IDSA

Issue Brief

India-Turkey Relations: Frozen in Time?

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S*ummary*

President Recep Tayyip Erdoğan's visit to New Delhi from April 30–May 1, 2017 generated intense debate about India-Turkey relations, especially in the context of Erdogan's suggestion for a 'multilateral dialogue' to resolve the Kashmir issue. Given such diplomatic entanglements, it would be difficult to anticipate a take-off in bilateral relations. However, they are expected to gradually move in a positive direction based on new found interests and some common grounds including the potential for growth in bilateral trade and investment, and counter terror cooperation.

Introduction

President Recep Tayyip Erdoğan's visit to New Delhi from April 30 – May 1, 2017 generated intense debate about India-Turkey relations, especially in the context of the Turkish suggestion for a 'multilateral dialogue' to resolve the Kashmir issue.¹ Erdoğan's suggestion is against the Indian position that the Kashmir issue has to be resolved through bilateral negotiations with Pakistan based on the Shimla Agreement and Lahore Declaration. Significantly, Turkey has in the past as well issued statements supportive of Pakistan on the Kashmir issue that emanates from its longstanding friendly relations with that country. This has not, however, prevented Turkey from seeking good relations with India, specifically to tap the potential for improving bilateral trade and commerce and in enhancing counter-terrorism cooperation. This Issue Brief places Erdoğan's visit in perspective and examines some of the pertinent issues in India-Turkey relations.

Erdoğan's Domestic Problems

Erdoğan's India visit was his first foreign tour after the April 16 referendum on the 'controversial' constitutional amendment bill that proposes to change the existing parliamentary form of government to a presidential system.² Erdoğan's Justice and Development Party (AKP) and its new found ally the Nationalist Movement Party (MHP) won a wafer thin victory with just over 51 per cent voting in favour of the referendum.³ While the proposed change will come into effect in 2019, the process by which the referendum was pursued evoked sharp domestic divisions. Turkish and international observers alike have argued that Erdoğan's growing authoritarian behaviour, coupled with the clamp down on dissent and freedom of speech and suppression of media and civil society, are pushing Turkey towards autocracy.⁴

The trajectory of the current domestic problems in Turkey can be traced back to the Gezi Park protests that erupted in mid-2013. Inspired by the 'Arab Spring' protests, the demonstrators initially demanded the roll back of an urban redevelopment plan. The protests subsequently evolved into a movement against the AKP government's economic failures. While the issue could have been addressed without using force, Erdoğan, then the Prime Minister, used the police and security forces to thwart the

¹ "Global Leadership Series: Recep Tayyip Erdogan's Full Interview with WION", May 1, 2017, <http://www.wionews.com/videos/global-leadership-series-recep-tayyip-erdogans-full-interview-with-wion-3178>.

² For details, see TRT World Research Center, "Turkey's Constitutional Reform: A Review of Constitutional History, Current Parliamentary System and Proposed Presidential System", *TRT World Report*, No. 4, February 2017, Istanbul, Turkey.

³ Md. Muddassir Quamar, "Turkish Referendum: Will it Lead to Autocratic Rule?", *IDS Comment*, April 20, 2017, http://www.idsa.in/idsacomments/turkish-referendum-will-it-lead-to-autocratic-rule_mmquamar_200417.

⁴ For example see: Ali Bayramoglu, "Will Presidential Referendum Kill Turkey's Democracy?", *Al-Monitor*, January 23, 2017, <http://www.al-monitor.com/pulse/originals/2017/01/turkey-referendum-may-offer-last-chance-salvage.html#ixzz4fWuQRHCl>; Diego Cupolo, "The Decline and Fall of Turkish Democracy", *The Atlantic*, April 13, 2017, <https://www.theatlantic.com/international/archive/2017/04/turkey-referendum-erdogan-kurds/522894/>.

movement.⁵ The political situation has not stabilized since then with a decline in popular support for the AKP, intermittent incidents of extremist attacks and the breakdown of the ceasefire and peace talks between the government and the Kurdish Workers Party (PKK).⁶

Erdoğan meanwhile was elected president in the first direct presidential elections in August 2014 gaining 51.7 per cent of votes. In the June 2015 parliamentary elections, AKP's fortunes declined and it lost its majority, gaining only 40 per cent of votes and 258 seats in the 550-member Grand National Assembly, 18 less than the required simple majority of 276.⁷ In the snap elections held in November that year, AKP surprisingly raised its vote share to 49.5 per cent and gained 316 seats in parliament, largely attributed to the evoking of nationalist support through tough military actions against PKK and in Syria.⁸

The problems for Erdogan have magnified since the attempted coup in July 2016. Rather than making efforts toward reconciliation, the AKP government imposed emergency and pursued a divisive agenda. The failed coup gave licence to the government to attack the political opposition and stifle voices of dissent on the pretext of clamping down on *Hizmet* or Gülenists — the transnational Islamic socio-religious movement led by Philadelphia-based one-time ally of the AKP, Fethullah Gülen, who was accused of orchestrating the failed coup. According to media reports, an estimated 150,000 officials, security personnel, judges and academics have been either dismissed or suspended from their jobs and an estimated 100,000 people are currently under detention. Moreover, several media houses and educational institutions have been shut down and journalists and teachers have been forced to leave the country.⁹

Turkey's Stand on Kashmir

Given the fluid domestic situation delineated above, Erdoğan's visit to India and New Delhi's willingness to host him raised eyebrows. However, what hogged the limelight was Erdoğan's interview to a television station on the eve of his arrival in India, during which he talked about Turkey's willingness to host a 'multilateral dialogue' to

⁵ "Turkey Protests: Istanbul Erupts as Gezi Park Cleared", June 16, 2013, <http://www.bbc.com/news/world-europe-22924886>.

⁶ Cemal Ozkahraman, "Failure of Peace Talks between Turkey and the PKK: Victim of Traditional Turkish Policy or of Geopolitical Shifts in the Middle East?" *Contemporary Review of the Middle East*, 2017, Vol. 4, No. 1, pp. 50-66.

⁷ Umut Uras, "Ruling Party Loses Majority in Turkey Elections", *Al-Jazeera*, June 8, 2015, <http://www.aljazeera.com/news/2015/06/ak-party-leads-turkish-parliamentary-polls-150607161827232.html>.

⁸ Mustafa Akyol, "How the AKP Dominated Yesterday's Election in Turkey", *Al-Monitor*, November 2, 2015, <http://www.al-monitor.com/pulse/originals/2015/11/turkey-elections-akp-unexpected-victory-erdogan.html>.

⁹ Humeyra Pamuk, "Turkey Sacks 10,000 more Civil Servants, Shuts Media in Latest crackdown", *Reuters*, October 30, 2016, <http://www.reuters.com/article/us-turkey-security-dismissals-idUSKBN12U0>; "Thousands of FETÖ Moles in Turkish Police Forces Rooted Out", April 27, 2017, <https://www.dailysabah.com/investigations/2017/04/28/thousands-of-feto-moles-in-turkish-police-forces-rooted-out-1493331930>.

resolve the Kashmir issue 'once and for all'.¹⁰ While it was seen as a diplomatic provocation, India remained poised in its response. This was not the first time that Turkey has raised the Kashmir issue or issued statements that contradicted the Indian position. Turkey has been instrumental in issuing statements on Kashmir from the Organization of Islamic Cooperation (OIC) forum and has been actively involved in the OIC over Kashmir. For example, in August 2016, Turkish Foreign Minister Mevlüt Çavuşoğlu stated during a visit to Islamabad that 'Turkey fully supports Pakistan's position on Jammu and Kashmir' and that India should allow the OIC fact-finding team to visit Jammu and Kashmir.¹¹ This was followed by the visit of OIC Secretary General Iyad Ameen Madani's visit to Islamabad and Pakistan Occupied Kashmir (PoK) the same month. In a statement, the OIC raised the issue of 'human rights violations' and 'excessive violence' in 'Indian-held' Kashmir.¹²

Traditionally, Pakistan and Turkey have maintained friendly relations and close ties. Pakistan has used its Islamic credentials since independence to evoke anti-India sentiments in Muslim capitals in the Middle East and countries like Iran, Saudi Arabia and Turkey had been supportive of the Pakistani stand on Kashmir.¹³ With the changing global situation and India's improved bilateral relations with some of these countries, the situation has changed to a large extent. With Ankara, however, things have not changed much and a lack of strong bilateral relations has added to the problem. Ankara's close political relations, economic links and ideological synthesis with Islamabad further complicate the issue. In the television interview referred to above, Erdoğan also stated the following:

'My dear friend, the Prime Minister of Pakistan, Nawaz Sharif, is an individual with whom I have been discussing these issues [Kashmir] at length, and I know he is a man of good intentions. I heard him personally speak of his will to settle this question once and for all'.¹⁴

Even though in the past Ankara has clarified that its position remains that 'Kashmir is a bilateral dispute to be resolved between India and Pakistan',¹⁵ its activism at the OIC on Kashmir and the latest statement underscores the problems India faces in engaging with Turkey. There are also other problem areas including Turkey's position on India's membership in the Nuclear Suppliers Group (NSG). Turkey maintains that there needs to be a procedure that should be equally applicable to all and argues that both India and Pakistan have a fair claim for NSG membership.¹⁶ India, however, sees the Turkish stand as an effort to link the Indian and Pakistani bids, which, from New Delhi's perspective, is problematic as the nuclear proliferation records of the two non-NPT signatories are vastly different.

¹⁰ "Global Leadership Series: Recep Tayyip Erdogan's Full Interview with WION", No. 1.

¹¹ "Turkey Backs Pakistan's Stand on Jammu and Kashmir", August 2, 2016, <http://www.wionews.com/south-asia/turkey-backs-pakistans-stand-on-jammu-and-kashmir-3985>.

¹² Suhasini Haider, "In Mission Kashmir, Akbar Meets Assad", *The Hindu*, August 22, 2016, <http://www.thehindu.com/news/national/In-Mission-Kashmir-Akbar-meets-Assad/article14583533.ece>.

¹³ P. R. Mudiam, *India and the Middle East*, London: British Academy Press, 1994, pp. 72-75.

¹⁴ "Global Leadership Series: Recep Tayyip Erdogan's Full Interview with WION", No. 1.

¹⁵ Haider, "In Mission Kashmir, Akbar Meets Assad", No. 12.

¹⁶ "Global Leadership Series: Recep Tayyip Erdogan's Full Interview with WION", No. 1.

Agenda of Erdogan's Visit

From the bilateral viewpoint, the visit was focused on three aspects — improving trade; enhancing two-way flow of investments; and establishing closer counter-terrorism cooperation. Erdoğan was accompanied by a large business delegation including about 100 representatives of Turkish industry and business. Prime Minister Narendra Modi and President Erdoğan jointly addressed the India-Turkey Business Forum (ITBF), emphasizing on the possibilities and potential for improving bilateral trade and investment. During his speech at the ITBF, Erdoğan made a pitch for a Free Trade Agreement (FTA). For his part, Modi stated that ‘there was ‘huge potential and opportunity to enhance the bilateral engagement. This is possible through trade and FDI inflows, technology tie-up, and cooperation on various projects’.¹⁷

The joint statement issued during Erdoğan's visit further highlighted the importance India and Turkey attach to improving trade and investment. The two sides decided to enhance bilateral trade to USD 10 billion by 2020 from the current 6.4 billion and agreed for cooperation in the fields of information technology (IT), pharmaceuticals, health and tourism. Both sides also expressed ‘willingness to improve cooperation in the fields of hydrocarbons, renewable energy (solar and wind) and energy efficiency’. Further, the joint statement noted the ‘immense untapped potential for growth’ as far as the bilateral ‘trade and investment relations’ between India and Turkey are concerned.¹⁸

Secondly, the visit was focused on exploring possibilities for closer counter terrorism cooperation. India is concerned about some of its nationals joining the Islamic State of Iraq and Syria (ISIS), largely after becoming radicalized online. Media reports suggest that some had chosen to travel to Syria through Turkey. At the same time, Turkey has faced a number of terrorist attacks inside its territory, including the deadly New Year-eve attack in Istanbul.¹⁹ In this backdrop, there seems to be a mutual understanding regarding the need for closer counter terrorism cooperation. The joint statement noted that India and Turkey ‘agreed to strengthen cooperation in combating terrorism both at the bilateral level and within the multilateral system’.²⁰ However, one should not expect a deeper synthesis between the two countries on the issue because there are a number of aspects where the two have differences, especially when it comes to Pakistan-based Jihadist groups operating in

¹⁷ Narendra Modi, “PM Modi Addresses India-Turkey Business Forum”, *narendramodi.in*, May 1, 2017, <http://www.narendramodi.in/pm-modi-addresses-business-event-hosted-by-ficci-cii-assochem-535265>.

¹⁸ Ministry of External Affairs (MEA), “India-Turkey Joint Statement during the State Visit of the President of Turkey to India (April 30 to May 1, 2017),” May 1, 2017, [http://www.mea.gov.in/bilateral-documents.htm?dtl/28433/IndiaTurkey Joint Statement during the State Visit of the President of Turkey to India 30 April to 1 May 2017](http://www.mea.gov.in/bilateral-documents.htm?dtl/28433/IndiaTurkey%20Joint%20Statement%20during%20the%20State%20Visit%20of%20the%20President%20of%20Turkey%20to%20India%2030%20April%20to%201%20May%202017).

¹⁹ Prabha Rao, “New Year Attack in Istanbul: Predictable and Preventable!”, *IDSAs Issue Brief*, January 30, 2017, http://www.idsa.in/issuebrief/new-year-attack-in-istanbul_prao_300117.

²⁰ MEA, “India-Turkey Joint Statement during the State Visit of the President of Turkey to India”, No. 18.

Jammu and Kashmir. Counter terrorism cooperation, hence, would be more technical in nature. Notably, India has been working with other Middle Eastern countries on counter terrorism who incidentally have been more appreciative of India's position on terrorism.

The third issue that was prominently raised during the visit was the presence of Gülenist networks in India. In fact, the issue was first raised by Turkey soon after the July 2016 failed coup and has since been regularly highlighted by the Turkish side. In a media interaction soon after the failed coup attempt, the Turkish envoy in India Burak Akçapar had said that Gülenists have a presence in India and Ankara expects New Delhi to take action against them.²¹ India's response has been to take note of the issue but action has been deferred due to lack of evidence of their involvement in anti-India activities. Ministry of External Affairs (MEA) spokesperson Gopal Baglay noted in a media briefing during Erdogan's visit that 'any organization in India whether it is Indian or Foreign, obviously has to work within the parameters of our laws and our norms and regulations' implying that action would be taken if the group were to be found guilty of violating Indian laws.²²

Bilateral Trade and Investment

India and Turkey are not major trading partners and do not feature even in the list of each other's top 25 trading partners. However, the volume of trade is substantial and is in India's favour. For example, in 2015-16, bilateral trade stood at USD 4.9 billion, with India exporting goods worth 4.14 billion and importing goods worth 776.94 million (Table 1). This was a 27 per cent decline from the total bilateral trade of USD 6.8 billion in 2014-15, largely attributed to a global slowdown. There is, however, a discrepancy in the trade figures provided by Indian and Turkish sources, which could be because of different methods of tabulation. As per Turkish sources, bilateral trade in 2015-16 stood at USD 6.4 billion.²³ The main items of Indian exports to Turkey are petroleum and petroleum products, vehicles, textile, plastics in primary forms, organic chemicals, etc. On the other hand, the majority of Indian imports from Turkey comprises of crude minerals and fertilizers, ferrous and non-ferrous ores, power generating equipment, chemicals and cultured pearls and jewellery.

²¹ Shubhajit Roy, "Turkey Envoy: Want India to Act against Coup Supporters Here", *The Indian Express*, July 200, 2016, <http://indianexpress.com/article/india/india-news-india/turkey-coup-fethullah-gulen-supporters-india-group-burak-akcapar-tayyip-erdogan-2924584/>.

²² MEA, "Transcript of Media Briefing on Visit of President of Turkey by Official Spokesperson (May 1, 2017)", May 2, 2017, <http://www.mea.gov.in/media-briefings.htm?dtl/28434/Transcript+of+Media+Briefing+on+visit+of+President+of+Turkey+by+Official+Spokesperson+May+1+2017>.

²³ Ministry of Foreign Affairs (MFA), "Turkey-India Economic and Trade Relations", http://www.mfa.gov.tr/turkey_s-commercial-and-economic-relations-with-india.en.mfa.

Table 1: India-Turkey Bilateral Trade (in USD million)

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Export	3,547.26	3,963.66	4,433.75	5,358.90	4,140.00
Import	1,021.91	2,034.18	760.43	1,463.87	776.94
Total Trade	4,569.17	5,997.84	5,194.18	6,822.77	4,916.94

Source: Export Import Data Bank, Department of Commerce, Ministry of Commerce & Industry, Government of India.

The two G-20 economies are now looking to improve commercial relations and see a significant potential to boost bilateral trade and investments. The Confederation of Indian Industries (CII) and Union of Chambers and Commodity Exchanges of Turkey (TOBB) signed a MoU in April 2015 to promote bilateral trade and economic cooperation. During Erdoğan's visit, the two sides agreed to further intensify commercial engagements. Bilateral investments have taken off in recent times and, according to Turkish sources, more than 180 Indian companies have operations in Turkey while as many as 14 Turkish companies have been operating in India.²⁴ Turkey is ranked 44th in India's overall FDI sources with a total investment of USD 137 million between April 2000 and December 2016.²⁵ As in the trade figures, there is a difference even in investment figures between Indian and Turkish sources. According to the Turkish Central Bank, between 2008 and 2014, India received USD 212 million worth of investments from Turkey.²⁶

Further, Erdogan mooted the idea of India-Turkey FTA during his address to the ITBF in New Delhi. India refrained from making any commitments on the FTA or on other trade deals but the joint statement noted the desire for achieving USD 10 billion trade in the next three years. An area that should interest Indian businesses is the expertise of the Turkish construction sector. Turkish companies have made a name for themselves for technical finesse and efficiency in the construction sector and have helmed a number of mega-construction projects all over the world. India can not only benefit by inviting Turkish firms for its infrastructure development drive but, through working with them, Indian construction companies can also gain knowledge and expertise in the sector.

²⁴ Ibid.

²⁵ Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India, "Fact sheet on Foreign Direct Investment (FDI) from April 200 to December 2016", December 2016, http://dipp.nic.in/English/Publications/FDI_Statistics/2016/FDI_FactSheet_OctoberNovemberDecember2016.pdf.

²⁶ MFA, "Turkey-India Economic and Trade Relations", No. 23.

Common Grounds

Despite the major differences over the Turkish position on Kashmir and the diplomatic faux pas on the eve of the visit, there are some common grounds which the two sides are looking to capitalize on. Significantly, the bonding between Modi and Erdoğan has played a role in advancing relations. This is Erdoğan's second visit to India after 2008 when he visited New Delhi as prime minister. But this is his first visit after Modi came to power in May 2014. Modi visited Turkey for the G-20 summit in 2015 and held talks with Erdoğan on the sidelines of that summit. Both sides had then expressed the desire to realize trade and business potentials.²⁷ Turkey's support for the UNSC reform as well as India's bid for a UNSC seat reflects mutual concerns about global affairs. Further, the possibilities for enhancing trade and commerce and investments and probabilities for closer counter-terrorism cooperation provide common grounds which India and Turkey can pursue to take bilateral relations forward.

India's Diplomatic Response

India was prudent in its response to Erdoğan's raising of the Kashmir issue on the eve of the visit. Given the Turkish record, it was not entirely unexpected that the Kashmir issue was raised, but the way in which it was raised perhaps came as a surprise. However, given Erdoğan's past record, New Delhi did prepare a diplomatic response by engaging with Armenia and Cyprus.²⁸ Since India has been apprehensive of the Turkish position and rhetoric on Kashmir, New Delhi scheduled engagements with Armenia and Cyprus close to Erdoğan's visit. Hence, a week before Erdoğan's visit, India hosted Cyprus President Nicos Anastasiades, who was in New Delhi during April 25-29.

Given the Turkish involvement in the Cyprus conflict, this was bound to ruffle feathers in Ankara. India has maintained good relations with Cyprus since its independence and has supported its stand on the conflict with Turkey over northern Cyprus that has been under Turkish occupation since 1974. Turkey intervened in the island nation on behalf of the Turkish Cypriots and carved out the Turkish Republic of Northern Cyprus which is not recognized by the international community. The Indian position on the conflict has been clear that it should be resolved through political negotiations. Further, Anastasiades called on India to mediate between Cyprus and Turkey to help resolve the four-decade old conflict, which New Delhi has not responded to.²⁹

²⁷ "PM Modi meets Turkey President, Saudi King on the Margins of G-20 Summit", November 16, 2015, <http://www.dnaindia.com/india/report-pm-modi-meets-turkey-president-saudi-king-on-the-margins-of-g-20-summit-2145881>.

²⁸ P. R. Kumaraswamy, "India Hyphenates Turkey", *IDS Comment*, April 28, 2017, http://www.idsa.in/idsacomments/india-hyphenates-turkey_prkumaraswamy_280417.

²⁹ Suhasini Haider, "Three Visits and a Diplomatic Test", *The Hindu*, April 26, 2017, <http://www.thehindu.com/news/national/three-visits-and-a-diplomatic-test/article18227703.ece>.

Moreover, Vice President Hamid Ansari visited Armenia during April 24-26, 2017. Ansari also visited the Armenian genocide memorial and paid his tributes to the victims. During his visit to the Armenian Genocide Museum-Institute, Ansari noted that the 'memorial stands as a solemn testimony to the Armenians who suffered grave violence'.³⁰ This is a sensitive issue for Turkey because of the historical involvement of the fathers of the modern Turkish republic in the killings of Armenians at the height of their national struggle. Turkey has been wary of the world recognizing the 'Armenian genocide.' Understandably, India was engaging with Turkey's adversaries while at the same time signalling its ability to raise controversial issues detrimental to Ankara's interests.

Looking Ahead

India and Turkey are driven by the desire to tap the possibilities for business, trade and investments. In recent times a number of Indian companies have started their operations in Turkey and many Turkish businesses are showing interest in the Indian market. Moreover, there is a momentum as far as people-to-people contacts is concerned with the number of Indian tourists visiting Turkey increasing significantly in the past decade. At the same time, the popularity of the Indian entertainment industry and films in Turkey has witnessed a rise. Undoubtedly, Erdoğan's visit comes at a crucial time with India's growing international stature and geostrategic developments in the Middle East. India-Turkey relations are expected to gradually move in a positive direction based on new found interests and some common grounds. However, given the diplomatic entanglements, it would be difficult to anticipate that the relations are set to take off immediately.

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³⁰ "India's Vice President Pays Tribute to Armenian Genocide Victims in Tsitsernakaberd Memorial", April 25, 2017, at <https://armenpress.am/eng/news/888073/india%E2%80%99s-vice-president-pays-tribute-to-armenian-genocide-victims-in-tsitsernakaberd-memorial.html>.

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