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# **Balancing Security and Innovation: Opposition's View on Turkey's Digital Policies**



Turkey and  
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Program

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# Abstract

The upcoming presidential and parliamentary elections in Turkey on May 14, 2023, are expected to be closely contested. Polls suggest that the ruling AK Party-led People's Alliance will lose its majority in parliament, resulting in a hung lower house. This would create an opportunity for multiparty dialogue and temporary alliances on specific policy issues, leading to legislation that is the result of multiparty bargaining rather than the agenda of a dominant party. Against this backdrop, it is crucial to understand the Turkish opposition's views on a variety of policy issues, with digital policies being a particularly underexplored one.

At the intersection of political, economic, and technological issues, digital policies are regulations that have to adapt to a rapidly changing landscape of technological advances on a global scale. Turkey, as a regional power and an upper-middle-income economy, has attempted to take advantage of technological innovations to further promote economic growth and national security purposes. However, the AK Party government's efforts have been met with skepticism from opposition groups as they have fallen short of protecting individual rights and freedoms online.

The study is organized into four sections, with an analysis of the political situation on the eve of the upcoming elections, a description of the technological ecosystem in Turkey, an analysis of the evolution of digital policies in Turkey under the AK Party's successive governments, and a detailed overview of the main opposition parties' digital policy positions. This study thus provides insight into the future of digital policies in Turkey and the potential impact of the upcoming elections on this pivotal issue.

# Résumé

Les prochaines élections présidentielles et législatives en Turquie, qui se tiendront le 14 mai 2023, devraient être très disputées. Les sondages suggèrent que l'Alliance populaire dirigée par l'AKP au pouvoir perdra sa majorité au Parlement. Cette situation ouvrirait la voie à un dialogue multipartite et à des alliances occasionnelles sur des questions spécifiques, conduisant à l'adoption de législations qui seraient le résultat de négociations plutôt qu'issues du programme d'un parti dominant. Ce sera notamment le cas des politiques numériques, une question peu étudiée sur laquelle il est nécessaire de comprendre les positions défendues par les partis de l'opposition.

À l'intersection de questions politiques, économiques et technologiques, les politiques numériques désignent les efforts déployés par les États pour élaborer des réglementations qui doivent s'adapter à un paysage en évolution rapide, caractérisé par des avancées technologiques à l'échelle mondiale. La Turquie, en tant que puissance régionale à revenu intermédiaire supérieur, a tenté de tirer parti des innovations technologiques pour promouvoir sa croissance économique et sa sécurité nationale. Toutefois, les efforts du gouvernement de l'AKP ont été accueillis avec scepticisme par les groupes d'opposition, car ils n'ont pas permis de protéger les droits et libertés individuels.

Cette note est organisée en quatre grandes parties, dont une analyse des perspectives politiques à la veille des prochaines élections, une description de l'écosystème technologique en Turquie, une analyse de l'évolution des politiques numériques en Turquie sous les gouvernements de l'AKP, et enfin un exposé détaillé des positions des principaux partis d'opposition en matière de politique numérique. Cette étude donne ainsi un aperçu de l'avenir des politiques numériques en Turquie et de l'impact potentiel des prochaines élections sur cette question importante.

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# Introduction

With presidential and parliamentary elections scheduled to be held on May 14<sup>th</sup>, 2023, Turkey's political parties are competing to be at the helm of the country at the dawn of the second century of the republic. The presidential elections are likely going to be a close race. Moreover, polls suggest that the AK Party-led People's Alliance will lose its majority parliament, with a hung lower house being the most likely scenario.

Under the presidential system introduced in the aftermath of the 2017 referendum,<sup>1</sup> the Turkish president can shape policymaking more directly than he previously could. However, a hung parliament would create leeway for a multiparty dialogue, leading to temporary alliances on specific policy issues. The legislative body would not only become more influential than it is today. It would also produce legislation that is the result of multiparty bargaining, rather than the agenda of a dominant party. Such an environment would shape Turkey's political and economic situation in the coming legislature and beyond.

Digital policies are at the intersection of political, economic, and technological issues. State efforts to produce regulation have to adapt to a rapidly changing landscape of technological advances on a global scale. Countries have to pursue a dynamic process "to remain relevant, either to keep up with the pace of technological change or to make up for domestic political and/or economic disruption".<sup>2</sup> In this sense, Turkey is not an exception. Located at the crossroads of Europe and Asia, it not only attempted to take advantage of technological innovations to further promote economic growth but also employed these technologies for national security purposes. As a regional power and an upper-middle-income economy, Turkey is hardly a pioneer in the regulatory sphere of digital policies. During the past decade, it mainly pursued a strategy that was inspired by the EU's legislative process, despite Brussels' decreasing transformative power on Ankara, due to the stalled EU accession process. At home, the successive AK Party governments' efforts were met with the skepticism of opposition groups, as they fell short of protecting individual rights and freedoms online.

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1. B. Esen and S. Gumuscu, "The Perils of "Turkish Presidentialism"", *Review of Middle East Studies*, Vol. 52, No. 1, 2018, pp. 43-53.

2. A. Pannier (ed.), "The Technology Policies of Digital Middle Powers", *Études de l'Ifri*, Ifri, February 2023, p. 11, available at: [www.ifri.org](http://www.ifri.org).

This paper aims to shed light on the future of digital policies in post-elections Turkey, with a specific focus on the view of the main opposition parties. It also scrutinizes the evolution of digital policies under the AK Party's rule to provide the context for a comparison between the incumbent government's and the opposition's visions.<sup>3</sup>

For this purpose, the study is composed of six sections, including the introduction and conclusion. After analyzing the political outlook on the eve of upcoming elections, we shortly describe the technological ecosystem in Turkey. The following section covers the evolution of digital policies in Turkey under the AK Party governments. We then provide a detailed overview of the main opposition parties' digital policy positions before concluding with some final remarks.

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3. We however do not provide information on AK Party's vision based on primary sources. We would like to note that we initially planned to interview AK Party as well, however since the February 6<sup>th</sup> Earthquake in Turkey, the ruling party's agenda has been too occupied.



# Methodology

We define digital policies as a wide and diverse set of policies that are relevant to the governance of the Internet. These include not only issues related to data governance, internet access, or social media regulations, but also cover the vertical industries that are shaped by the impact of the Internet, such as e-commerce, fintech/crypto assets, and other verticals disrupted by digital transformation like the tourism and transportation sectors.

To have a better insight into the opposition's mindset, we conducted semi-structured elite interviews<sup>4</sup> with the persons responsible for framing digital policies in the Republican People's Party (CHP), the DEVA Party, and the İYİ Party. The reason that we solely conducted interviews with persons from the above-mentioned parties is that the other members of the opposition are less likely to exercise as much influence on digital policies as these three parties.

Beyond these interviews, we also analyzed the opposition parties' programs, and more specifically "the Memorandum of Understanding of Common Policies" (henceforth the Memorandum). The six parties that comprise the main opposition bloc (the Nation Alliance) shared said Memorandum on January 30, 2023, as their common program for the post-election period. Having the character of a detailed roadmap, the Memorandum is the output of a shared reflection about the possible common ground between this diverse set of parties. We observed that the preparation process of the text was both a practice of compromise and a sharing of know-how for each party.

The fifth policy pillar of the Memorandum is "science, R&D, innovation, entrepreneurship, and digital transformation". Unsurprisingly, most of the principles put forward by our interlocutors in the CHP, the Good Party (İYİ Party), and the Democracy and Progress Party (DEVA Party) were similar and strongly echoes the Memorandum, reflecting that these parties have already embraced its content. Still, there were certain differences in their lines of thought that we discuss below.

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4. We had interviews with the Secretary General of the Republican People's Party, Selin Sayek Böke on March 2<sup>nd</sup>, 2023; the Deputy Chairman of the Democracy and Progress Party, Burak Dalgın on January 28<sup>th</sup>, 2023, and the Deputy Chairman of the Good Party, Ümit Özlale on February 6<sup>th</sup>, 2023. These figures follow the digital policies in their portfolio within their respective political parties.

# The Political Outlook in Turkey Before the Elections

On May 14, Turkish citizens will be going to the polls to elect a new president and parliament. Should there be a runoff (i.e., if no candidate clears the 50% threshold in the first round), the second round of the presidential elections is scheduled to be held two weeks later.

Four candidates will be running for the presidential office: incumbent president Recep Tayyip Erdoğan (chairperson of the AK Party and candidate of the People's Alliance), Kemal Kılıçdaroğlu (chairperson of the CHP and candidate of the Nation Alliance), Muharrem İnce (chairperson of the Homeland Party), Sinan Oğan (candidate of the ATA Alliance). The polls currently show that İnce and Oğan may get a total of 5-6% of the votes in the first round of the presidential race. This may hinder the prospects for any of the candidates to receive an absolute majority of votes in the first round, leading to Recep Tayyip Erdoğan and Kemal Kılıçdaroğlu confronting each other in a second round of elections. As can be seen from the table below, the presidential elections in Turkey are still too close to call. But one thing is clear: the next person sitting in the presidential office will have the power to shape Turkey's social, economic, and political future.

**Figure 1: Polls for the general elections of May 14, 2023**

Political Parties	March 2023 Polls	2018 Elections	Presidential Election Estimated Popularities of the Candidates in the Polls	
AK Party	36	42.5	Recep Tayyip Erdoğan	45
CHP	25.7	22.6	Kemal Kılıçdaroğlu	47
İYİ Party	10.5	9.9	Muharrem İnce	6
HDP	10.7	11.7	Sinan Oğan	2
MHP	6.4	11.1		
Homeland	5.1	N/A		
DEVA Party	1.2	N/A		
Gelecek Party	1.5	N/A		
Yeniden Refah	1.5	N/A		
SP	0.5	1.1		
Zafer Party	1.2	N/A		
			Parliamentary Elections Potential Support (% of Votes)	
			People's Alliance	44
			Nation Alliance	40
			Labor & Freedom Alliance	11
			Others	5
			Parliamentary Elections Number of Seats	
			People's Alliance	280
			Nation Alliance	255
			Labor & Freedom Alliance	65
			Others	?

Source : Ussal Şahbaz and Hasan Selim Özertem

The figures above are estimated numbers based on the polls conducted in March 2023 after the proportional distribution of undecided, unresponsive, or protesting votes.

The polls also show that the People's Alliance, led by the AK Party, will be losing its majority in the parliament (301 out of 600 seats). This would pave the way for a more bargain-oriented legislative process in the upcoming legislature and undermine the dominance of the AK Party. Such a setting would allow for lively multiparty dialogue and temporary alliances to emerge on a case-by-case basis, allowing the pro-Kurdish HDP to play a key role.

The main opposition bloc, the Nation Alliance, is composed of six parties. These are the CHP, the Democrat Party, the DEVA Party, the Felicity (Saadet) Party the Future (Gelecek) Party, and the İYİ Party. These six parties come from different political backgrounds.

While the CHP represents the center-left, the İYİ Party is a nationalist party that has only recently shown its inclination to move towards the center. The remaining four parties are small. Their popularity ranges from 0.5% to 2% each, according to the polls. They are situated on the right side of the political spectrum: the Felicity Party is a conservative party with a strong Islamist background, the Democrat Party is a center-right party, and the DEVA Party and the Gelecek Party are offshoots of the AK Party. The former has a strong liberal understanding of the economy, whereas the latter, led by former prime minister Ahmet Davutoğlu, is attempting to appeal to the nationalist and conservative constituency of the AK Party. The common denominator that brought these six parties together is the objective of restoring the country's parliamentary system.

# The Turkish Digital and Technological Ecosystem

While Turkey has an emerging digital and technological ecosystem, it suffers from inertia. Given its relatively low size in the economy, its actors have not been able to shape policy-making in Turkey. Since 2013, the share of high-tech exports has been averaging at around 3% of the total exports of manufactured goods.<sup>5</sup> Nevertheless, the volume of venture capital investments in Turkey's digital industry surpassed US\$ 1.5 billion in 2022, putting the country at the same level as European peers like Italy and Belgium.

The technology ecosystem is clustered around a few large industries, the most prominent of which being gaming – Turkey hosts three so-called unicorns (gaming companies with a private valuation of over US\$ 1 billion), along with many smaller enterprises. Another successful industry is e-commerce. Turkish supermarket delivery startup Getir is now one of the leaders in Europe (with a valuation of over US\$10 billion after its acquisition of German Gorillas in 2022<sup>6</sup>). Moreover, e-trade platforms also rapidly grew during the pandemic and reached a 5.1% share of the GDP in 2021.<sup>7</sup>

It is no coincidence that the clustering has been around non-regulated areas like gaming and e-commerce (even though the latter has become highly regulated in 2022, see below), which do not require sophisticated technological infrastructure which Turkey lacks, as climate- and health-tech do. The fintech sector is another emerging industry, even though it is facing significant obstacles. Payment companies started to mushroom in the financial sphere as alternatives to the banking sector, along with some key actors from the crypto markets like BTCTurk (with a valuation of over US\$3 billion<sup>8</sup>). Another cluster of companies that are thriving in the digital ecosystem is the defense and aerospace industries. This is the result of a multi-decade effort by the Turkish government to support local companies. Apart from publicly owned companies like Aselsan, Havelsan, TAI, and

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5. The World Bank, “High-technology exports (% of manufactured exports) – Türkiye”, available at: <https://data.worldbank.org>.

6. E. Tuncay and H. Ersen, “Getir Buys Fast Grocery Rival Gorillas in \$1.2 bln Deal”, *Reuters*, December 9, 2022, available at: [www.reuters.com](http://www.reuters.com).

7. Turkish Ministry of Trade, ETBİS Data, April 2022, available at: [www.eticaret.gov.tr](http://www.eticaret.gov.tr).

8. “BTCTurk will be sold”, *Cumhuriyet*, April 21, 2022, available at: [www.cumhuriyet.com.tr](http://www.cumhuriyet.com.tr).

Roketsan, private enterprises have also started to appear in the ecosystem. One of the recent examples is Bayraktar, a Turkish company run by President Erdoğan's son-in-law, that produces agile low-cost drones that are utilized in Ukraine and Libya. Contrary to the above-mentioned sectors, the software industry sluggishly grew in the last two decades. It only accounts for 0.5% of total exports – compared to around 7% in India, 3% in the USA, and 1% in Germany.

**Table 1: The main characteristics of the Turkish digital ecosystem**

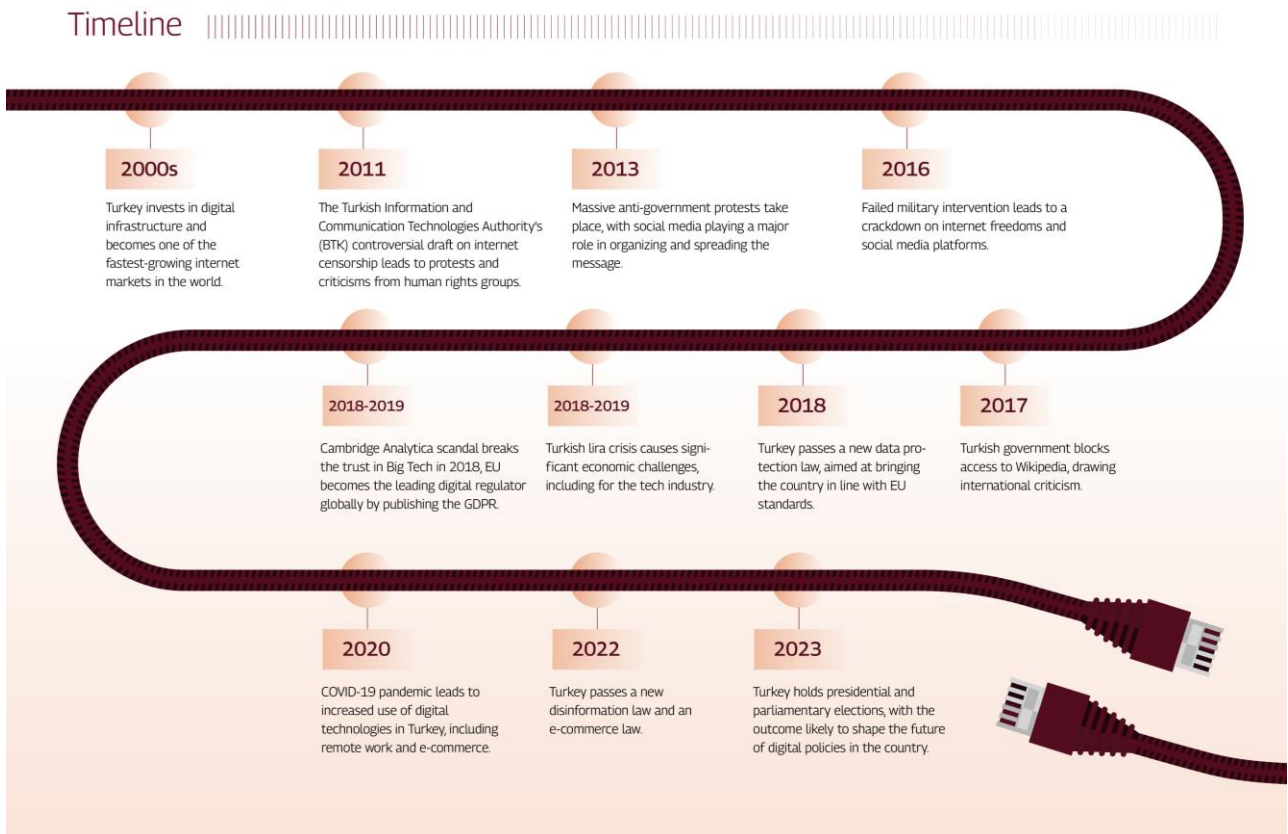
<b>Ecosystem</b>	<b>Regulatory capacity</b>	<b>Connectivity and infrastructure</b>
<p>One of the mid-sized ecosystems in Europe and among the G20 economies.</p> <p>Concentration in gaming, e-commerce, and fintech.</p>	<p>Pre-GDPR version of the personal data protection law. Not deemed "safe harbor" by the EU due to governance issues.</p> <p>Restrictions on cross-border data transfers, for strategic industries and government cloud.</p> <p>Restrictive law on social media, especially targeting "disinformation".</p>	<p>Strong mobile infrastructure, slow in new fiber investments.</p> <p>Strong e-government services.</p>

Source: Ussal Şahbaz and Hasan Selim Özertem

# The Evolution of Digital Policies in Turkey under the AK Party Governments

The AK Party's rule has prevailed for more than two decades now. The opportunities and challenges brought by digital technologies have evolved during this period since many transnational companies with the power of shaping social and economic life emerged in the 2000s. For instance, Facebook was established in 2004 and Uber started its services in 2009. Like most governments around the world, the AK Party's policies have been mainly reactive rather than proactive until now. In this respect, before analyzing the AK Party's digital policies, it might be useful to contextualize the incumbent party's approach against the backdrop of the evolution of the Internet globally.

**Figure 2: Timeline of the main dates of the Turkish digital policy under the AKP government**



Source: Ussal Şahbaz and Hasan Selim Özerter

## Global Trends in Digital Policies

Until the mid-2000s, internet governance had been shaped by Silicon Valley's ideal of an open internet. Multi-stakeholder governance had been the norm due to the central role of the United States in the development of the Internet. The situation started changing from the mid-2000s onward, with the so-called big tech companies like Facebook (META since 2021), Google, Microsoft, and Apple, acquiring increasing market power. In the 2010s, companies like PayPal (fintech), Uber (transportation), and Booking (travel) became global actors and disrupted established industries. While each of these companies is different in terms of its business model, source of its market power, and approach to internet governance, the emergence of these commercial actors as the main players of the Internet solicited a similar reaction from many nation-states.

As a result, in the second half of the 2010s, the global internet has become more fragmented and divided along national, cultural, and linguistic boundaries. This phenomenon has been referred to as the “splinternet” (from the contraction of the term “splintering of the Internet”), a transformation of the global internet into walled-off digital ecosystems. Looking at the recent trends, there are three major ecosystems around the world: the US's commercial internet, the EU's bourgeois internet, and China's authoritative internet<sup>9</sup>. The US approach has been mostly characterized by the interests of big tech companies with limited government intervention. The EU's approach is characterized by prioritizing the rights of the individuals as opposed to the interests of the governments or big tech companies. This has resulted in an extensive set of regulations issued in Brussels, including the General Data Protection Regulation (GDPR), the Digital Markets Act (DMA), the Digital Services Act (DSA), the Markets in Crypto Assets (MiCA), and the AI Act. Given that the EU is the largest digital market around the world, the so-called “Brussels effect” goes beyond Europe, with European regulations shaping the behavior of global internet companies worldwide. Lastly, China's approach is characterized by the CCP's highly restrictive system in China, where the “Great Firewall” blocks access to a wide range of foreign websites and social media platforms, including Google, Facebook, and Twitter.

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9. K. O'Hara and W. Hall, “Four Internets: The Geopolitics of Digital Governance”, *CIGI Papers*, CIGI, No. 206, December 2018, available at: [www.cigionline.org](http://www.cigionline.org).

**Figure 3: Turkey between the top three global digital ecosystems**



Source: Ussal Şahbaz and Hasan Selim Özütem

## The Three Phases of the AK Party's Digital Policies

In the face of these developments in the digital sphere, the AK Party responded in a mostly reactive manner. Nevertheless, the Turkish government's policy has managed to evolve in parallel with global trends. Three overlapping but distinct phases can be distinguished over the past two decades.

During the first phase, the government tried to develop its physical and human capital to keep up with technological change. For this purpose, it gave impetus to the development of internet infrastructure in Turkey in the 2000s. At the same time, the government attempted to digitalize its public education system by providing tablet computers, interactive boards, e-content, and internet access for every classroom within the framework of the FATİH project. Starting in 2010, the project aimed to develop "21<sup>st</sup>-century citizenship skills such as technology use, effective communication, problem-solving, cooperation, and collaboration".<sup>10</sup>

10. Turkish Ministry of Education, "FATİH Project", available at: <https://fatihprojesi.meb.gov>.



Moreover, the e-government project was launched in 2008. As of January 2023, this system integrated 945 institutions and provides 6831 services to more than 62 million users via the Internet.<sup>11</sup>

During the second phase, the AK Party government intended to foster innovation and entrepreneurship in the digital sector by financially supporting the creation of technology parks and incubation centers next to the university campuses. Thanks to tax deductions and better access to public funding, these facilities quickly spread and allowed new startups and scaleups to emerge in the software and hardware sectors from 2010 onwards.

During the third phase, the AK Party government adopted a more security-oriented approach. A new discourse focusing on the “domestic and national” was adopted and data localization requirements have been increased since 2016.

The AK Party's unique approach to digital policies, compared to other emerging market countries, resulted in significant changes in different verticals. Data localization is compulsory for the government cloud as well as in certain strategic industries such as finance. More recently, the Law of Protection on Personal Data<sup>12</sup> (KVKK) was enacted in 2016. And despite it being on par with many emerging market countries, the EU has found the governance standards of the KVKK insufficient to grant Turkey the “safe harbor” status. In return, Turkey has not granted safe harbor status to EU countries, or any other country for that matter. This situation created uncertainty concerning the cross-border transfer of personal data in Turkey. Due to this prevailing uncertainty, none of the big tech companies has established a data center in Turkey so far.

In May 2016, PayPal left the Turkish market as a result of data localization policies in the finance industry. Additionally, Booking and Uber were forced to quit Turkey, respectively in 2017 and 2019, due to court decisions based on legalities protecting certain professions like Taxi drivers and travel agents. There are currently no alternatives to Uber or PayPal in Turkey (there are some smaller applications to call taxis like BiTaksi or iTaksi, but they do not offer car-hailing services but rather function as a tool to order regular licensed taxis). Turkish citizens cannot use Booking to make reservations inside Turkey, but the application can be used for planning stays abroad.

The e-commerce bill, which was amended in 2022 to improve competition in the industry, brought detailed and even restrictive provisions to large e-commerce platforms. There have recently also been discussions

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11. The AK Party's Election Manifesto 2023, p. 263, available at: [www.akparti.org](http://www.akparti.org).

12. KVKK (Personal Data Protection Law), March 24, 2016, available at: [www.mevzuat.gov](http://www.mevzuat.gov).

around crypto assets and gig economy regulations,<sup>13</sup> however, no concrete steps have yet been taken.

One of the recent steps of the security-oriented approach was the adoption of a new social media bill in October 2022. The new bill tightens government control over online media and social network platforms. The government defended the bill as the guarantor of individual rights in Turkey and a necessary amendment to fight disinformation. Moreover, some government officials stated that Germany has a harsher regulatory framework.<sup>14</sup> Still, some observers harshly criticized the bill and claimed that depending on its interpretation by the courts, the law would potentially “diminish the space for public debate in Turkey.”<sup>15</sup>

As of 2023, where do the AK Party governments' digital policies stand between the three poles of the splinternet? It can be argued that the AK Party's emphasis on localization and security is less pronounced than the Chinese communist party's. In fact, the AK Party's digital policies closely resemble those of another Asian nation's ruling party: the Indian BJP. After coming to power in 2014, the BJP launched the Digital India project in 2015. The project aimed to connect all villages in the country to the Internet and improve the capacity of e-government capabilities.<sup>16</sup> Another initiative, the “Startup India” program, strove to promote entrepreneurship and innovation in the tech sector. At the same time, the incumbent government in India banned crypto assets several times, suspended the use of Mastercard with its data localization policies, and recently legislated a social media bill that tightens state control over online speech. On the other side of the spectrum, Turkey's policies are more strict than many emerging market governments in the G20, such as Brazil, South Africa, and Indonesia, which have a more hands-off approach to internet regulation compared.

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13. “Gig economy” covers labor in with a wide range level of skills and earning levels from some delivery couriers to freelance software specialists. Instead of a formal employment contract, their relationship with the employee companies is organized under a commercial relationship.

14. “German Disinformation Law is Harsher”, *Sabah*, October 10, 2022, available at: [www.sabah.com](http://www.sabah.com).

15. A. Coşkun, “Turkey's Disinformation Law Affect More than Meets the Eye”, available at: <https://carnegieendowment.org>.

16. T. Ray, “India a Pivotal Player”, in A. Pannier (ed.), *op. cit.*, p. 26.

# The Opposition's Perspective on Digital Policies

The Nation Alliance proposes to use digital policies as leverage for democratization, foreign policy, development plans, and capacity building in Turkey. In this regard, Turkey's digital transformation is assigned an instrumental role rather than being an ultimate objective. The following section provides an overview of the views and visions of our interviewees and compares them to the opposition bloc's Memorandum of Understanding of Common Policies.

## The EU and its Legislative Framework on Digital Policies

The Memorandum puts a strong emphasis on harmonizing Turkish policies with European standards in various domains to revitalize the accession process and acquire full EU membership status<sup>17</sup>. First gaining momentum in the 2000s under the AK Party's rule, the EU accession process slowed down after 2008 and the transformative power of the EU on Turkey weakened gradually. Nevertheless, there still is a Brussels effect influencing Ankara, as the latter still looks at EU regulations as its primary guideline. This effect can be easily observed in the amendment of the e-commerce bill in July 2022 or a Turkish draft version of the amendment of the Competition Law No. 4054. Both of these bills closely resemble respectively the DSA and DMA of the EU.

Consequently, the Memorandum of the Nation alliance emphasizes harmonizing Turkish digital policies with EU legislation. However, our interviewees hinted that they would not rush to do so before seeing the impacts of and possible amendments to recent EU regulations like in the DMA and DSA.

Selin Sayek Böke, secretary general of the CHP, echoed this intention to follow in the EU's footsteps concerning digital policies. Böke stressed that Turkey had been involved in the development of some of these policies through its membership in the Council of Europe, but that it should increase its involvement by prioritizing a Single Digital Market in the EU accession process.

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17. *The Memorandum of Understanding of Common Policies*, p. 234, available at: <https://chp.org>.

The DEVA Party's deputy chairperson Burak Dalgın also emphasized the transformative power of the EU, while expressing that, at the G20 level, Turkey should take on a leading role in shaping regulations on crypto assets, social media, climate change, and the environment. According to him, the opposition intends to contribute to the emerging global debate on digital policies rather than just importing the drawn legislation from abroad and compromising Turkey's national interests.

For his part, the İYİ Party's deputy chairperson Ümit Özlale believes that the main problem in Turkey is not the content of the relevant legislation, but the frequency with which it is amended. He says that there is a need for a transparent and predictable regulatory framework to make the country attractive to foreign and domestic investors. For this reason, Özlale says that having a dialogue with diverse stakeholders would be more productive than a top-down reform process. By bringing these stakeholders on board, the Turkish parliament would be able to produce legislation that can survive and stay relevant for longer periods of time, thereby enabling investors to make long-term projections.

Özlale further argues that it is important to find a common ground between foreign and domestic corporations, rather than favoring one or the other. Dalgın shared a similar perspective. He stressed that choosing between submitting to a techno-autocracy or a big tech oligopoly was not acceptable. However, Dalgın also maintained that attracting big tech investments in Turkey should also be one of the priorities of the coming administration, citing the examples of billion-dollar investments of Microsoft in Greece and Poland. For her part, Böke thought that foreign digital companies, including Big Tech, can play an important role in bringing in new technologies and creating employment opportunities in the formal economy. However, she expressed the importance of taking measures to prevent monopolization by any actor.

To summarize, the three main parties of the opposition's coalition have a common understanding of working closely with the EU. The CHP and the DEVA's representatives hinted at having the ambition to become an active player in shaping the regulatory framework on the global level, while the İYİ Party spokesperson mainly prioritized the production of a predictable and stable regulatory environment. Despite their different priorities regarding Big Tech, the representatives of the Nation Alliance share their conviction of the necessity of attracting investments from these companies for Turkey's economic development.

## Digital Policies and Development Objectives

Despite the AK Party's emphasis on digital infrastructure and public spending in research and innovation, Turkey's technological ecosystem is for the most part – apart from success stories in the military-industrial complex and the gaming sector, still nascent. The Memorandum of the Nation alliance puts digital transformation and innovation at the heart of its development strategy, but it fails to set a list that priorities.

This ambition was reflected in the statements of Selin Seyek Böke. She argued that the CHP has a holistic understanding of policy-making, which stands on the following pillars: public interest, the state's responsibility to eliminate externalities within the system, and policies prioritizing productivity increases and stable employment. To reach these ends, she argued that Turkey needs to develop its capacities in the following areas via digital policies: deep tech (chips, energy storage, climate- and health tech, etc.), fintech, and creative industries. Böke states that the state should lead the way in this process as a regulator, facilitator, and entrepreneur in coordination with the various stakeholders.

Similarly, Burak Dalgın from the DEVA Party expressed this belief that the instrumentalization of digital policies was necessary for Turkey to participate in the development race. He argued that rather than catching up with technological developments around the world, Turkey should take steps to skip less efficient technologies in the course of its development, that is to say, it should be “leapfrogging”. Dalgın proposes for Turkey to establish “regulatory sandboxes” or so-called safe zones for pioneer companies in areas such as fintech/crypto assets, autonomous vehicles, drones, and health tech. In these zones, the innovators and entrepreneurs would be able to test their products with a limited set of users without being subject to regulations before they scale up.

Moreover, the İYİ Party's Özlale prioritized investments in infrastructure. He stated that 2 million km of fiber optic internet infrastructure need to be implemented in the coming five years. According to Özlale, the state should assist small and medium-scale enterprises (SMEs) to prioritize their technological investments, with a reform of the KOSGEB (Small and Medium Enterprises Development Organization of Turkey) being a pressing priority. Özlale also proposed the idea of a “digital migrant visa”, which would allow a foreign software developer to work in Turkey, but from abroad. He believes that these sorts of flexibilities are necessary to improve the access of technology companies to global human resources.

All of the interviewees emphasized the importance of digital policies for the country's development in the upcoming period. The CHP's Böke prioritized employment, whereas Özlale of the İYİ Party put emphasis on supporting the private sector, and more specifically SMEs. Burak Dalgın of

the DEVA Party brought up the idea of regulatory sandboxes. These approaches are not mutually exclusive but require a strong administration and a transformation of the mindset at the bureaucratic level.

## The Balance Between Security and Freedoms

The current global debate on the future of the internet and digital policies hinges on the delicate balance between security and freedom. From the perspective of digital policies, there are two important aspects to be reviewed from this perspective: the first concerns the regulation of internet media and social network platforms. The second concerns data governance and security.

As described earlier, Turkey's recent disinformation law brought a new framework that regulates internet media in 2022. The law was put in force on April 1, 2023, just before the elections and it is too early to measure its implications for the time being. Still, there is a consensus between the opposition parties that the current legislation is too strict and should be amended as one of the main priorities of the new government in the post-election period. The Memorandum states that the opposition's main priority is taking necessary measures against insults and slanders in social media. Özlale adds that the current wording of the disinformation law is too vague. If it is to be used to silence dissidents, then the law could further undermine democratic standards in Turkey. He believes that apart from revising the law, there is a need to promote the independence and autonomy of the judiciary for the sake of the consolidation of democracy in Turkey.

Regarding data governance, the opposition parties unite around a common objective of harmonizing with the EU legislation and making Turkey a "safe harbor". Safe harbor status along with a "Cloud Computing Law" could make Turkey an attractive site for a global data center, due to its location between Europe and the Middle East. Nevertheless, the parties have different approaches regarding data transfers and data storage.

Among these, the DEVA Party's position is the most liberal one. Burak Dalgin says that selective data transfer abroad should be allowed to "safe harbor" jurisdictions that provide a similar data protection standard to Turkey, without prejudice to reciprocity. Concerning government data, Dalgin argues there might be localization requirements.

The İYİ Party's Özlale believes that data transfer abroad should be restricted and that Turkey needs to have a well-established infrastructure to protect data at home. According to him, Big tech companies should also make investments to store data in Turkey.

The CHP's Selin Sayek Böke stated that data governance is a challenging issue without a global consensus. The CHP believes in the transparency of open-source platforms and data as much as possible. It further promotes coordination

between institutions to make data available anonymously to foster innovation in both the private and public sectors. In the Memorandum health, traffic, meteorology, and notary raw data are primarily listed to be anonymously available to local entrepreneurs. Böke argues that the cross-border transfer of data is a delicate issue and should be assessed on a case-by-case basis for different industries and situations.

The opposition parties also argue that PayPal, Uber, and Booking should be available in Turkey. But they have some differences in their approaches. Burak Dalgın from the DEVA Party argued that the obstacles before these companies should be removed and they should be available. CHP and İYİ Party had some reservations. Böke argued that as long as these companies contribute to the development of new technologies and provide secure employment, the operations of these companies shall be supported. Özlale emphasizes the different reasons for these companies to leave Turkey. Allowing Uber will improve the welfare of many citizens in large cities, while the ban favors only the interests of a small group. Whereas in the case of PayPal, the issue is whether the company complies with the data localization rules.

Furthermore, the three parties intend to defend liberties in the digital sector by amending existing protective laws adopted under the AK Party's rule. However, it is hard to talk about a common vision of how to deal with data management in the future. Moreover, the positions of the various political parties will probably evolve in the upcoming period as data management remains to be one of the most contested topics on the global level.

## Regulation of Verticals: E-Commerce, Crypto, the Gig Economy

### ***E-commerce***

Adopted in 2014, e-trade law No. 6563 was amended in 2022 in a stricter and more detailed fashion than the EU's DSA. After the amendment, the CHP, consulting with the İYİ Party leadership, applied to the Constitutional Court for the annulment of some key articles.<sup>18</sup> All three parties believe that the 2022 amendments went too far, however, there is no agreement on which articles should be amended or when. The CHP's Böke and İYİ Party's Özlale claimed that the Competition Authority should have a more functional role, as is the case with the EU's DSA/DMA. The DEVA Party's Dalgın stated that the new law should not be targeting individual companies but rather favor a framework of regulations that depend on the rule of reason. Özlale and Sayek emphasized the protection of the interests of small artisans and SMEs *vis-à-vis* large e-commerce platforms.

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18. "The Constitutional Court will Review the e-Trade Law", *Habertürk*, October 26, 2022, available at: [www.haberturk.com](http://www.haberturk.com).

## ***Crypto-assets***

The opposition has a more liberal approach to crypto-assets than that was observed in the draft bill circulated by the incumbent government in 2021 and 2022. The İYİ Party's Özlale says that there is a need to establish an independent regulator for the crypto asset markets, with its specialized and competent human resources, that is separate from the Capital Market Board of Turkey (SPK), which was the designated regulator in the draft bill. The DEVA Party's Dalgın says that the crypto policies should strike a balance between two pillars: the protection of consumers by promoting financial literacy, transparency, and other regulatory requirements, and fostering financial innovation. The CHP's Böke says the regulations should be prepared with wide and transparent consultation with the expert and the crypto community.

## ***Gig economy***

The gig economy has been rapidly growing in Turkey with couriers in the cargo sector, developers in the software sector, and recently in many other spheres as remote work has become a more popular phenomenon in the post-COVID period. Selin Sayek Böke argued that the current labor law needs to be amended in favor of the employees, along the lines of the International Labour Organization (ILO) agreements, by bringing in new standards to working hours, and the right to disconnect in remote working. The İYİ Party's Özlale argued for a secure-flexible employment framework for the gig economy and the adoption of the ILO's part-time work convention to harmonize with international standards. The DEVA Party's Dalgın said that there is a need for a new freelance employment bill. He further suggested easing the conditions for freelancers to register via the e-government to enjoy the same benefits as regular workers. Given that the left-wing HDP, which is not a member of the opposition alliance, will likely be a kingmaker and key player in the hung parliament, it is hard to imagine that liberal legislation on the gig economy employment would pass.

## ***Digital Services Tax***

The AK Party government's digital services tax, imposed in 2021, has been controversial. The tax is 7.5% out of the revenue (not profit) of social media platforms, search engines, online content providers, and e-commerce. Similar taxes have also been enacted in European countries – albeit at lower rates – and this is an issue heavily discussed in the corporate taxation harmonization deal under G20/OECD. According to the Memorandum, the opposition plans to reduce the digital services tax.



## Institutional Structure

According to the Memorandum, a new Ministry of Informatics and Innovation will be established. This ministry will bring together the current functions of the President's Digital Transformation Office and the technology policy-related departments of the Ministry of Transport and Infrastructure, the Ministry of Industry and Technology, and the TUBITAK. Additionally, there are plans to establish a Science and Technology Advisory Council, an Artificial Intelligence Committee, centers of excellence in the IT sector, and a Quantum and Supercomputer National Research Laboratory to “generate unbreakable encryption algorithms”.<sup>19</sup>

The CHP's Böke defined the role of the government concerning digital and innovation policies as that of a “facilitator, regulator, and entrepreneur.” This obliges the state to build up its capacities and reform its institutions to carry out these responsibilities. Referring to Mariana Mazzucato,<sup>20</sup> Böke argues that Turkey had better human capital in the public sector in the 2000s, and there is a need to re-invest in meritocracy by offering better conditions for public servants in the upcoming period. In parallel, she harshly criticized the recent trend of making the state smaller by sacrificing quality within the system. The DEVA Party's Dalgın argued that the aim of establishing a new ministry is to bring the institutional capacity under one umbrella for a more efficient structure than the current atomized setting. The Memorandum still plans to keep BTK as an independent regulatory authority.

Moreover, the Memorandum also emphasizes cyber security. There is an objective to have domestic legislation on cyber security that is compatible with that of the EU. The DEVA Party's Dalgın also pointed out the need for establishing cyber forces under the umbrella of the Turkish Armed Forces, as a novel force alongside the Navy, Army, Air Force, and Special Forces. Referring to the Memorandum, he further claimed that the opposition intended to appoint special envoys or ambassadors “to places with globally successful entrepreneurial ecosystems, such as Silicon Valley”<sup>21</sup> to establish better links with the innovators and pioneers of disruptive technologies.

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19. The Memorandum of Understanding of Common Policies, *op. cit.*, p. 240.

20. Mariana Mazzucato, *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, Penguin Books, 2018.

21. The Memorandum of Understanding of Common Policies, *op. cit.*, p. 21.

# Conclusion

**Table 2: The positions of the major opposition parties on the main issues of Turkish digital politics**

Topic	CHP	İYİ PARTY	DEVA PARTY
<b>Big tech</b>	Yes, but we need measures to prevent their monopolization.	Yes, but we need to regulate the system first.	Yes
<b>Crypto Bill</b>	Yes, but should be regulated.	Yes, but should be regulated and there is a need for a new autonomous authority.	Yes, and we need regulatory sandboxes for testing.
<b>Data localization</b>	To some extent, for sensitive data only.	Yes	For critical public data only.
<b>Social Media Law should be amended</b>	Yes	Yes	Yes
<b>E-commerce bill should be amended</b>	Yes, but we should wait for the EU.	Yes, we should wait for the EU.	Yes, and we shouldn't be targeting individual companies.
<b>Bill for gig economy</b>	Yes	Yes	Yes
<b>Uber, PayPal, Booking should be allowed</b>	Yes, but they should bring in technology and create employment.	Yes, but first regulation is needed.	Yes

Source: Ussal Şahbaz and Hasan Selim Özerterem

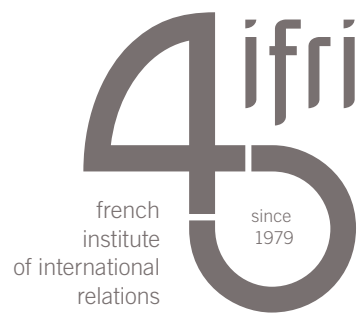
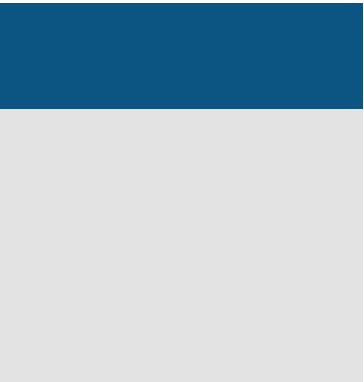
Turkey is heading toward highly anticipated presidential and parliamentary elections in May 2023. In the post-election period, the new government will have the leverage of shaping Turkey's development trajectory. The AK Party's legacy in the last two decades shows that Turkey reacted swiftly to keep up with the changes in the technological sphere. Nevertheless, the path ahead requires not only adapting to new technologies but also being able to host creators of disruptive technologies while regulating the cyber and economic realm to eliminate possible externalities and remain relevant.

As discussed above, three major ecosystems in the world tackle these challenges, without there being a clear winner. The AK Party government's recent trajectory shows that there are significant similarities between the approaches of India and Turkey. From a developmental perspective, both countries favor protectionist regulations, which attempt to deal with "the digital trilemma of simultaneously generating economic growth, protecting individual privacy and safeguarding national security"<sup>22</sup> in Turkey.

In the post-election period, the Nation Alliance wants to shift Turkey's trajectory somewhat closer to the EU's bourgeois ecosystem, while also producing domestic legislation that reflects Turkey's role as a major emerging market in the G20. This balanced approach seeks to revitalize Turkey's accession process to the EU, while maximizing Turkey's interests and acting pragmatically by using digital policies as an instrument for economic development. Such an ambitious objective requires not only political will but also capacity building. Nevertheless, it is possible that a hung parliament would allow for some of these goals to be achieved.

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22. T. Ray, "India a Pivotal Player", in Al. Pannier (ed.), *op. cit.*, p. 26.



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