

An hourglass-shaped graphic with a globe in the top bulb and another globe in the bottom bulb. The top bulb is dark blue, and the bottom bulb is light blue. The hourglass is light gray. The globe in the top bulb is dark blue, and the globe in the bottom bulb is light blue. The hourglass is centered on the page.

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*TURKEY: AFTER THE EARTHQUAKE*

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**Abstract.** This report discusses the national and international response to the August 17, 1999 earthquake in Turkey, possible political ramifications, economic effects, and policy implications.

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# CRS Report for Congress

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## Turkey: After the Earthquake

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### Summary

On August 17, 1999, Turkey was struck by a severe earthquake, leaving about 15,000 dead, 24,000 injured, and 250,000 homeless. The high casualty toll, aggravated by shoddy construction, has been partly attributed to corrupt builders and government officials. Turkish media, earthquake victims, and other observers criticized the government and military for their slow responses to the disaster. Yet, neither the political system nor the government are likely to change soon. Turkey had been in a recession before the quake, and economic growth will continue to decline in the short term but will pick up with spending on recovery. Parliament has passed macroeconomic reforms, paving the way for an International Monetary Fund standby agreement. International support for the earthquake victims has been remarkable. The U.S. Administration provided aid for rescue and relief, no longer-term assistance. Israel's response may cement bilateral ties, while those of the European Union and Greece may help heal strained relations. H.Con.Res. 188, introduced on September 22, commends Greece and Turkey for putting aside their differences in responses to earthquakes in both countries. See also, see CRS Report RS20253, *Turkey: Continuity and Change after Elections*, July 6, 1999. This report will not be updated.

### Background

On August 17, 1999, an earthquake registering 7.4 on the Richter scale, one of the most powerful recorded in the 20<sup>th</sup> century, struck northwest Turkey. Over 20% of the Turkish population lives in the affected provinces. The hardest hit areas include Izmit, an industrial city and location of the country's largest refinery, Golcuk, home of the largest naval base, nearby cities, towns, and villages, and eastern districts of Istanbul, Turkey's largest city. Severe aftershocks caused more injuries and damage. The death toll, which includes seven Americans, exceeds 15,000,<sup>1</sup> with 24,000 injured, and 250,000 homeless.

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<sup>1</sup> The official death toll was revised downward by about 5,500 on August 24. Critics accused the government of downplaying the magnitude of the disaster to mask its poor response. Amberin Zaman, Critics Say Turkey is Understating Earthquake Death Toll, *The Washington Post*, (continued...)

Over 60,000 houses were destroyed, 58,000 moderately damaged, and 68,000 lightly damaged, costing many lives. This high number has been attributed to shoddy construction by corrupt contractors on unsuitable land and to lack or inadequacy of inspections by dishonest local officials.<sup>2</sup>

## Official Response

Government officials and the armed forces were not seen to act for the critical first 36 to 48 hours after the earthquake.<sup>3</sup> The government blamed its slow response on the destruction of transportation and communications infrastructure, but it was clearly deficient in emergency preparedness, typified by lack of civil defense operations, coordination, search and rescue teams and equipment, or other trained personnel. The government did not commandeer equipment from the private sector for rescue efforts until August 21. These deficiencies are striking since Turkey often experiences earthquakes. Smarting at the criticism, Chief of Staff General Huseyin Kivrikoglu insisted that the armed forces had mobilized for rescue immediately, and the military's public affairs office claimed thousands of rescues.

Turkish civil society stepped into the void left by government inaction. Non-governmental organizations, businesses, and individual citizens mobilized for rescue efforts and to provide immediate relief. Some members of the government criticized these efforts as publicity stunts. The government confiscated the bank accounts of some non-governmental groups to prevent "mismanagement," and perhaps also to avoid being upstaged by Islamists and others.

## Possible Political Ramifications

Domestic criticism of the state's response was unprecedented in its scope, and some analysts hoped that the earthquake would spur changes to the political system. How long popular anger at the state will last is uncertain. Political reform is unlikely in Turkey under present conditions, however. The government and military closed ranks and turned on media critics for "demoralizing" the people and troops. State censors suspended operations of a television station because of its castigating commentary. Other critics then stopped reproaching the military, and some journalists defended it.

In other countries, a government that responded so poorly to a natural disaster might fall. A three-party coalition took office in June with a large parliamentary majority. It is the fifth government in four years and its longevity has never been assured, but the earthquake probably will not hasten its departure. The government is composed of the

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<sup>1</sup> (...continued)

September 9, 1999, p. A-15.

<sup>2</sup> Jon Hemming, Builders Pilloried after Turkey Quake, Reuters, August 18, 1999; Celestine Bohlen, Quick Destruction follows Istanbul's Haste to Build, *The New York Times*, August 19, 1999, p. 12; Richard Boudreaux, Turkey's Builders face Probe over Quake Ruin, *Los Angeles Times*, August 20, 1999, p. A-1.

<sup>3</sup> Stephen Kinzer, Sidelined for Days, Turkey's Army Joins Rescue, *The New York Times*, August 22, 1999, p. 1.

Democratic Left Party (DSP), the Motherland Party (ANAP), and the Nationalist Action Party (MHP). DSP and, even more often, ANAP had participated in prior governments and might be viewed as at least partly liable for deficiencies in the official response to the quake. MHP is a newcomer to government and might be considered less culpable, but it heads ministries that are in the forefront of relief and recovery efforts. Thus, its actions were more closely scrutinized than its partners, and the results were mixed. MHP Health Minister Osman Durmus's made xenophobic statements as he rejected an Armenian search and rescue team and Greek blood donations, and denigrated foreign medical assistance. MHP's coalition partners did not join in calls for his resignation, however, and Durmus remains in office. By contrast, MHP Minister of Housing and Public Works Koray Aydin appeared organized and reassuring. Aydin's ministry is responsible for housing earthquake victims and announced a three-phase plan of immediate shelter, prefabricated temporary homes, and permanent reconstruction. The government also offered rent subsidies to those seeking alternative housing.

The opposition Islamist Virtue Party (FP) finished third in the April national election and is experiencing generational infighting among its leaders. Yet, it is not debilitated, and FP-led municipalities rapidly sent representatives to the disaster to provide food, medical aid, and clothing to earthquake victims. These actions prompted some fear that FP would exploit the situation for political gain.

Finally, as the constitutionally mandated guarantor of the state, the military is the major political power in Turkey. Since a change of command in summer 1998, the military had been lowering its public profile, which it had raised when it forced an Islamist-led government from power in June 1997. The commanders reportedly recommended a state of emergency or martial law after the earthquake, but the government said it was not needed and the military deferred to civilians, who proved wanting. The military possesses transport and communications that could have helped overcome some of the problems that the government blamed for its inaction in the early hours of the disaster. Turks questioned their armed forces' absence, but the extent that the quake has tarnished the military's popular image remains unclear.

## **Economic Effects**

Cost estimates of earthquake damage vary. The Turkish government estimates losses at between \$9 billion and \$13 billion. The World Bank's assessment includes \$6.5 billion for earthquake damage plus \$2 billion in lost production. The Turkish Industrialists and Businessmen's Association (TUSIAD) estimates the cost at \$17 billion — \$10 billion in infrastructure damage, \$5 billion in lost production, and \$2 billion in emergency relief. Productivity may fall due to workers' fear of returning to work or flight from the region, and tax revenues also may decline.

The Turkish economy had been in recession before the earthquake. In the first half of 1999, its gross national product declined, largely because continuing factors related to the global financial crisis, particularly in Russia, one of Turkey's major trading partners. Growth will continue to fall during the remainder of the year due to effects of the earthquake. A contraction in the gross national product of -1% to -1.5% is forecast for 1999. Spending for reconstruction of industrial plants, homes, and consumer goods, however, is expected to spur growth of the gross national product by about +5% in 2000, when concern about inflation also may return.

To meet conditions set earlier by the International Monetary Fund (IMF) for a standby agreement of \$1.5 billion to \$3 billion, parliament has passed macroeconomic reforms, including banking oversight, international arbitration of commercial disputes, and social security reform. The IMF still expects to complete negotiations with Turkey on an agreement this year. It offered a \$500 million emergency loan after the quake. The World Bank also is preparing a large loan package for reconstruction and recovery.

## International Responses and Policy Implications

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) has recorded donations in kind and cash from over 60 countries and many charities.<sup>4</sup>

**United States.** On August 18, President Clinton telephoned Turkish President Suleyman Demirel to express his condolences and promise help. In his August 21 radio address, President Clinton urged the American people to provide charitable donations to assist Turkey. He said, “Turkey is our long-time ally and the people of Turkey are our friends ... we must do all we can to help and we will.” On September 1, the President made an unusual second plea to encourage Americans to support the relief effort. Many Americans answered his appeal.

The official U.S. response took many forms and funding came from a variety of sources.<sup>5</sup> As of September 13, the U.S. Agency for International Development Office of Foreign Disaster Assistance (USAID/OFDA) had provided \$14,460,080 in humanitarian assistance. The Department of Defense assisted with personnel, military transport, and equipment (tents, body bags, medical supplies) totaling \$10 million. After search and rescue, U.S. effort were to shift to mid- and long-term assistance.

**Disaster Assistance.**<sup>6</sup> USAID deployed two search and rescue teams to help recover victims. Each team included rescue experts, search dogs, and sensory and earthmoving equipment. AID furnished medical supplies, blankets, plastic sheeting, hygiene kits, and three water purification units capable of meeting the needs of 27,000 people each. The U.S. Geological Survey participated in an overflight assessment of the earthquake zone.

The USS Kearsarge, the USS Gunston Hall, and the USS Ponce arrived at Golcuk on August 23 and were used for air humanitarian support operations — lifting support, moving relief supplies, and rendering medical teams. Three additional U.S. naval ships with the capacity to generate 100,000 gallons of water per day arrived later. The Department of Defense established Task Force AVID RESPONSE to support in-country relief agencies. Its Civil Military Operations Center organized and facilitated the distribution of supplies and other relief efforts for earthquake victims.

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<sup>4</sup> United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Situation Reports, online.

<sup>5</sup> For background and comparison, see CRS Report 98-1030, *Central America: Reconstruction after Hurricane Mitch*, by Lois McHugh, updated regularly.

<sup>6</sup> U.S. Agency for International Development, Bureau for Humanitarian Response, Office of U.S. Foreign Disaster Assistance, *Turkish Earthquake Fact Sheets*.

**Longer-term Aid.**<sup>7</sup> On September 2, *The Washington Post* reported that the Administration would request \$100 to \$300 million for Turkey as part of a \$12 billion emergency funding request.<sup>8</sup> The Administration later took account of budget and congressional constraints and emphasized other measures for Turkey. Its view may have suppressed several ambitious ideas that Prime Minister Ecevit and the Turkish media had floated for U.S. consideration before Ecevit's September 28 meeting with President Clinton. On August 30, Ecevit said that he would ask the United States to guarantee a bond issue to raise money for reconstruction.<sup>9</sup> Sources suggested that the request would be for a guarantee of \$5 billion in 10-year bonds.<sup>10</sup> Turkey has a good debt repayment record, but Congress would have had to approve an annual loan subsidy to protect the United States against possible default. Although Turkish newspapers alleged that the Administration had turned down Turkey's request for a guarantee,<sup>11</sup> a Turkish official asserted on September 24 that the government had decided that a bond issue was not needed.<sup>12</sup> Other sources indicated that Ecevit would ask for forgiveness of debts incurred from foreign military financing (FMF),<sup>13</sup> especially loans from the 1980s which bear high interest rates. U.S. Treasury and congressional approval would have been needed, and Administration officials noted "substantial" difficulties with debt forgiveness. Ecevit claimed after meeting President Clinton that the latter said he would consider it, while U.S. officials said the President did not respond. Ecevit also said that he had asked President Clinton to resume military aid to Turkey because of its role in Bosnia, Kosovo, and Northern Watch over Iraq, and claimed that President Clinton wanted to resume aid before the end of his term.<sup>14</sup> Finally, Turkish journalists and others suggested a U.S.-Turkish free trade agreement, perhaps unaware that the United States is party to only two accords -- the North American Free Trade Agreement (NAFTA) and an accord with Israel -- and that Congressional approval would be needed and unlikely. Ecevit did not propose an agreement, but requested consideration of a qualified industrial zone whose products could enter the United States tax free, for Turkey's southeast, which is recovering from 15 years of guerrilla warfare. The main economic results of Ecevit's visit are a \$108 million increase in quotas for Turkish textile exports to the United States, a trade and investment framework agreement, several U.S. agency programs to encourage U.S. businesses to participate in reconstruction and investment in Turkey, and continued U.S. support for Turkey in international financial institutions..

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<sup>7</sup> Turkey last received U.S. economic and military aid in FY1998. The latter was in loans at market rates. Turkey still receives International Military Education and Training funds and assistance for narcotics control.

<sup>8</sup> Eric Pianin and George Hager, Clinton to See at Least \$12 Billion More in Spending, *The Washington Post*, September 2, 1999, p. A-8.

<sup>9</sup> Stephen Kinzer, Turkey to visit U.S. Focus on Aid and Rights, *The New York Times*, August 30, 1999, p. A-10.

<sup>10</sup> Dow Jones Newswires, August 27, 1999.

<sup>11</sup> Dow Jones Newswires, September 21, 1999, citing *Hurriyet* and *Milliyet*.

<sup>12</sup> Turkey gives up on U.S.-backed quake bond, Reuters, September 24, 1999.

<sup>13</sup> Ecevit to Urge US to Erase Turkey's FMS Debts, *Milliyet*, September 14, 1999, p. 9, translation entered on Foreign Broadcast Information Service (FBIS) on line, September 15, 1999.

<sup>14</sup> Speech at Washington Institute for Near East Policy, September 28, 1999.

**Israel.** Turkish-Israeli friendship has developed rapidly since 1996,<sup>15</sup> and some Israelis visiting Turkey were earthquake victims. The size, diversity, and speed of Israel's humanitarian aid were striking, as were Israeli popular concern and Turkish gratitude. The Israeli government immediately dispatched the largest search and rescue team, and supplied food, medical aid, and tents. Bilateral ties, launched by each side's defense establishment, are expected to have a stronger popular foundation in the future.

**European Union.** The European Union (EU) provided about \$32 million in aid for housing, \$205 million in economic aid, and \$635 million in soft loans for reconstruction. All EU member states gave bilateral donations. In December 1997, the EU had failed to include Turkey as a candidate for EU membership with 11 other countries. Turkey was insulted and ended all political discussions with the EU. France, Britain, Italy, and, more recently Germany, have advocated a more accommodating policy toward Turkey. After the earthquake, all have reiterated this view. Many EU members also have expressed willingness to name Turkey a candidate for membership at the EU summit in Helsinki this December. Some EU members had questioned Turkey's eligibility for candidacy and membership, primarily because of because of its poor human rights record.

**Greece.** The quake could prove to be a major step on the improving path of Greek-Turkish relations. Greek Foreign Minister George Papandreou and his Turkish counterpart, Ismail Cem, consulted regularly on humanitarian issues during the Kosovo conflict earlier in 1999. In July, their representatives began talks on five issues of mutual interest: tourism, environment, culture, security, and trade, excluding the more sensitive Cyprus and Aegean sovereignty issues. Papandreou was the first foreign official to offer aid to Turkey in the aftermath of the earthquake, and his government immediately provided search and rescue teams, and medical and other assistance. Greek citizens also gave generously. The leading EU countries had been pressing Greece to lift its veto of a financial protocol that had been promised to Turkey as part of a Turkish-EU customs union accord in March 1995. Those differences may have been superseded by events. Despite its long-standing grievances against Turkey, Greece advocated a major EU outlay of humanitarian aid for quake-devastated Turkey and lifted its veto of some other previously slated financial assistance. When a severe earthquake struck Athens on September 7, Turkey responded rapidly. H.Con.Res. 188, introduced on September 22, commends Greece and Turkey for putting aside their differences in responses to the earthquakes. Improving relations with Turkey remains controversial in Greece, however. Some politicians contend that the veto policy has outlived its usefulness, while others demand a more substantial return from Turkey in exchange for lifting vetoes. Greece has said that it will agree to the EU's naming Turkey a candidate for membership, but it will insist that the EU retain conditions for membership concerning respect for borders, a Cyprus settlement, and human rights.

**Others.** Nearby countries that have had troubled relations with Turkey also made notable donations. Armenia, which lacks diplomatic ties to Turkey, and Syria both sent medicine and other supplies. The United Nations approved an Iraqi request to sell \$10 million in oil and donate the proceeds to Turkey.

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<sup>15</sup> See CRS Report 98-633, *Israeli-Turkish Relations*, July 17, 1998.