

Outcome of Turkish referendum in April 2017

The **2017 Turkish constitutional referendum** resulted in a **narrow victory for the "Yes" vote, which won 51.41%** of the electorate against **48.59% for the "No" vote**. The official results were confirmed by Turkey's Supreme Election Council (YSK) following the vote on **16 April 2017**, which saw a high voter turnout of **over 85%**.

Key Outcomes and Changes

The referendum approved a package of **18 constitutional amendments** that fundamentally restructured the Turkish political landscape:

- **Transition of Power:** Turkey shifted from a **parliamentary democracy to an executive presidential republic**.
- **Abolition of the Prime Minister:** The office of the Prime Minister was completely abolished, transferring all executive power directly to President Recep Tayyip Erdoğan.
- **Executive Authority:** The president gained sweeping new powers, including the ability to issue decrees, appoint the cabinet, declare states of emergency, and dissolve parliament.
- **Parliamentary Shifts:** The number of seats in Parliament was increased from **550 to 600**, and the voting/candidacy age was lowered from **25 to 18**.

A Deeply Divided Country

The results highlighted significant political and geographical polarization across Turkey:

- **The Urban/Rural Divide:** Although the "Yes" vote won nationally, Turkey's three largest and most economically vital cities—**Istanbul, Ankara, and Izmir**—all voted "No".
- **Regional Voting:** The "No" campaign dominated the Aegean and Mediterranean coasts, as well as the Kurdish-majority southeastern regions. Conversely, the "Yes" vote drew its strength primarily from the conservative Anatolian interior and the Black Sea coast.
- **Opposition Challenges:** The main opposition party, the Republican People's Party (CHP), heavily contested the results, challenging a massive percentage of the ballot boxes due to controversial, last-minute rule changes regarding unstamped ballots. However, the election board rejected calls to annul the vote.

In the past 9 years has it changed the country much?

Yes, the 2017 referendum **fundamentally transformed Turkey**, reshaping its politics, economy, and legal structures over the past nine years. By dismantling the traditional parliamentary system, the vote paved the way for what critics call a **"one-man regime"** and supporters view as a streamlined, efficient executive presidency.

The structural shifts can be broken down into three major areas:

1. The Consolidation of "Hyper-Presidential" Power

The formal transition took effect after the June 2018 elections. Since then, President Erdoğan has governed with unparalleled authority:

- **Eradication of Checks and Balances:** With the Prime Minister's office abolished, there is no longer an independent cabinet to push back against presidential decisions. Ministers operate essentially as personal secretaries appointed directly by the President.
- **Rule by Decree:** The presidency gained the power to issue statutory decrees carrying the force of law. This bypassed traditional parliamentary debates, drastically weakening the legislative branch.
- **Control of the Judiciary:** The referendum changed how high-level judicial bodies are chosen. Over the last nine years, presidential control over appointments has severely compromised judicial independence, according to reports from bodies like the [Council of Europe](#).

2. Economic Turmoil and Unorthodox Policies

The lack of institutional checks directly spilled over into Turkey's financial stability:

- **Loss of Central Bank Independence:** Under his sweeping executive authority, Erdoğan repeatedly dismissed central bank governors who refused to lower interest rates.
- **Hyperinflation and Currency Collapse:** The push for unorthodox economic policies (lowering interest rates to fight inflation, against traditional economic theory) triggered a massive, multi-year economic crisis. Over the decade following the referendum, the Turkish Lira spiralled downward, and inflation rates skyrocketed into double and triple digits, severely impacting ordinary citizens.

3. Extended Political Longevity

The constitutional overhaul extended Erdoğan's timeline in power.

- He won reelection under the new rules in 2018 and again in a highly contested 2023 vote.
- Constitutional loopholes embedded in the 2017 text have allowed his party to continuously seek legal paths—such as calling early elections—to bypass term limits, potentially allowing him to run again.

Ultimately, the country moved away from being a deeply flawed but operational parliamentary democracy to a highly centralized presidential republic. This shift permanently widened the political polarization between the secular, urban population and the conservative, rural base.

Turkish Lira to US Dollar 2016 - 2026

Year	Average TRY/USD	Min TRY/USD	Max TRY/USD
2026	0.021954	0.020498	0.023241
2025	0.025360	0.023275	0.028314
2024	0.030483	0.028279	0.033640
2023	0.043328	0.033841	0.053405
2022	0.061064	0.053421	0.075310
2021	0.115515	0.056243	0.143900
2020	0.143564	0.116958	0.170876
2019	0.176301	0.160531	0.192464
2018	0.212704	0.144982	0.267335
2017	0.274494	0.252357	0.294196
2016	0.331840	0.281930	0.358261

The lira has been fairly stable the past two or three years

The Turkish Lira's performance over the past two to three years depends on how you define stability. While the currency has **avoided the chaotic, overnight free-falls** that defined the 2018–2021 crises, it has not actually been stable in value. Instead, the Central Bank of Türkiye has transitioned to a strategy of "**managed depreciation**," allowing the lira to weaken steadily and predictably rather than crashing abruptly.

Why does it feel different now?

The reason the past few years *feel* more stable than the previous decade comes down to a major shift in Turkey's economic policy:

- **The Return to Orthodoxy:** Following the 2023 elections, President Erdoğan pivoted away from his unorthodox theory that high interest rates cause inflation. He appointed mainstream policymakers like Finance Minister Mehmet Şimşek, who drastically raised interest rates to peak levels of 50% to cool down the economy.

- **Controlled Volatility:** Instead of letting the currency wildly fluctuate based on political panic, the central bank has used strict monetary tightening and foreign-exchange interventions to ensure the lira depreciates at a slow, predictable pace that roughly tracks the country's inflation differential.
- **Ongoing Vulnerabilities:** Despite this controlled approach, the stability is fragile. Domestically, high inflation persists (sitting above 31% in mid-2026), and recent banking liquidity interventions and regional energy costs continue to put downward pressure on the currency.

Would you like to explore **how this managed depreciation affects everyday prices** inside Turkey, or look closer at the **Central Bank's current interest rate strategy**?

Both

The everyday reality of the Turkish economy involves a careful balancing act. The **Central Bank of the Republic of Türkiye (TCMB)** has enacted intense financial measures, yet ordinary citizens still feel a steady squeeze on basic goods.

1. The Central Bank's Current Interest Rate Strategy

Following years of volatile economic shifts, the TCMB has settled into a defensive, highly restrictive stance:

- **Holding the Line at 37%:** The central bank has kept its benchmark one-week repo rate steady at **37.00%**. It has fiercely guarded this high rate to anchor the economy and prevent investors from fleeing.
- **Liquidity Tightening:** To prevent excess cash from flooding the market, the bank has effectively choked financial liquidity by leaning on a costlier **40% overnight lending rate**.
- **The "Middle East Shock" Constraint:** The bank previously hoped to lower interest rates, but ongoing regional conflicts—specifically the escalation of the Iran-U.S. war—drove oil and commodity prices back up. Because Turkey imports roughly 71% of its energy, the TCMB has been forced to keep rates painfully high to defend the currency against external shocks.

2. How Managed Depreciation Affects Everyday Prices

While the government has stopped the lira from collapsing in single-day panics, its strategy of **"managed depreciation"**—allowing the currency to slowly, predictably weaken—means life on the ground is still incredibly expensive.

- **31.5% Inflation is the "Good" News:** Annual consumer inflation has technically slowed down to **31.51%**. While this is a massive drop from the triple-digit chaos of past years, prices are still rising by nearly a third every single year.
- **The Cost of Basics:** The items citizens buy most frequently are hit hardest. For example, annual **housing and utilities inflation is sitting around 39.77%**, and **food prices are up 33.79%**. Transportation costs are also rising heavily (35.08%) due to global fuel price spikes.
- **The Real Estate Rent Cap:** The compounding inflation means that legal limits on apartment rental renewals are tied to a massive 12-month average of **31.79%**. Landlords can legally

spike rent by almost a third overnight, putting extreme pressure on middle- and lower-class tenants.

- **Fleeing the Lira:** Because a 37% interest rate doesn't completely cover a 31% loss of purchasing power once taxes and fees are factored in, everyday citizens continue to heavily distrust their cash. Local Turkish households increasingly convert their paychecks straight into **gold, foreign currency (USD/EUR), real estate, and Bitcoin** just to preserve their wealth before it devalues.

The country has transitioned from an acute financial emergency to a chronic, highly managed cost-of-living crisis.

**** End of Page**