

## Turkey: Post-Coronavirus Challenges Are Likely to Hurt

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EXECUTIVE SUMMARY: Turkish president Recep Tayyip Erdoğan is faced with a dilemma: in order to avoid US sanctions, he must keep the S-400 system he purchased from Russia unopened, but doing so might open Turkey up to Russian sanctions. Erdoğan's worst nightmare is President Donald Trump following through on his threat last year to "devastate the economy of Turkey."

The coronavirus pandemic has deepened fundamental imbalances in the Turkish economy, making a post-crisis freefall quite likely. However, as far as Turkey's difficult foreign policy challenges are concerned, the virus was like a bell going off at just the right moment to rescue a boxer cornered in the ring. Turkey's Islamist president Recep Tayyip Erdoğan might be privately hoping the world never goes back to normal.

The post-coronavirus period could be payback time for Erdoğan's policy miscalculations and blind ideology calculus. At the start of the "Arab Spring," he thought he'd found his moment to build Turkey-friendly Sunni regimes across the Arab Middle East with which he would eventually revive the Turkish empire. Nearly a decade later, those visions of a caliphate, a worshipful *umma*, and Ottoman grandeur spread far and wide appear as illusory as Erdoğan's ambitions to make Turkey a major world power.

One very hot potato is the Russian-made S-400 air and anti-missile defense system Moscow delivered to Ankara last July. No doubt, champagne will be uncorked in Moscow the moment the Turkish military turns on the system, which it promised would happen in April. Turkish officials cite coronavirus as the *force majeure* that has delayed that deeply controversial activation. Turkey's top defense procurement official, Ismail Demir, told state broadcaster TRT on

April 28 that the pandemic inevitably slowed down the activation process due to restrictions on official visits and meetings. That may well be true, but Erdogan's government—especially at a time when unemployment is skyrocketing, the national currency is in freefall, and there is a booming debt stock and prospects of stagflation—does not wish to be questioned about the merits of spending \$2.5 billion on a system that will never be used.

On April 20, *Reuters* <u>quoted</u> a senior government official who spoke on condition of anonymity as saying, "There is no going back on the decision to activate the S-400s (but) due to COVID-19 ... the plan for them to be ready in April will be delayed." The phrase "there is no going back" may keep Turkey in the Russian orbit, but this will come at a cost.

"We made our position quite explicit to President Erdoğan, to all the senior leadership of Turkey, and that is the operation of the S-400 system ... exposes Turkey to the very significant possibility of congressional sanctions, both those that invoke the [Countering America's Adversaries Through Sanctions Act] legislation and additional freestanding legislative sanctions," David Satterfield, the US envoy in Ankara, told an online panel hosted by the Atlantic Council. The ambassador added: "We do not have in our possession the assurances from the government of Turkey that would allow us to mitigate those concerns."

"This will be a top-down decision coming from President Erdoğan," a senior defense official told this author on May 4. "There have been no signs that the president may be rethinking the activation of the system."

Turkey has already paid a price for the S-400 purchase by being suspended from the US-led multinational consortium that is building the next-generation F-35 Lightning II fighter jet. If sanctioned via CAATSA, Turkey's entire thriving defense industry will suffer. But Erdoğan fears even worse consequences.

Activating the S-400 might trigger punishing sanctions on state lender Halkbank, which is facing US charges of violating the sanctions on Iran. A multibillion-dollar fine on Halkbank could cripple Erdoğan's post-corona economic recovery plans. His worst nightmare is President Donald Trump following through on his threat last year to "devastate the economy of Turkey."

That would be a losing war for Erdoğan, with both economic and political repercussions. A debt default, collapsing markets, and a further nosedive of the Turkish lira would be the perfect recipe for a punishing financial crisis that could spark early elections.

Ironically, Erdoğan's only option to avoid US sanctions—keeping the S-400 system unopened—could expose Turkey to possible Russian sanctions. Russian economic sanctions cost Turkey billions of dollars within just a few months early in 2016 in the aftermath of the Turkish shooting down of a Russian Su-24 fighter jet in Syrian airspace in November 2015.

In order to minimize diplomatic damage, Erdoğan has launched a public diplomacy campaign to make himself look as pretty as possible to the world at large. Turkey sent medical kits to 57 countries to show solidarity in the fight against coronavirus, including two consignments of supplies to the US. The boxes bore the words of 13th-century poet Jalaluddin Rumi in Turkish and English: "After hopelessness there is so much hope and after darkness there is much brighter sun."

Abdulkadir Selvi, a prominent pro-Erdoğan columnist, <u>wrote</u> in *Hürriyet*: "America has moved from sanctions talk to a favorable opinion of Turkey ... You could not do this [PR] work even if you spent billions." That may be too optimistic, but Erdoğan's Islamist supporters continue to believe a few cargo planes full of medical supplies can win hearts and minds in a world half of which remains hostile to Erdoğan's Turkey.

As the S-400 is being frozen because of the pandemic, a Syrian town near the Turkish border awaits a return to normal so it can resume its challenge to Ankara. The Turkish military embarrassingly suffered the deaths of around 50 soldiers in February in Idlib. The fire came from Syrian forces with air support from Russia. These deaths shocked Turkey: If the Russians are our allies, why did they kill our soldiers? It's a good question, and one Erdoğan prefers not to answer. Once coronavirus fades, fire will resume in the Idlib theatre.

On May 3 a convoy of 30 Turkish military trucks <u>entered</u> Syrian soil, most likely carrying supplies to Turkish military outposts around Idlib. On the same day, local observers reported that Hayat Tahrir Al-Sham (HTS), one of the jihadist groups fighting in the Idlib area, <u>blocked</u> a Turkish Army column from entering the militant stronghold of Daret Izza near Aleppo. Erdoğan should prepare for the moment when his Russian friends, in the show's final act, force his troops and their jihadist auxiliaries out of Syria.

In addition, accession talks with the EU remain stalled; Turkey will have to find a better way out than gunboat diplomacy if it wants to amicably resolve the disputes over Eastern Mediterranean hydrocarbons; and tensions might well deepen in Libya and elsewhere in the Middle East between Turkey and Egypt, the UAE, Saudi Arabia, Israel, Cyprus, and Greece.

This may be a long, hot summer for Erdoğan.

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