

Erdoğan's Costly "Make Turkey Great Again" Program

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EXECUTIVE SUMMARY: Recep Tayyip Erdoğan's "Make Turkey Great Again" campaign has come with military, diplomatic, geostrategic, and economic costs. Turkey's posturing as a military might has been met with a Moody's downgrade of Turkey's credit rating to B2, putting the country on a level with Egypt, Jamaica, and Rwanda.

Turkey's <u>per capita income</u> is barely \$8,900. Its economy is suffering double-digit inflation and unemployment rates. A quarter of Turkish youth are <u>unemployed</u>. On September 21, the Turkish lira sank below a previous <u>all-time low of</u> 7.60 to the US dollar (and 8.99 to the euro). The economy has slowed down sharply (shrinking 9.9% in the second quarter), mainly because of the impact of the coronavirus pandemic. The central bank and state banks have sold some \$120 billion in dollars since last year.

The Moody's ratings agency <u>said</u> Turkey is headed toward a balance of payments crisis and noted that its central bank's "unsuccessful attempts to defend the lira" have cut its buffer down to lows not seen in decades. It cut Turkey's credit rating to B2, which <u>equals</u> that of countries on the order of Tanzania, Uganda, Ethiopia, and Kenya.

Despite all this, President Recep Tayyip Erdoğan's neo-Ottomans continue to flex their muscles in one of the world's most volatile regions and to threaten military as well as political action against adversaries.

Not a day passes without Erdoğan telling a willing conservative/nationalist audience that "Turkey is a world power, it is mighty politically and militarily, and all other nations envy our continued rise." This is a case of protesting too much. Have you ever heard Chinese president Xi Jinping remind the public

that his country has the biggest population in the world? Have you ever heard Bill Gates remind listeners that he is fantastically rich? Those who loudly proclaim their own strength probably don't have it.

As prominent Turkey specialist Robert Ellis <u>pointed out</u> recently, Turkey has troops in 13 countries (Cyprus, Syria, Libya, Iraq, Azerbaijan, Somalia, Qatar, Afghanistan, Albania, Lebanon, Bosnia and Herzegovina, Kosovo, and Sudan). Namık Tan, former Turkish ambassador to Washington, <u>wrote</u>:

Ordering Turkish Armed Forces to enter Syria and engaging in military operations in Libya, while also committing military capacity in the Eastern Mediterranean carrying out gunboat diplomacy with France and Greece, is going to prove difficult to sustain. Especially while relations with Russia, the U.S. and the E.U. are already strained and Turkey's economy is distressed.

Abandoning "soft power" and replacing it completely with "hard power" means that military deterrence rather than consensus is prioritized. While Turkey's defense industry has made some impressive progress, it is not yet fully independent and still relies to a large extent on supplies that require export licenses from countries that we now risk will consider Turkey as an adversary.

In 2018, Turkish Aerospace Industries (TAI) signed a \$1.5 billion agreement to sell 30 T129 attack helicopters to Pakistan. But the deal <u>has not moved forward</u> as TAI has failed to secure US export licenses for the contract. (The T129, built under license from the Italian-British AgustaWestland, is powered by two LHTEC T800-4A turboshaft engines produced by a joint venture between the American firm Honeywell and the British company Rolls-Royce.)

Turkey's biggest ever naval program, the construction of a more than \$1 billion <u>Landing Platform Dock</u>, an amphibious assault ship, is scheduled for completion in 2021. But "the biggest ever Turkish-made ship" is in fact a licensing deal from the Spanish shipyard Navantia.

Commenting on Erdoğan's overseas military ambitions, François Mitterand's adviser, Jacques Attali, <u>tweeted</u>: "We have to hear what Erdoğan says, take it very seriously and be prepared to act by all means. If our predecessors had taken the Führer's speeches seriously from 1933 to 1936, they could have prevented this monster from accumulating the ways and means to do what he had announced."

But Erdoğan can only accomplish his goals with the resources of a wealthy and mighty nation at his disposal. "This is Turkey's Achilles heel," Ellis <u>said</u>.

"Foreign investors are fleeing, COVID-19 has crippled tourism and Moody's has downgraded Turkey's credit rating to B2, putting Turkey on a level with Egypt, Jamaica and Rwanda."

Some of Turkey's critical military procurement programs are also deeply problematic. Shocking his NATO allies, Erdoğan insisted on <u>acquiring</u> the Russian-made S-400 long-range air and anti-missile defense system. The first S-400 system arrived in Ankara in July 2019, with a target date to become operational by April 2020. The system remains packed.

<u>Media reports</u> claim that Ankara has detected technical problems with the S-400 system. According to the Greek news website <u>Pentapostagma</u>, Russian engineers have not been approved to overlook operations of the S-400s in Turkey, with Turkish Defense Minister Hulusi Akar insisting that any issue regarding operational readiness should be resolved by Turkish engineers.

Without calculating that Turkey's international reserves would quickly erode (partly due to the pandemic), Erdoğan agreed to pay \$2.5 billion for a system Turkey cannot activate for either technical or political reasons. And the S-400s came to Ankara with a further unexpected cost. In response to Erdoğan's keenness for the S-400s, a US-led multinational consortium suspended Turkey's partnership in a program for the construction of the F-35 Lightning II, a next-generation fighter jet. Turkey paid over \$1 billion for its initial orders and would eventually have bought 100 aircraft. Turkish defense companies would have made billions of dollars in the manufacturing cycle.

"Overseas [military] operations are particularly costly. We have not faced any operational weaknesses due to fiscal constraints. I am not sure, though, how long all this ambition can be sustained," said one senior military commander.

Erdoğan's "Make Turkey Great Again" campaign comes with military, diplomatic, geostrategic, and economic costs. Indicators suggest his military campaign abroad may not be sustainable in the longer term—especially in view of the vast amounts of public money Erdoğan will need to spend to appeal to voters ahead of the presidential and parliamentary elections in 2023 (or earlier).

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