



**Congressional  
Research Service**

Informing the legislative debate since 1914

---

# Turkey: Background and U.S. Relations In Brief

**Jim Zanotti**

Specialist in Middle Eastern Affairs

**Clayton Thomas**

Analyst in Middle Eastern Affairs

June 6, 2018

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R44000

## Contents

Introduction and Assessment.....	1
Questions About Turkey’s Ally Status.....	2
Overview of U.S./NATO Cooperation with Turkey.....	2
Points of Bilateral Tension.....	3
Turkey’s strategic orientation and foreign policy.....	3
Criminal status of U.S. and Turkish nationals.....	4
Domestic Turkish political concerns and May 2017 incident in Washington, DC.....	5
Congressional Proposals.....	6
F-35 (Joint Strike Fighter) program: Plan for removing Turkey (Senate NDAA).....	6
Report on status of U.S.-Turkey relations (House NDAA).....	8
Possible restrictions against Turkish officials entering the United States.....	8
Possible S-400 Acquisition from Russia.....	9
Turkish Policy in Syria.....	10
Domestic Turkish Developments.....	12
Erdogan’s Increased Control and June 2018 Elections.....	12
Economic Issues.....	13

## Contacts

Author Contact Information.....	14
---------------------------------	----

## Introduction and Assessment

Turkey, a NATO ally since 1952, is significant for U.S. interests. It is a constitutional republic with a large, diversified economy and a Muslim-majority population that straddles Europe and the Middle East.

The history of the U.S.-Turkey relationship is complicated. Although the United States and Turkey support each other's interests in some vital ways (see "Overview of U.S./NATO Cooperation with Turkey"), harmonizing priorities can be difficult. These priorities sometimes diverge irrespective of who leads each of the two countries, based on contrasting geography, threat perceptions, and regional roles.

### Turkey's International Relationships and Regional Profile

A number of considerations drive the complicated dynamics behind Turkey's international relationships. Turkey's history as both a regional power and an object of great power aggression translates into wide popularity for nationalistic political actions and discourse. Given this nationalistic sentiment, Turkey's partial reliance on other key countries (for example, the United States for security, European Union countries for trade, and Russia and Iran for energy) might fuel some resentment among Turks. Turkey's maintenance of cooperative relationships with countries whose respective interests may conflict involves a balancing act. Turkey's vulnerability to threats from Syria and Iraq increases the pressure on it to manage this balance. Involvement in Syria and Iraq by the United States, Russia, and Iran further complicates Turkey's situation. Additionally, grievances that Turkish President Recep Tayyip Erdogan and his supporters espouse against seemingly marginalized domestic foes (the military and secular elite who previously dominated Turkey, the Fethullah Gulen movement, Kurdish nationalists, and liberal activists) extend to the United States and Europe due to apparent suspicions of Western sympathies for these foes.

Turkey's Middle Eastern profile expanded in the 2000s as Erdogan (while serving as prime minister) sought to build economic and political linkages—often emphasizing shared Muslim identity—with Turkey's neighbors. However, efforts to increase Turkey's influence and offer it as a "model" for other regional states appear to have been set back by a number of developments since 2011: (1) conflict and instability that engulfed the region and Turkey's own southern border, (2) Turkey's failed effort to help Muslim Brotherhood-aligned groups gain lasting power in Syria and North Africa, and (3) domestic polarization accompanied by government repression. Although Turkey shares some interests with traditional Sunni Arab powers Saudi Arabia and Egypt in countering Iran, these countries' leaders regard Turkey suspiciously because of its government's Islamist sympathies and close relationship with Qatar. Turkey maintains political and economic relations with Israel, but these relations have become distant and—at times—contentious during Erdogan's rule; he openly champions the Palestinian national cause and sympathizes with Hamas.

Significant challenges to bilateral relations include the following:

- **Questions about Turkey's ally status that fuel action in Congress.** The long history of U.S.-Turkey cooperation has had several high and low points. Since a failed coup attempt in Turkey in July 2016, several differences and greater public acrimony between the two countries have fueled concern about their relationship. In this charged environment, some Members of Congress have proposed legislation to limit arms sales and strategic cooperation—particularly regarding the F-35 Joint Strike Fighter—or to place sanctions on Turkish officials. While Turkish leaders, including President Recep Tayyip Erdogan (last name pronounced "air-doe-wan"), have sharply criticized U.S. policies on many issues, questions in U.S. public debate about Turkey's status as an ally and its relationship with Russia have intensified.
- **Possible S-400 acquisition from Russia.** Turkey's planned purchase of S-400 air defense systems from Russia could trigger U.S. sanctions under existing law (see "Possible S-400 Acquisition from Russia"). U.S. officials seek to prevent the transaction, perhaps by offering alternatives to Turkey.

- **Syria and the Kurds.** Turkey's political stances and military operations in Syria have fed U.S.-Turkey tensions, particularly regarding Kurdish-led militias supported by the United States against the Islamic State (IS, also known as ISIS/ISIL) over Turkey's strong objections.
- **Turkey's domestic trajectory.** President Erdogan rules in an increasingly authoritarian manner under a state of emergency that parliament has approved every three months since shortly after the July 2016 coup attempt. Presidential and parliamentary elections scheduled for June 24, 2018, could consolidate constitutional powers under Erdogan pursuant to changes approved in a controversial 2017 referendum. Meanwhile, Turkey's currency has fallen about 20% in value during 2018 amid concerns about rule of law, regional and domestic political uncertainty, significant corporate debt, and a stronger U.S. dollar.

## Questions About Turkey's Ally Status

While U.S.-Turkey defense cooperation continues, numerous points of bilateral tension have raised questions about Turkey's status as a U.S. ally. Some Members of Congress have proposed legislation to limit arms sales and strategic cooperation, or to place sanctions on Turkish officials.

## Overview of U.S./NATO Cooperation with Turkey

Turkey's location near several global hotspots makes the continuing availability of its territory for the stationing and transport of arms, cargo, and personnel valuable for the United States and NATO. NATO's traditional value for Turkey has been to mitigate concerns about surrounding geopolitical dangers. Turkey turned to the West largely as a reaction to aggressive post-World War II posturing by the Soviet Union.

On a number of occasions throughout the history of the U.S.-Turkey alliance, the United States has withdrawn military assets from Turkey or Turkey has restricted U.S. use of its territory and/or airspace.<sup>1</sup> Calculating the costs and benefits to the United States of a U.S./NATO presence in Turkey, and of potential changes in U.S./NATO posture, revolves to a significant extent around three questions:

- To what extent does the United States rely on the use of Turkish territory or airspace to secure and protect U.S. interests?
- To what extent does Turkey rely on U.S./NATO support, both in principle and in functional terms, for its security and its ability to exercise influence in the surrounding region?
- What are the overarching political considerations to evaluate alongside the strategic and operational ones?

---

<sup>1</sup> For more information, see CRS Report R41368, *Turkey: Background and U.S. Relations*, by Jim Zanotti and Clayton Thomas.

### Incirlik Air Base

Turkey's Incirlik (pronounced *een-jeer-leek*) air base in the southern part of the country has long been the symbolic and logistical center of the U.S. military presence in Turkey. Since 1991, the base has been critical in supplying U.S. military missions in Iraq and Afghanistan.

The United States's 39<sup>th</sup> Air Base Wing is based at Incirlik. Turkey opened its territory for anti-IS coalition surveillance flights in Syria and Iraq in 2014 and permitted airstrikes starting in 2015. U.S. drones (both unarmed and armed) have reportedly flown anti-IS missions. At one point, the number of U.S. forces at the base was reportedly around 2,500 (previously, the normal force deployment had been closer to 1,500), but a March 2018 article, citing U.S. officials, indicated that the U.S. military has sharply reduced combat operations at Incirlik owing to U.S.-Turkey tensions.<sup>2</sup> Turkey's 10<sup>th</sup> Tanker Base Command (utilizing KC-135 tankers) is also based at Incirlik.

Effects from some of the July 2016 coup plotters' apparent use of Incirlik air base temporarily disrupted some U.S. military operations, raising questions about Turkey's stability and the safety and utility of Turkish territory for U.S. and NATO assets. As a result of these questions and U.S.-Turkey tensions, some observers have advocated exploring alternative basing arrangements in the region.<sup>3</sup>

The cost to the United States of finding a temporary or permanent replacement for Incirlik air base would likely depend on variables including the functionality and location of alternatives, the location of future U.S. military engagements, and the political and economic difficulty involved in moving or expanding U.S. military operations elsewhere. Turkey maintains the right to cancel U.S. access to Incirlik with three days' notice.

## Points of Bilateral Tension

As mentioned above, the U.S.-Turkey relationship has traversed high and low points and has always been complicated. Since the 2016 coup attempt, several differences and increased public acrimony have developed between the two countries. Turkey's possible S-400 acquisition from Russia and U.S.-Turkey disputes over Syria are discussed in later sections of this report. This section discusses other points of bilateral tension.

### *Turkey's strategic orientation and foreign policy*

Turkish actions and statements on a number of foreign policy issues have contributed to problems with the United States and other NATO allies. For example, Turkey's dealings with Russia on Syria, energy projects, and arms transactions;<sup>4</sup> its openness to better relations with China;<sup>5</sup> and its periodic public spats with U.S. and European officials<sup>6</sup> have fueled questions about its commitment to NATO and its Western orientation. Additionally, President Erdogan has taken a leading role in rallying regional and international opposition to President Trump's decision to recognize Jerusalem as Israel's capital and move the U.S. embassy to Israel there, and in

<sup>2</sup> Gordon Lubold, et al., "U.S. Pares Operations at Base in Turkey," *Wall Street Journal*, March 12, 2018.

<sup>3</sup> Testimony of Steven Cook of the Council on Foreign Relations, Senate Foreign Relations Committee Hearing, September 6, 2017; John Cappello, et al., "Covering the Bases: Reassessing U.S. Military Deployments in Turkey After the July 2016 Attempted Coup d'Etat," Foundation for Defense of Democracies, August 2016.

<sup>4</sup> See, e.g., Yaroslav Trofimov, "Russia, Turkey Forge a Tactical Bond," *Wall Street Journal*, April 6, 2018; Pepe Escobar, "From Ankara to Moscow, Eurasia integration is on the move," *Asia Times*, April 5, 2018. One analyst has argued that to the extent Turkey adopts pro-Russia policies, it would be due more to Turkey feeling abandoned by the West and intimidated by Russia than to a Turkish preference for Russia over the West. Soner Cagaptay, "US could stop Turkey, not yet a Moscow ally, from caving to Russia," May 25, 2018.

<sup>5</sup> See, e.g., Selcuk Colakoglu, "Turkey-China Relations: From 'Strategic Cooperation' to 'Strategic Partnership'?" Middle East Institute, March 20, 2018; Elif Binici, "Close cooperation on Belt and Road to fuel Chinese investments in Turkey," *Daily Sabah*, October 27, 2017.

<sup>6</sup> See, e.g., Mehul Srivastava, "Erdogan's diplomatic spats leave a trail of Turkish disputes," *Financial Times*, October 19, 2017.

condemning U.S. support of Israel during rounds of Israeli-Palestinian violence.<sup>7</sup> Erdogan also has vocally opposed the May 2018 U.S. withdrawal from the international agreement on Iran's nuclear program, amid questions about Turkey's willingness to comply with sanctions that the United States is re-imposing on Iran's oil exports.<sup>8</sup> Also during 2018, Turkey's interactions have become increasingly contentious with Greece and Cyprus over airspace and maritime access issues that have implications for NATO and the European Union.<sup>9</sup>

### ***Criminal status of U.S. and Turkish nationals***

Turkey blamed the 2016 coup attempt on a former Turkish state imam named Fethullah Gulen, who is a U.S. resident and leads a worldwide socioreligious movement. Turkey's government has called for Gulen's extradition, and the matter remains pending before U.S. officials.<sup>10</sup> Sharp criticism of U.S. actions related to Gulen's case and more broadly has significantly increased in Turkish media since the coup attempt. The Turkish government regards the Gulen movement as a terrorist organization, and has pressured countries around the world to crack down on the movement.<sup>11</sup> Parallel with nationwide efforts to imprison and marginalize those with connections to Gulen (described below), Turkish authorities have detained a number of U.S. citizens (most of them dual U.S.-Turkish citizens) and two Turkish employees of the U.S. government. In 2017, both countries temporarily stopped issuing visas to each other's citizens until reportedly reaching an arrangement regarding future cases.<sup>12</sup>

#### **Detention of Pastor Brunson in Turkey**

The most high-profile case of an American detained in Turkey after the July 2016 coup attempt is that of Andrew Brunson, a Christian (Presbyterian) pastor who had been living with his family and had worked with a small congregation in Izmir since 1993. Brunson and his wife were arrested in October 2016, though she was released 13 days later. In September 2017, President Erdogan appeared to suggest an exchange of Brunson for Fethullah Gulen, but a State Department spokesperson said in response to a question on the issue, "I can't imagine that we would go down that road."<sup>13</sup> In March 2018, after nearly 18 months of detention without indictment, Brunson was charged with espionage and working on behalf of terrorist groups (the Gulen movement and Kurdish militants). Also in March, Senator Thom Tillis visited Brunson in prison and communicated a number of concerns about Brunson's well-being, including that Brunson's physical health had deteriorated and that he had lost 50 pounds.<sup>14</sup> After a May hearing at which Brunson denied the charges against him, he was ordered to remain in custody until court proceedings continue on July 18.

U.S. officials have been openly critical of Turkish authorities in the case. On April 17, 2018, President Trump tweeted,

<sup>7</sup> Dorian Jones, "Erdogan Seeks to Rally Support for Palestinians," *Voice of America*, May 19, 2018.

<sup>8</sup> Dorian Jones, "Turkey, US Could Head for Collision Over Iran Nuclear Deal," *Voice of America*, May 10, 2018; Amberin Zaman, "Ankara vows to help resist US sanctions on Iran," *Al-Monitor Turkey Pulse*, May 10, 2018.

<sup>9</sup> "Rough seas," *Economist*, April 12, 2018; Yiannis Baboulias, "Greece and Turkey Are Inching Toward War," *foreignpolicy.com*, April 18, 2018.

<sup>10</sup> For more on Gulen, the Gulen movement, and the question of possible extradition, see CRS In Focus IF10444, *Fethullah Gulen, Turkey, and the United States: A Reference*, by Jim Zanotti and Clayton Thomas. For information on Turkish allegations about Gulen's link to the coup plot, see Carlotta Gall, "104 Turks Get Life Terms for Failed Coup," *New York Times*, May 23, 2018.

<sup>11</sup> See, e.g., Zia Weise, "Long arm of Turkey's anti-Gulenist purge," *Politico*, August 21, 2017.

<sup>12</sup> State Department Office of the Spokesperson, Full Resumption of U.S. Visa Services in Turkey, December 28, 2017.

<sup>13</sup> State Department Press Briefing, September 28, 2017.

<sup>14</sup> Senator Tillis press release, Senator Tillis Visits Pastor Andrew Brunson at Turkish Prison, March 28, 2018. In November 15, 2017, testimony before the Commission on Security and Cooperation in Europe (Helsinki Commission), Brunson's daughter Jacqueline Furnari stated that Brunson was battling anxiety and depression. <https://www.csce.gov/sites/helsinkicommission.house.gov/files/PrisonersofPurge.pdf>.

“Pastor Andrew Brunson, a fine gentleman and Christian leader in the United States, is on trial and being persecuted in Turkey for no reason.”<sup>15</sup> In testimony the following day (April 18) before the House Foreign Affairs Committee, Assistant Secretary of State for European and Eurasian Affairs Wess Mitchell said that “the Turks claim to have a very high standard of justice. The indictment suggests otherwise, the claims in the indictment were laughable. This [Brunson] is clearly an innocent man.”<sup>16</sup>

On April 20, 66 Senators sent a letter to President Erdogan on Brunson’s behalf,<sup>17</sup> and 154 Representatives followed with a similar letter on May 4. In addition to denouncing the charges against Brunson, both letters said that the indictment’s suggestion that Brunson’s religious teachings undermined the Turkish state “brings a new and deeply disturbing dimension to the case.”<sup>18</sup> Both letters also stated that “other measures will be necessary to ensure that the Government of Turkey respects the right of law-abiding citizens and employees of the United States to travel to, reside in, and work in Turkey without fear of persecution.” Brunson is the only U.S. citizen on the “prisoners of conscience” list issued by the U.S. Commission on International Religious Freedom,<sup>19</sup> and his case has influenced some of the legislation on Turkey pending before Congress.

Separately, two prominent Turkish citizens with government ties were arrested by U.S. authorities in 2016 and 2017 for conspiring to evade sanctions on Iran. One, Reza Zarrab, received immunity for cooperating with prosecutors, while the other, Mehmet Hakan Atilla, was convicted and sentenced in May 2018 to 32 months in prison. The case was repeatedly denounced by Turkish leaders, who were reportedly concerned about the potential implications for Turkey’s economy if the case led U.S. officials to impose penalties on Turkish banks.<sup>20</sup> This has not happened to date.

### *Domestic Turkish political concerns and May 2017 incident in Washington, DC*

U.S. officials and lawmakers have expressed disappointment about ongoing challenges in Turkey to freedom of expression and rule of law (see “Domestic Turkish Developments” below). On some occasions during Erdogan’s trips outside Turkey, members of Erdogan’s security detail have gotten into physical confrontations with those they perceive as Erdogan’s critics or political opponents.<sup>21</sup> Several Members of Congress became particularly concerned about an incident in May 2017 in Washington, DC, outside the Turkish ambassador’s residence. The incident featured confrontation between the security guards and largely Kurdish protestors, and 19 people who acted to quell the protest were indicted by a DC grand jury on charges of conspiracy to commit violent crime.<sup>22</sup> The House unanimously passed a resolution (H.Res. 354) in June 2017 that condemned the violence against “peaceful protesters,” and Congress included a provision in FY2018 appropriations legislation (section 7046(d) of P.L. 115-141) that prohibited the use of U.S. funds to facilitate arms sales to Erdogan’s security detail.

<sup>15</sup> Brett Samuels, “Trump calls for release of jailed pastor in Turkey,” *The Hill*, April 17, 2018. In May, while welcoming the return of a U.S. citizen previously imprisoned in Venezuela, the President spoke about working for Brunson’s release. White House, Remarks by President Trump in Meeting with U.S. Citizen Freed From Venezuela, May 26, 2018.

<sup>16</sup> Transcript of the testimony is available at <http://www.cq.com/doc/congressionaltranscripts-5301736?0>.

<sup>17</sup> The text of the letter is available at [https://www.tillis.senate.gov/public/\\_cache/files/e10f1ffc-be39-4330-8157-c5aa4fcc69be/andrew-brunson-senators-letter.pdf](https://www.tillis.senate.gov/public/_cache/files/e10f1ffc-be39-4330-8157-c5aa4fcc69be/andrew-brunson-senators-letter.pdf).

<sup>18</sup> The text of the letter is available at <https://mchenry.house.gov/news/documentsingle.aspx?DocumentID=398915>.

<sup>19</sup> <http://www.uscirf.gov/pastor-andrew-brunson>.

<sup>20</sup> Adam Klasfeld, “Turkish Markets Brace for Banker’s Sentencing in NY,” Courthouse News Service, May 11, 2018.

<sup>21</sup> Haykaram Nahapetyan, “Erdogan’s bodyguards have been beating up people around the world. Here’s how to stop them,” *washingtonpost.com*, June 8, 2017.

<sup>22</sup> For more detailed information about the status of the charges, see Masood Farivar, “2 Turkish-Americans Sentenced for Brawl During Erdogan’s US Visit,” *Voice of America*, April 5, 2018.

## Congressional Proposals

The bilateral tensions discussed above have contributed to various legislative proposals by Members of Congress, alongside a public debate about the potential costs and benefits of sanctions against Turkey.<sup>23</sup> The most significant congressional action against Turkey to date was an arms embargo that Congress enacted in response to Turkish military intervention in Cyprus. That embargo lasted from 1975 to 1978.

### *F-35 (Joint Strike Fighter) program: Plan for removing Turkey (Senate NDAA)*

The version of the FY2019 National Defense Authorization Act (NDAA) reported by the Senate Armed Services Committee in June 2018 (S. 2987) includes a provision (section 1269) that would require the Secretary of Defense to submit a plan to Congress on how to remove the Turkish government from the cooperative partnership (or consortium) currently developing the F-35 Lightning II (Joint Strike Fighter) aircraft. The Defense Department would be required to submit the plan to congressional armed services and foreign relations committees before transferring title on any F-35 to Turkey. According to the text of section 1269, the plan would include

- (1) Steps required to unwind industrial participation of Turkish industry in the manufacturing and assembly of the F-35 program;
- (2) Costs associated with replacing tooling and other manufacturing materials held by Turkish industry;
- (3) Timelines associated with the removal of the Government of the Republic of Turkey and Turkish industry from participation in the F-35 program, so as to cause the least impact on the remaining international program partners; and,
- (4) Steps required to prohibit the transfer of any F-35 aircraft currently owned and operated, by the Government of the Republic of Turkey, from the territory of the United States.

Turkey is a cooperative partner in developing the F-35,<sup>24</sup> and as part of its involvement, several Turkish companies are assisting with development and manufacture of various F-35 components.<sup>25</sup> Media reports indicate that Turkey plans to purchase 100 F-35s, with the first supposedly slated for a ceremonial handover in Texas on June 21, 2018, followed by a period of training on the aircraft for Turkish pilots on U.S. soil.<sup>26</sup> A June 2018 report said that this first aircraft is scheduled to enter into service in Turkey in November 2019.<sup>27</sup> Secretary of State Mike Pompeo, in May 23, 2018, testimony before the House Foreign Affairs Committee, said that the

---

<sup>23</sup> See, e.g., Soner Cagaptay, “Sanctions on Turkey: Reconciling Washington’s Diverging Views,” Washington Institute for Near East Policy, June 1, 2018; Amberin Zaman, “Congress, State Department divided on sanctions against Turkey,” *Al-Monitor Turkey Pulse*, February 28, 2018; Nicholas Danforth, “Things to Think about When Thinking about Sanctioning Turkey,” Bipartisan Policy Center, February 27, 2018.

<sup>24</sup> A 2007 memorandum of understanding among the participants is available at <https://www.state.gov/documents/organization/102378.pdf>, and an earlier 2002 U.S.-Turkey agreement is available at <https://www.state.gov/documents/organization/196467.pdf>. For information on the consortium and its members, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program*, by Jeremiah Gertler.

<sup>25</sup> For details on Turkish companies’ participation in the F-35 program, see <https://www.f35.com/global/participation/turkey-industrial-participation>.

<sup>26</sup> Dylan Malyasov, “Source: Turkey to receive first F-35 Lightning II fighter jet on June 21,” Defence Blog, June 5, 2018; Sarp Ozer and Ahmet Sultan Usul, “First F-35 jet delivery to Turkey slated for June 21,” Anadolu Agency, May 11, 2018.

<sup>27</sup> Malyasov, *op. cit.*

State Department had not yet decided whether to permit Turkey's purchase of F-35s, and in the same sentence mentioned continuing efforts to persuade Turkey not to acquire the S-400 from Russia.<sup>28</sup>

Efforts by some Members of Congress to prevent Turkey's acquisition of F-35s take place in the context of the S-400 deal, Pastor Brunson's imprisonment, and some other U.S.-Turkey tensions described above.<sup>29</sup> Senator Jeanne Shaheen, who along with Senator Thom Tillis proposed section 1269 of S. 2987, said, "There is tremendous hesitancy in transferring sensitive F35 planes and technology to a nation who has purchased a Russian air defense system designed to shoot these very planes down."<sup>30</sup> Senator James Lankford said that Turkey has been "a good partner for years, but if we don't know what the country is going to be like in a few years, we should withhold this resource [the F-35] from them."<sup>31</sup>

In April, Senators Shaheen, Tillis, and Lankford had introduced a bill (S. 2781) that would condition the transfer of F-35s to Turkey on the President's certification that Turkey was not (according to the bill's text)

- (1) taking steps to degrade NATO interoperability;
- (2) exposing NATO assets to hostile actors;
- (3) degrading the general security of NATO member countries;
- (4) seeking to import or purchase defense articles from a foreign country with respect to which sanctions are imposed by the United States; or
- (5) wrongfully or unlawfully detaining one or more United States citizens.

Because the F-35 program is multinational, unwinding Turkey's involvement could be costly and complicated. One source has said that "the Pentagon last year awarded [Lockheed Martin, a key contractor on the F-35 program] \$3.7 billion in an interim payment for the production of 50 of the aircraft earmarked for non-U.S. customers, including Ankara."<sup>32</sup> On May 21, two Members of Congress circulated a letter to other Members expressing concern about Turkey but opposing its exclusion from the F-35 program. According to these two Members

As of January 2018, Turkey had contributed over \$1 billion to the program. This investment would be required to be returned to the Turkish Government if the United States fails to deliver on the contract. Even more significantly, Turkey manufactures critical components of the F-35. Removing them from the program will lead to delays and [cost] overruns to the rest of the partners and allies.<sup>33</sup>

Additionally, Turkey could take a number of measures in response to U.S. actions to end Turkey's involvement with the F-35. Turkish Foreign Minister Mevlut Cavusoglu has said that a U.S. withdrawal from the deal would not be in keeping with the U.S.-Turkey alliance, would trigger

---

<sup>28</sup> Transcript of testimony available at <http://www.cq.com/doc/congressionaltranscripts-5323484?0>.

<sup>29</sup> Some Members of Congress are preparing a letter to urge Secretary of Defense Jim Mattis to prevent the sale of F-35s to Turkey. The text of the letter is available at <http://dearcolleague.us/2018/05/deadline-extended-prevent-sale-of-f-35s-to-turkey/>.

<sup>30</sup> Senator Thom Tillis, Tillis & Shaheen Secure Bipartisan NDAA Provision Delaying Transfer of F-35s to Turkey, May 24, 2018.

<sup>31</sup> Amir Tibon and Yaniv Kubovich, "Israel Concerned About F-35 Sale to Turkey, Expects U.S. to Withhold 'Upgrade Capabilities,'" *Ha'aretz*, May 27, 2018.

<sup>32</sup> Tuvan Gumrukcu and Ece Toksabay, "U.S. says in talks with Turkey on YPG withdrawal from Syria's Manbij," Reuters, May 30, 2018.

<sup>33</sup> The text of the letter is available at <http://dearcolleague.us/2018/05/support-the-f-35-joint-strike-fighter-program/>.

Turkish retaliation, and that Turkey could go elsewhere to meet its needs.<sup>34</sup> In light of Turkish presidential and parliamentary elections scheduled for June 24, one Turkish journalist wrote, “If there is a ban or a removal of Turkey from the project, it could create a ‘rally around the flag’ effect in Turkey, contrary to the naive motivation of its instigators that punishing Turkey would give a clear and important message to Erdoğan.”<sup>35</sup>

S. 2987 (in section 1263) also calls on the President to impose sanctions against Turkey under the Countering America’s Adversaries Through Sanctions Act (CAATSA, P.L. 115-44, discussed below) if Turkey purchases the S-400 air defense system from Russia.

### ***Report on status of U.S.-Turkey relations (House NDAA)***

The House-passed version of the FY2019 NDAA (H.R. 5515) includes a provision (section 1271) that would require a report from the Secretaries of State and Defense—within 60 days of the NDAA’s enactment—to congressional armed services and foreign affairs committees on the status of U.S.-Turkey relations. The provision would prohibit U.S. foreign military sales to Turkey until the report is delivered to Congress. The report would include

- an assessment of the U.S. military and diplomatic presence in Turkey, including military activities conducted from Incirlik air base;
- an assessment of Turkey’s potential S-400 purchase from Russia and the effects it might have on the U.S.-Turkey relationship, including on other U.S. weapon systems and platforms operated with Turkey (aircraft, helicopters, surface-to-air missiles); and
- an identification of potential alternative air and missile defense systems for Turkey, including military air defense artillery systems from the United States or other NATO member states.

### ***Possible restrictions against Turkish officials entering the United States***

For FY2018, the Senate Appropriations Committee proposed a provision for annual appropriations legislation (section 7046(e) of S. 1780) that would have required the Secretary of State to deny entry into the United States “to any senior official of the Government of Turkey about whom the Secretary has credible information is knowingly responsible for the wrongful or unlawful prolonged detention of citizens or nationals of the United States,” subject to a few exceptions or possible waivers on grounds of national interest, international obligation, or changed circumstances.

In March, Senator Shaheen said that she and Senator Lankford had agreed to drop the above provision (which they had originally sponsored) from FY2018 appropriations legislation (P.L. 115-141) to give time for U.S.-Turkey diplomacy to bear fruit on a number of issues, including the status of U.S. citizens and consulate staff imprisoned in Turkey.<sup>36</sup> However, on April 20, the two Senators released a joint statement criticizing President Erdogan for continuing to hold “Pastor Brunson and other innocent Americans behind bars on fabricated charges,” and stating

<sup>34</sup> Ibid; Tuvan Gumrukcu, “Turkey says it will retaliate if U.S. halts weapons sales,” Reuters, May 6, 2018. One Turkish media source has claimed that Turkey would consider Russian Su-57s as alternatives to the F-35. Dylan Malyasov, “Turkish media: Ankara may switch to buying the Russian Su-57,” Defence Blog, May 28, 2018.

<sup>35</sup> Murat Yetkin, “F-35 ban could become a ‘rally around the flag’ issue in Turkey,” *Hurriyet Daily News*, May 29, 2018.

<sup>36</sup> Amberin Zaman, “US spending bill drops Turkey sanctions,” *Al-Monitor Turkey Pulse*, March 22, 2018.

that they would pursue targeted sanctions against Turkish officials in FY2019 appropriations legislation.<sup>37</sup>

## Possible S-400 Acquisition from Russia

In December 2017, Turkey and Russia reportedly signed a finance agreement for Turkey's purchase of the Russian-made S-400 surface-to-air defense system. Media reports indicate that the deal, if finalized, would be worth approximately \$2.5 billion.<sup>38</sup> Turkey's procurement agency anticipates initial delivery in July 2019, which is sooner than was initially expected.<sup>39</sup> The expedited delivery could increase the purchase price.<sup>40</sup>

This planned acquisition has raised a number of U.S. and NATO concerns, ranging from technical aspects of military cooperation within NATO to broader political considerations. For some observers, the S-400 issue raises the possibility that Russia could take advantage of U.S.-Turkey friction to undermine the NATO alliance.<sup>41</sup> In a May 3, 2018, press briefing, a State Department spokesperson said, "Under NATO and under the NATO agreement ... you're only supposed to buy ... weapons and other materiel that are interoperable with other NATO partners. We don't see [an S-400 system from Russia] as being interoperable."<sup>42</sup> In March 2018, Czech General Petr Pavel, who chairs the NATO Military Committee, voiced concerns about the possibility that Russian personnel helping operate a S-400 system in Turkey could gain significant intelligence on NATO assets stationed in the country.<sup>43</sup> Additionally, in November 2017, an Air Force official raised specific concerns related to Turkey's operation of the S-400 system alongside F-35 aircraft, citing the potential for Russia to obtain sensitive data related to F-35 capabilities.<sup>44</sup> In 2013, Turkey reached a preliminary agreement to purchase a Chinese air and missile defense system, but later (in 2015) withdrew from the deal, perhaps partly due to concerns voiced within NATO, as well as China's reported reluctance to share technology.<sup>45</sup>

Turkey, in justifying its preliminary decision to acquire S-400s instead of U.S. or European alternatives, has cited its sovereign rights and various practical reasons (cost, technology sharing, territorial defense coverage).<sup>46</sup> However, one analysis from December 2017 asserted that the S-

---

<sup>37</sup> Senator Jeanne Shaheen, Senators Shaheen and Lankford Call for Sanctions on Turkish Officials, April 20, 2018.

<sup>38</sup> Tuvan Gumrukcu and Ece Toksabay, "Turkey, Russia sign deal on supply of S-400 missiles," Reuters, December 29, 2017. According to this article, the portion of the purchase price not paid for up front (55%) would be financed by a Russian loan.

<sup>39</sup> Charles Forrester, "Turkey, Russia accelerate S-400 sale," *Jane's Defence Weekly*, April 4, 2018.

<sup>40</sup> Ibid.

<sup>41</sup> See, e.g., Trofimov, op. cit.

<sup>42</sup> Various NATO assets are deployed to Turkey, including a U.S. forward-deployed early warning radar at the Kurecik base near the eastern Turkish city of Malatya as part of NATO's Active Layered Theater Ballistic Missile Defense (ALTBMD) system. For more information, see CRS Report R41368, *Turkey: Background and U.S. Relations*, by Jim Zanotti and Clayton Thomas.

<sup>43</sup> Paul McLeary, "Top NATO General (A Czech) To Europe: 'Grow Up,'" *Breaking Defense*, March 7, 2018.

<sup>44</sup> Valerie Insinna, "US official: If Turkey buys Russian systems, they can't plug into NATO tech," *Defense News*, November 16, 2017. Air Force Secretary Heather Wilson reiterated these concerns in May 2018. Pat Host, "Turkey purchase of Russian S-400 air defence system draws US Air Force concern," *Jane's Defence Weekly*, May 30, 2018.

<sup>45</sup> "Turkey confirms cancellation of \$3.4 billion missile defence project awarded to China," Reuters, November 18, 2015.

<sup>46</sup> Burak Ege Bekdil, "Turkey makes deal to buy Russian-made S-400 air defense system," *Defense News*, December 27, 2017; Umut Uras, "Turkey's S-400 purchase not a message to NATO: official," *Al Jazeera*, November 12, 2017. Turkish Foreign Minister Mevlut Cavusoglu insisted in February that Turkey needs additional air defense coverage "as (continued...)"

400 deal would not involve technology transfer, would not defend Turkey from ballistic missiles (because the system would not have access to NATO early-warning systems), and could weaken rather than strengthen Turkey's geopolitical position by increasing Turkish dependence on Russia.<sup>47</sup> Alongside its pursuit of the S-400 deal, Turkey also is exploring an arrangement to co-develop a long-range air defense system with the Franco-Italian Eurosam consortium by the mid-2020s.<sup>48</sup> In March 2018, Turkish Foreign Minister Cavusoglu said that Turkey would also be willing to purchase U.S.-origin Patriot systems if the Administration “guarantees that the US Congress [would] approve the sale.”<sup>49</sup> In April, following a meeting in Brussels in which Secretary of State Pompeo reportedly asked Cavusoglu to “closely consider NATO interoperable systems,” Cavusoglu said that the S-400 process was a “done deal,” and that further purchases would be in addition to, not in place of, S-400s.<sup>50</sup>

As mentioned above, the planned S-400 acquisition could trigger sanctions under existing U.S. law. In a September 2017 letter to President Trump, Senators John McCain and Ben Cardin cited the deal as a possible violation of section 231 of CAATSA (P.L. 115-44)—relating to transactions with Russian defense and intelligence sectors—that was enacted on August 2, 2017.<sup>51</sup> In April 18, 2018, testimony before the House Foreign Affairs Committee, Assistant Secretary of State for European and Eurasian Affairs Wess Mitchell said that a Turkish S-400 purchase from Russia could “potentially lead to sanctions under section 231 of CAATSA and adversely impact Turkey's participation in an F-35 program.”<sup>52</sup>

## Turkish Policy in Syria

Turkey's involvement in Syria's conflict since 2011 has been complicated and costly.<sup>53</sup> Turkey's chief objective has been to thwart the Syrian Kurdish People's Protection Units (or YPG, which

---

(...continued)

soon as possible,” and referenced previous withdrawals of Patriot systems by NATO allies. Remarks by Cavusoglu, Press Availability with Turkish Foreign Minister Mevlut Cavusoglu, Ankara, Turkey, February 16, 2018.

<sup>47</sup> Gonul Tol and Nilsu Goren, “Turkey's Quest for Air Defense: Is the S-400 Deal a Pivot to Russia?” Middle East Institute, December 2017.

<sup>48</sup> Turkey's procurement agency and two Turkish defense companies signed a contract in January 2018 with Eurosam to do an 18-month definition study to prepare a production and development contract to address Turkish demands. According to one source, a co-developed long-range system with Eurosam would comprise part of an air defense umbrella that would include the S-400 as a high-altitude system and domestic systems as low- and medium-altitude options. Lale Sariibrahimoglu, “Turkey awards Eurosam and Turkish companies contract to define air and missile defence system,” *Jane's Defence Weekly*, January 8, 2018.

<sup>49</sup> Kerry Herschelmann, “US discourages Turkey from buying S-400s,” *Jane's Defence Weekly*, March 19, 2018.

<sup>50</sup> “Pompeo presses Turkey on S-400 missiles purchase from Russia,” Reuters, April 27, 2018.

<sup>51</sup> Richard Lardner, “Senators Urge Trump to Robustly Enforce Russia Sanctions Law,” Associated Press, September 29, 2017. CAATSA requires the President to impose at least five of the 12 sanctions described in section 235 “with respect to a person the President determines knowingly, on or after such date of enactment, engages in a significant transaction with a person that is part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation.” CAATSA permits the President to waive sanctions only if he submits “(1) a written determination that the waiver—(A) is in the vital national security interests of the United States; or (B) will further the enforcement of this title; and (2) a certification that the Government of the Russian Federation has made significant efforts to reduce the number and intensity of cyber intrusions conducted by that Government.” See also State Department, Public Guidance on Sanctions with Respect to Russia's Defense and Intelligence Sectors Under Section 231 of the Countering America's Adversaries Through Sanctions Act of 2017, October 27, 2017.

<sup>52</sup> Transcript of the testimony is available at <http://www.cq.com/doc/congressionaltranscripts-5301736?0>.

<sup>53</sup> For background, see Burak Kadercan, “Making Sense of Turkey's Syria Strategy: A ‘Turkish Tragedy’ in the Making,” War on the Rocks, August 4, 2017.

has links with the U.S.-designated terrorist organization PKK, or Kurdistan Workers' Party) from establishing an autonomous area along the northern Syrian border with Turkey. Turkey appears to view the YPG as the top threat to its security, given the boost the YPG's military and political success could provide to the PKK's insurgency within Turkey.<sup>54</sup> The YPG plays a leading role in the umbrella group known as the Syrian Democratic Forces (SDF), which also includes Arabs and other non-Kurdish elements.

Since 2014, the SDF has been the main U.S. ground force partner against the Islamic State. U.S. support for the SDF has fueled U.S.-Turkey tension because of Turkey's view of the YPG as a threat.<sup>55</sup> As part of SDF operations to expel the Islamic State from Raqqa in 2017, the U.S. government pursued a policy of arming the YPG directly while preventing the use of such arms against Turkey,<sup>56</sup> and Secretary of Defense Jim Mattis announced an end to the direct arming of the YPG near the end of the year.<sup>57</sup> U.S. officials have contrasted their longstanding alliance with Turkey with their current but temporary cooperation with the YPG.<sup>58</sup>

After Turkey moved against IS-held territory in northern Syria as a way to prevent the YPG from consolidating its rule across much of the border area between the two countries (Operation Euphrates Shield, August 2016-March 2017), Turkey launched an offensive directly against the YPG in Afrin in January 2018. By March, the YPG had abandoned control of the province to Turkish forces and their Syrian rebel allies.<sup>59</sup> In Afrin and the other areas Turkey has occupied since 2016, Turkey has set up local councils, though questions persist about future governance and Turkey's overarching role.<sup>60</sup>

The town of Manbij, which the SDF seized from the Islamic State in 2016 with U.S. support, is a focal point of U.S.-Turkey tensions in Syria because of a continuing YPG presence there. After concerns grew in early 2018 that Turkish forces could conceivably clash with U.S. Special Operations personnel patrolling Manbij or its vicinity if Turkey advanced on the area, the two countries have sought to deconflict their forces.<sup>61</sup> According to a senior State Department official, on June 4 the two countries

endorsed a roadmap which is a broad political framework designed to fulfill the commitment that the United States had made to move the YPG east of the Euphrates and

---

<sup>54</sup> International Crisis Group, *The PKK's Fateful Choice in Northern Syria*, Middle East Report No. 176, May 4, 2017.

<sup>55</sup> U.S. military commanders have generally differentiated between the YPG and the PKK, but in February 2018, U.S. Director of National Intelligence Daniel Coats submitted written testimony to the Senate Select Committee on Intelligence stating that the YPG was the Syrian militia of the PKK. Daniel R. Coats, Director of National Intelligence, Statement for the Record: Worldwide Threat Assessment of the US Intelligence Community, Senate Select Committee on Intelligence hearing, February 13, 2018.

<sup>56</sup> Pentagon statement quoted in Michael R. Gordon and Eric Schmitt, "Trump to Arm Syrian Kurds, Even as Turkey Strongly Objects," *New York Times*, May 9, 2017; Anne Barnard and Patrick Kingsley, "Arming Syrian Kurds Could Come at a Cost," *New York Times*, May 11, 2017.

<sup>57</sup> Lead Inspector General Report to the U.S. Congress, *Overseas Contingency Operations: Operation Inherent Resolve, Operation Pacific Eagle-Philippines*, October 1, 2017-December 31, 2017, p. 25.

<sup>58</sup> Selva Unal, "US determined to keep its word about YPG in Manbij, official says," *Daily Sabah*, March 1, 2018.

<sup>59</sup> U.S. officials voiced concerns about possible adverse effects on U.S.-supported anti-IS efforts in eastern Syria. State Department Press Briefing, February 22, 2018.

<sup>60</sup> Khaled al-Khateb, "Turkey backs new opposition governance to mend Afrin," *Al-Monitor Syria Pulse*, April 25, 2018; Haid Haid, "Post-ISIS Governance in Jarablus: A Turkish-led Strategy," Chatham House, September 26, 2017.

<sup>61</sup> Remarks by Secretary Tillerson, Press Availability with Turkish Foreign Minister Mevlut Cavusoglu, Ankara, Turkey, February 16, 2018; Rebecca Kheel, "US 'deeply concerned' with situation in Syrian city taken by Turkey," *thehill.com*, March 19, 2018.

to do so in a way that contributes to security and stability of Manbij and in a fashion that is mutually agreed between the United States and Turkey in every aspect.<sup>62</sup>

According to this official, implementation of the roadmap will be based on developments on the ground,<sup>63</sup> with one major factor being the YPG's willingness to cooperate.<sup>64</sup>

## Domestic Turkish Developments

### Erdogan's Increased Control and June 2018 Elections

Over the past 15 years, President (and formerly Prime Minister) Erdogan has increased his control over key national institutions. In a close and controversial April 2017 constitutional referendum, 51.4% of the Turkish people voted to give the president considerably more power (and abolish the office of prime minister) after the next round of presidential and parliamentary elections.<sup>65</sup> In April 2018, President Erdogan called for those elections to be held on June 24, 2018 (they had initially been scheduled for November 2019).<sup>66</sup> In considering why Erdogan called for elections ahead of schedule, observers have speculated about whether he may have wanted to minimize negative news from the economy,<sup>67</sup> maximize positive news from the Afrin operation,<sup>68</sup> undercut the opposition,<sup>69</sup> or accomplish some other purpose.

The campaign features two main electoral alliances—one in support of Erdogan known as the People's Alliance, and one in opposition known as the Nation Alliance. Although at least one poll suggests that Erdogan's approval and disapproval ratings are roughly in parity,<sup>70</sup> Erdogan is renowned for his campaigning skills and is favored by the largely pro-government media.<sup>71</sup> Given the political climate in Turkey—including the ongoing state of emergency—and widely reported irregularities from the 2017 referendum,<sup>72</sup> some analysts have expressed concerns about how free and fair the elections will be.<sup>73</sup> If Erdogan does not receive a majority in the initial presidential

---

<sup>62</sup> State Department special briefing via teleconference, Senior State Department Officials on the U.S.-Turkish Working Group on Syria, June 5, 2018.

<sup>63</sup> Ibid.

<sup>64</sup> James F. Jeffrey, "Will U.S.-Turkish Progress on Manbij Lead to Wider Cooperation in Syria?" Washington Institute for Near East Policy, June 5, 2018.

<sup>65</sup> Prior to the constitutional changes approved via popular referendum, the presidency was officially nonpartisan and was less directly involved in most governing tasks than the prime minister, and yet Erdogan remained active politically and claimed greater prerogatives of power.

<sup>66</sup> Carlotta Gall, "Erdogan Calls Early Turkish Elections in Bid to Solidify Power," *New York Times*, April 18, 2018.

<sup>67</sup> Holly Ellyatt, "Turkey has called a snap election and it's all about power and a 'deteriorating' economy," CNBC, April 19, 2018

<sup>68</sup> Kareem Fahim, "Erdogan calls for early elections in Turkey, citing need to overcome 'uncertainties,'" *Washington Post*, April 18, 2018.

<sup>69</sup> Kemal Kirisci and Kutay Onayli, "Does Turkey's opposition have a chance at beating Erdoğan's AKP in June?" May 29, 2018.

<sup>70</sup> Yeliz Candemir, "In Turkey, Lira's Fall Gives Rise to Doubts," *Wall Street Journal*, May 31, 2018.

<sup>71</sup> Stephen Starr, "Turks get set for June elections as AK Party faces alliance of opposition," *Irish Times*, May 29, 2018.

<sup>72</sup> Election observers from the Organization for Security and Co-operation in Europe (OSCE) and the Parliamentary Assembly for the Council of Europe raised a number of concerns, including that the electoral board counted unstamped ballots. Organization for Security and Cooperation in Europe, *Turkey: Constitution Referendum, 16 April 2017: Final Report*, June 22, 2017.

<sup>73</sup> Alex MacDonald, "'Fair' elections impossible in Turkey, warns Reporters Without Borders," *Middle East Eye*, May 23, 2018.

election, a runoff would be held two weeks later, possibly featuring a longtime opposition politician (either Muharrem Ince or Meral Aksener) as the challenger. Based on projections, some observers assert that if the pro-Kurdish Peoples' Democratic Party (HDP) clears the 10% parliamentary threshold—as it did in the past two elections in 2015—Erdogan's party (Justice and Development Party, or AKP) might lose its majority.<sup>74</sup>

### The Erdogan Era

Since Erdogan became prime minister in 2003, he and the AKP have led a process of change in Turkey's parliamentary democracy that has steadily increased the power of Erdogan and other civilian leaders working with him. They have been supported by a substantial political base that largely aligns with decades-long Turkish voter preferences and backs Erdogan's economically populist and religiously informed socially conservative agenda. Analyses of Erdogan sometimes characterize him as one or more of the following: a reflection of the Turkish everyman, a cagey and pragmatic populist, a protector of the vulnerable, a budding authoritarian, an indispensable figure, or an Islamist ideologue.<sup>75</sup>

Erdogan has worked to reduce the political power of the military and other institutions that had constituted Turkey's secular elite since Mustafa Kemal Ataturk founded the republic in 1923. Erdogan also has clashed with other possible rival power centers, including previous allies of his in the Gulen movement. Domestic polarization has intensified since 2013: nationwide antigovernment protests that began in Istanbul's Gezi Park took place that year, and corruption allegations later surfaced against a number of Erdogan's colleagues in and out of government.<sup>76</sup> After Erdogan became president in August 2014 via Turkey's first-ever popular presidential election, he claimed a mandate for increasing his power and pursuing a "presidential system" of governance.

Since then, Erdogan's consolidation of power has continued against the backdrop of the July 2016 coup attempt and the April 2017 constitutional referendum. In the wake of the coup attempt, the Turkish parliament approved a three-month state of emergency—allowing the government to rule by decree—and has extended it every three months since, most recently in April 2018. Under the state of emergency, the government has dismissed around 150,000 Turks from government posts and detained more than 60,000.<sup>77</sup> U.S. and European Union officials have expressed a number of concerns about rule of law and civil liberties in Turkey,<sup>78</sup> including the government's influence on media<sup>79</sup> and Turkey's reported status as the country with the most journalists in prison.<sup>80</sup>

There may be some similarities between Turkey under Erdogan and countries characterized as having even more authoritarian leanings, such as Russia, Iran, and China. However, some factors distinguish Turkey from these countries. For example, unlike Russia or Iran, Turkey's economy cannot rely on significant rents from natural resources if foreign sources of revenue or investment dry up. Unlike Russia and China, Turkey does not have nuclear weapons under its command and control. Additionally, unlike all three others, Turkey's economic, political, and national security institutions and traditions have been closely connected with those of the West for decades.

## Economic Issues

Despite a real GDP growth rate of over 7% in 2017, a number of indicators portend increasing volatility in the Turkish economy. According to one analysis, "it seems that Turkey is gradually

<sup>74</sup> See, e.g., "Turkey to Relocate Ballot Boxes; Kurd Party Cries Foul," Reuters, May 28, 2018.

<sup>75</sup> See, e.g., Soner Cagaptay, *The New Sultan: Erdogan and the Crisis of Modern Turkey*, New York: I.B. Tauris & Co. Ltd, 2017; Burak Kadercan, "Erdogan's Last Off-Ramp: Authoritarianism, Democracy, and the Future of Turkey," *War on the Rocks*, July 28, 2016.

<sup>76</sup> Freedom House, *Democracy in Crisis: Corruption, Media, and Power in Turkey*, February 3, 2014.

<sup>77</sup> Carlotta Gall, "Turkish Leader's Next Target in Crackdown on Dissent: The Internet," *New York Times*, March 4, 2018.

<sup>78</sup> See, e.g., State Department, Country Reports on Human Rights Practices for 2017, Turkey; European Commission, Turkey 2018 Report, April 17, 2018.

<sup>79</sup> See, e.g., "Turkish Media Group Bought by Pro-Government Conglomerate," *New York Times*, March 22, 2018.

<sup>80</sup> State Department Press Briefing, May 3, 2018; Elana Beiser, "Record number of journalists jailed as Turkey, China, Egypt pay scant price for repression," Committee to Protect Journalists, December 13, 2017.

checking off all of the elements needed to experience a major economic storm in the coming months.”<sup>81</sup> As of June 2018, Turkey’s currency (the lira) has depreciated against the dollar by around 20% since the beginning of the year.<sup>82</sup> The fall of the lira, prompted in part by the dollar’s global rise and in part by concerns about the independence of the country’s central bank and rule of law concerns related to the state of emergency,<sup>83</sup> has compounded the problem of the country’s corporate debt, which stands at nearly 70% of GDP.<sup>84</sup> The Turkish central bank may have restored some investor confidence by raising interest rates in late May 2018, but questions remain about the economy’s vulnerability and its potential impact on the June elections.<sup>85</sup>

## Author Contact Information

Jim Zanotti  
Specialist in Middle Eastern Affairs  
jzanotti@crs.loc.gov, 7-1441

Clayton Thomas  
Analyst in Middle Eastern Affairs  
cbthomas@crs.loc.gov, 7-2719

---

<sup>81</sup> Economist Intelligence Unit, “Trouble ahead for banking sector,” May 17, 2018. See also, Benjamin Harvey, “Why Investors Have Become Skittish About Turkey,” *Bloomberg*, May 18, 2018.

<sup>82</sup> Roger Blitz, “Turkish lira extends decline with heavy drop to new record,” *Financial Times*, May 21, 2018.

<sup>83</sup> Onur Ant, “Investors Ask ‘Does Turkey Even Have a Central Bank Anymore?’” *Bloomberg*, May 23, 2018.

<sup>84</sup> “Turkey’s president hopes to turn huge building projects into votes,” *Economist*, April 26, 2018.

<sup>85</sup> Yaroslav Trofimov, “Can Turkey Turmoil Derail Erdogan Re-Election?” *Wall Street Journal*, June 1, 2018.