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Turkey: Background and U.S. Relations In Brief

Updated December 30, 2021

Congressional Research Service
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R44000

CRS REPORT
Prepared for Members and Committees of Congress

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SUMMARY

R44000

December 30, 2021

Jim Zanotti
Specialist in Middle Eastern Affairs

Clayton Thomas
Analyst in Middle Eastern Affairs

Turkey: Background and U.S. Relations In Brief

U.S. relations with Turkey take place within a complicated environment featuring several bilateral, regional, and Turkish domestic considerations. Recent tensions have raised questions about the future of bilateral relations and have led to U.S. actions against Turkey, including sanctions and informal congressional holds on major new arms sales. Nevertheless, both countries' officials emphasize the importance of continued U.S.-Turkey cooperation and Turkey's membership in NATO. The following are key factors in the U.S.-Turkey relationship.

Erdogan's rule and Turkey's currency crisis. Many observers voice concerns about the largely authoritarian rule of Turkish President Recep Tayyip Erdogan. One of his biggest challenges is Turkey's economy: a currency crisis that accelerated in late 2021 has generated major domestic concern. With the country facing significant inflation, Erdogan pressured Turkey's central bank to lower interest rates—a response counter to conventional economic theory. In December, he announced measures aimed at alleviating domestic concerns about the cost of living that may largely simulate interest rate hikes. While Turkey's currency regained some of the ground it had lost against the dollar, its future financial stability remains unclear. Key opposition politicians have called for early elections (the next presidential and parliamentary elections are scheduled for June 2023) to address growing public discontent, and Erdogan might schedule them if he perceives an advantage in doing so. Additionally, some observers debate whether free and fair elections could take place under Erdogan or whether disgruntled Erdogan supporters would actually vote for opposition parties. Separately, some sources have questioned Erdogan's health.

Russian S-400 purchase and U.S. responses. Turkey's acquisition of a Russian S-400 surface-to-air defense system in July 2019 has had significant repercussions for U.S.-Turkey relations, leading to Turkey's removal from the F-35 Joint Strike Fighter program. In December 2020, the Trump Administration imposed sanctions on Turkey's defense procurement agency for the S-400 transaction under the Countering America's Adversaries Through Sanctions Act (CAATSA, P.L. 115-44). The continuing U.S.-Turkey impasse over the S-400 could prevent major Western arms sales to Turkey. In late 2021, Turkey requested some new U.S.-origin F-16s and upgrades to others in its aging fleet. Some Members of Congress oppose the F-16 transactions, partly due to the S-400 issue. If Turkey cannot partner with the United States to modernize its fighter aircraft, it could turn to Russia or other alternative suppliers. If Turkey transitions to Russian weapons platforms with multi-decade lifespans, it is unclear how it can stay closely integrated with NATO on defense matters.

Turkey's strategic orientation and U.S./NATO basing. Traditionally, Turkey has relied closely on the United States and NATO for defense cooperation, European countries for trade and investment, and Russia and Iran for energy imports. Turkey's ongoing economic struggles highlight the risks it faces in jeopardizing these ties. A number of complicated situations in Turkey's surrounding region—including those involving Syria, Greece, Cyprus, and Libya—affect its relationships with the United States and other key actors, as Turkey seeks a more independent foreign policy. Additionally, President Erdogan's concerns about maintaining his parliamentary coalition with Turkish nationalists may partly explain his actions in some of the situations mentioned above.

In addition to the S-400 transaction, Turkey-Russia cooperation has grown in some areas in recent years. However, Turkish efforts (especially during 2020) to counter Russia in several theaters of conflict at relatively low cost—using domestically produced drone aircraft and Syrian mercenaries—suggest that Turkey-Russia cooperation is situational rather than comprehensive in scope.

Turkey's tensions in the Eastern Mediterranean with countries such as the Republic of Cyprus (ROC) and Greece have negatively influenced its relations with several countries in the region, some of whom (such as the ROC, Greece, Israel, and Egypt) have grown closer as a result. In this context, some observers have advocated that the United States explore alternative basing arrangements for U.S. and NATO military assets in Turkey. Turkey has made some headway in softening tensions with some Middle Eastern governments—most notably the United Arab Emirates—in late 2021.

Outlook and U.S. options. Congressional and executive branch action on arms sales, sanctions, or military basing regarding Turkey and its rivals could have implications for bilateral ties, U.S. political-military options in the region, and Turkey's strategic orientation and financial well-being. How closely to engage Erdogan's government could depend on U.S. perceptions of his popular legitimacy, likely staying power, and the extent to which a successor might change his policies in light of geopolitical, historical, and economic considerations.

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Introduction

This report provides background information and analysis on the following topics:

- Domestic Turkish political and economic developments under President Recep Tayyip Erdogan's largely authoritarian and polarizing rule, including an ongoing currency crisis and its implications;
- Turkey's strategic orientation—including toward the United States and Russia—as affected by Turkey's S-400 surface-to-air defense system acquisition from Russia and U.S. responses (including sanctions), Turkey's greater use and export of drone aircraft, the continuing U.S./NATO presence in Turkey, and regional disputes and conflicts (such as those involving Syria, Greece, Cyprus, and Libya); and
- various U.S. options regarding Turkey, including a possible sale and upgrade of F-16 aircraft, sanctions, military basing, and balancing U.S. ties with Turkey and its regional rivals.

For additional information, see CRS Report R41368, *Turkey: Background and U.S. Relations*, by Jim Zanotti and Clayton Thomas. See **Figure A-1** for a map and key facts and figures about Turkey.

Domestic Turkish Developments

Political Developments Under Erdogan's Rule

President Erdogan has ruled Turkey since becoming prime minister in 2003 and, during that time, has deepened his control over the country's populace and institutions. 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, which he cemented in a 2017 referendum and 2018 presidential and parliamentary elections. Some allegations of voter fraud and manipulation surfaced in both elections.[1] Since a failed July 2016 coup attempt, Erdogan and his Islamist-leaning Justice and Development Party (Turkish acronym AKP) have adopted more nationalistic domestic and foreign policy approaches, partly because of their reliance on parliamentary support from the Nationalist Movement Party (Turkish acronym MHP). As Turkey's currency has struggled in recent years, leading to broader negative economic effects (discussed below), some observers write that deflecting domestic political attention from economic difficulties has partly motivated a more assertive, nationalistic turn by Erdogan in foreign policy.[2]

Many observers describe Erdogan as a polarizing figure,[3] and elections have reflected roughly equal portions of the country supporting and opposing his rule. The AKP maintained the largest

[1] Organisation for Security and Co-operation in Europe (OSCE), Limited Referendum Observation Mission Final Report, Turkey, April 16, 2017 (published June 22, 2017); OSCE, International Election Observation Mission, Statement of Preliminary Findings and Conclusions, Turkey, Early Presidential and Parliamentary Elections, June 24, 2018 (published June 25, 2018).

[2] Yasmeen Serhan, "The End of the Secular Republic," theatlantic.com, August 13, 2020.

[3] Seren Selvin Korkmaz, "Facing a changing main opposition, Erdogan doubles down on polarization," Middle East Institute, January 8, 2021.

share of votes in 2019 local elections, but lost some key municipalities, including Istanbul, to opposition candidates from the secular-leaning Republican People's Party (Turkish acronym CHP). The CHP and some other parties critical of Erdogan and the AKP have agreed on some steps toward a broad opposition platform for the next national elections—scheduled to take place by June 2023—focused on strengthening legislative and judicial checks on executive power. These opposition party leaders include Erdogan's former high-ranking cabinet officials Ahmet Davutoglu and Ali Babacan, who one observer has said could help the opposition appeal more to disgruntled Erdogan supporters.[4] Additionally, some sources in late 2021 have questioned Erdogan's health.[5]

U.S. and European Union (EU) officials have expressed a number of concerns about authoritarian governance and erosion of rule of law and civil liberties in Turkey.[6] In the government's massive response to the 2016 coup attempt, it detained tens of thousands, enacted sweeping changes to the military and civilian agencies, and took over or closed various businesses, schools, and media outlets.[7] In October 2021, President Erdogan threatened to expel 10 ambassadors from Western countries, including the United States, for a letter urging Turkey to abide by a European Court of Human Rights ruling calling for the release from prison of civil society figure Osman Kavala. The crisis ended after the ambassadors publicly agreed to respect Turkey's sovereignty.[8]

In 2021, the Erdogan government has pursued a Constitutional Court ruling to close down the Kurdish-oriented Peoples' Democratic Party (Turkish acronym HDP), the third largest party in Turkey's parliament. The government is seeking to ban the HDP on the basis of claims that it has ties to the Kurdistan Workers' Party (Kurdish acronym PKK, a U.S.-designated terrorist organization).[9] In March 2021, the State Department said that banning the HDP "would unduly subvert the will of Turkish voters, further undermine democracy in Turkey, and deny millions of Turkish citizens their chosen representation."[10] How Kurds who feel politically marginalized might respond is unclear. Major violence between Turkish authorities and PKK militants—which has taken place on and off since the 1980s—wracked Turkey's mostly Kurdish southeast in 2015 and 2016.

Currency Crisis and Its Domestic Implications

Turkey is facing significant challenges as its currency, the *lira*, has depreciated in value more than 35% against the dollar in 2021.[11] By reducing its key interest rate from 19% to 14% between September and December, Turkey's central bank may have accelerated rather than dampened annual inflation, which has been officially estimated to be around 30% and unofficially estimated as high as 58%.[12] The lira has been trending downward for more than a decade, with the decline driven by broader concerns about Turkey's rule of law and economy (see **Figure 1**).

[4] Carlotta Gall, "Turkish Opposition Joins Forces Against Erdogan," *New York Times*, October 24, 2021.

[5] "Rumors swirl over Erdogan's declining health after G20 hobble," *Arab News*, November 4, 2021.

[6] Department of State, "Turkey," *Country Reports on Human Rights Practices for 2020*; European Commission, *Turkey 2021 Report*, October 19, 2021.

[7] Department of State, "Turkey"; European Commission, *Turkey 2021 Report*.

[8] Carlotta Gall, "Diplomacy Halts Erdogan's Push to Expel Envoys," *New York Times*, October 26, 2021.

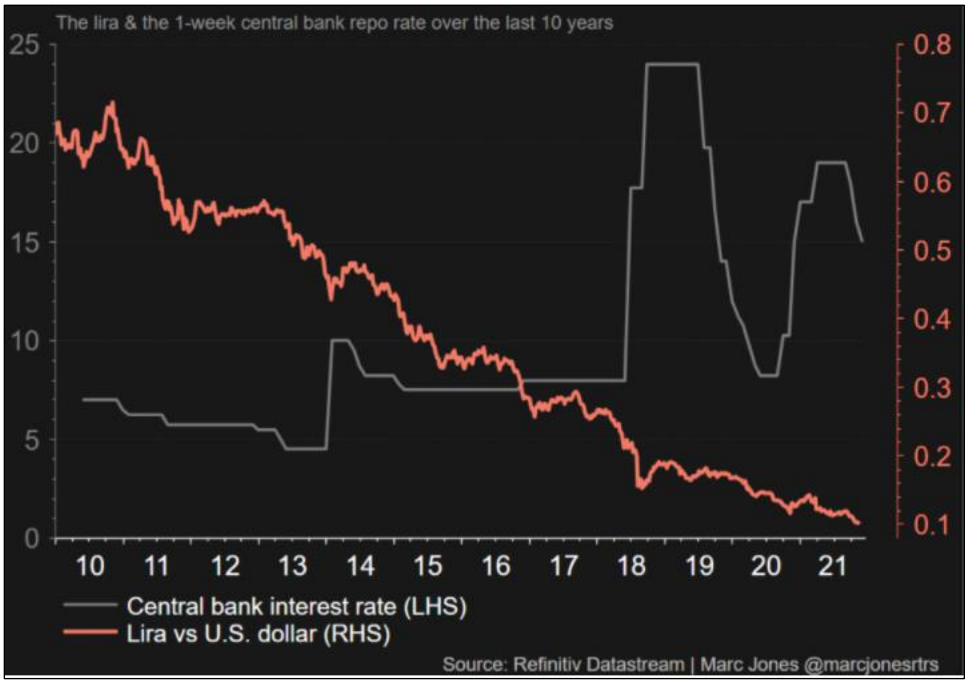
[9] Alex McDonald, "Threat to close pro-Kurdish party echoes long tradition in Turkey's politics," *Middle East Eye*, March 20, 2021.

[10] Department of State, "Actions in Turkey's Parliament," March 17, 2021.

[11] "Turkish lira erodes last week's gains," *Reuters*, December 28, 2021.

[12] Ibid.; Caitlin Ostroff, "Investors Fear Turkish Lira Has Further to Fall," *Wall Street Journal*, December 8, 2021.

Figure 1. Turkey: Currency Exchange Rate and Central Bank Interest Rate



Source: *Reuters*, November 2021.

Throughout this time, President Erdogan has assertively challenged the conventional economic theory that raising interest rates stem inflation, attract foreign capital, and support the value of the currency. In replacing Turkey's central bank governor and finance minister in 2021, Erdogan appears to have sought to bring Turkish fiscal and monetary policy more in line with his views. In public statements, Erdogan has argued that lower interest rates boost production, employment, and exports.[13] Erdogan also has criticized high interest rates as contrary to Islamic teachings and as exacerbating the gap between rich and poor.[14]

Legacy of the 1999-2001 Financial Crisis[15]

The Turkish financial crisis of 1999-2001—amid domestic political instability fueled by a recession and 69% inflation at its outset—was a formative experience for President Erdogan and many other Turkish leaders of his generation. During the time of the crisis, Erdogan and his moderately Islamist political allies were forming a party (the AKP, founded in 2001) to run competitively on the national stage. While the International Monetary Fund (IMF)-assisted response to the 1999-2001 crisis arguably placed Turkey on a better long-term footing, especially with the restructuring of its banking system, Erdogan's stated unwillingness in 2021 to accept IMF intervention in

[13] "EXPLAINER: Turkey's Currency Is Crashing. What's the Impact?" *Associated Press*, December 3, 2021; Carlotta Gall, "Keeping His Own Counsel on Turkey's Economy," *New York Times*, December 11, 2021.

[14] Mustafa Akyol, "How Erdogan's Pseudoscience Is Ruining the Turkish Economy," Cato Institute, December 3, 2021; Gall, "Keeping His Own Counsel on Turkey's Economy."

[15] Sources used for this text box include Calum Miller, "Pathways Through Financial Crisis: Turkey," *Global Governance*, vol. 12, no. 4, October-December 2006, pp. 449-464; Gokhan Capoglu, "Anatomy of a Failed IMF Program: The 1999 Program in Turkey," *Emerging Markets Finance & Trade*, vol. 40, no. 3, May-June 2004, pp. 84-100; Koen Brinke, "The Turkish 2000-01 banking crisis," Rabobank, September 4, 2013, at https://economics.rabobank.com/publications/2013/september/the-turkish-2000-01-banking-crisis/; Emin Avundukluoglu, "Turkey will never submit its economic future to IMF: President Erdogan," *Anadolu Agency*, December 1, 2021; "Turkey pays off the last installment of its debt to IMF," *Anadolu Agency*, May 14, 2013.

resolving Turkey's current crisis may stem in part from (1) serious volatility shocks (including extreme fluctuations in interest rates and capital outflows) that occurred during the first 18 months of the Turkey-IMF program in 1999-2001, (2) the years of oversight that Turkey faced while paying off IMF loans, and (3) the decisive November 2002 electoral defeat of the coalition government that presided over the crisis.

In that election, Turkish voters did not give any of the coalition parties enough votes to stay in parliament, and the AKP won a majority of parliamentary seats. Despite its criticism during the 2002 campaign that involving the IMF compromised Turkey's sovereignty, the AKP continued implementing Turkey's standing agreements with the IMF on economic reform, and the country benefitted from several years of strong economic growth—fully paying off its IMF debt (some of which dated back to 1961) in 2013.

The currency crisis has had several implications for Turkey and its people. The cost of living for consumers and the cost of international borrowing for banks and private sector companies increased dramatically because Turkey relies heavily on imports for its population's basic needs, including energy, and most foreign loans are denominated in dollars.[16] A Turkish economist expressed concern over a possible "brain drain" of highly educated Turks, while also stating that despite lower interest rates, the economy could contract rather than grow "as a result of the panic and uncertainty and escalating costs coming from this crisis."[17] In December, Erdogan announced a 50% increase in Turkey's minimum wage.[18] Though presumably intended to bolster Turks' purchasing power given the weakened lira, higher wages could spark layoffs by employers.[19]

Turkish official sources presented some information that could justify interest rate cuts. A central bank financial stability report from November 2021 stated that the Turkish banking sector is sufficiently strong and has enough liquid assets to manage risks related to the lira's value.[20]

Other sources questioned the resilience of Turkey's financial system. A December 2021 *Wall Street Journal* article said, "A sudden surge in requests among Turkish residents to withdraw dollars could force banks to draw down their foreign currency reserves or for the government to impose capital controls that limit what people can remove."[21] According to one source, as of mid-December almost 65% of Turkish bank deposits were in foreign currencies[22]—up from around 41% at the time of the 2016 coup attempt and 55% in January 2021.[23] The central bank's position became more precarious after its efforts in 2019 and 2020 to shore up the lira by selling a substantial amount of its foreign exchange reserves.[24] As of November 2021, one source stated that the bank's foreign exchange liabilities outweighed its assets by $15 billion when accounting for all transactions (including currency swaps).[25]

On December 20, President Erdogan announced a government plan to broadly guarantee certain lira-denominated bank accounts against currency depreciation, in apparent coordination with a

[16] "EXPLAINER: Turkey's Currency Is Crashing. What's the Impact?" *Associated Press*.

[17] Ibid.; Ozge Ozdemir, "Why Turkey's currency crash does not worry Erdogan," *BBC*, December 3, 2021.

[18] Mustafa Sonmez, "Turkish lira sinks further with Erdogan's latest rate cut," *Al-Monitor*, December 16, 2021.

[19] Nazlan Ertan, "Turkish lira tumbles ahead of key decision on rate cuts, wages," *Al-Monitor*, December 14, 2021.

[20] Central Bank of the Republic of Turkey (*Turkiye Cumhuriyet Merkez Bankasi*), "Financial Stability Report," November 2021, Volume 33.

[21] Ostroff, "Investors Fear Turkish Lira Has Further to Fall."

[22] Sonmez, "Turkish lira sinks further with Erdogan's latest rate cut."

[23] Capital Economics graphic, from Ostroff, "Investors Fear Turkish Lira Has Further to Fall."

[24] "'Where is the $128B?' Turkey's opposition presses Erdogan," *Al Jazeera*, April 14, 2021; Mustafa Sonmez, "Where is the money? Erdogan feels the heat over foreign reserves drain," *Al-Monitor*, February 24, 2021.

[25] "Turkey's lira dives back into crisis territory," *Reuters*, November 18, 2021.

significant state-backed market intervention.[26] In response, the lira gained back some of its earlier losses against the dollar, with some analysts expecting the practical results of the government's action to largely simulate a hike in interest rates.[27] It is unclear whether the government's credit and domestic savers' confidence will be sufficient to prevent future financial panic.

The volatility of Turkey's currency has implications for domestic politics. Public opinion polls suggest that support for Erdogan and the AKP have been at historic lows,[28] feeding speculation about negative election outcomes for Erdogan and the current AKP-MHP parliamentary coalition.[29] Given youth unemployment estimates of 25%,[30] some observers have speculated that the economic concerns of millions of young voters could affect Erdogan's prospects.[31]

Rivals from the CHP and other parties have called for early presidential and parliamentary elections to allow for a change in leadership, but Erdogan controls whether to initiate elections before June 2023 and has thus far stated his unwillingness to do it. Rather than compel elections in Turkey, domestic instability could lead Erdogan's cabinet to initiate a state of emergency with the potential to delay elections.[32] Additionally, some observers debate whether (1) free and fair elections could take place under Erdogan,[33] (2) disgruntled Erdogan supporters would actually vote for opposition parties,[34] or (3) Erdogan would cede power after an electoral defeat.[35] Some analysts speculate that Erdogan's December 2021 moves aimed at helping Turks gain back some of the purchasing power they lost in recent years could signal a plan to call elections for the near future.[36]

Turkey's Strategic Orientation: Foreign Policy and Military Involvement

General Assessment

Trends in Turkey's relations with the United States and other countries reflect changes to Turkey's overall strategic orientation, as it has sought greater independence of action as a regional power within a more multipolar global system. Turkey's foreign policy course is arguably less oriented to the West now than at any time since it joined NATO in 1952. Turkish

[26] "Turkish lira erodes last week's gains," *Reuters*.

[27] Amberin Zaman, "Lira rallies as Erdogan unveils new financial scheme, but jitters prevail," *Al-Monitor*, December 21, 2021.

[28] Jared Malsin, "Erdogan's Support Sinks as Turkey's Currency Collapses," *Wall Street Journal*, December 14, 2021.

[29] "Autumn of the patriarch," *Economist*, October 30, 2021.

[30] Patricia Cohen, "Turkey Tries to Ward Off Meltdown of Economy," *New York Times*, December 15, 2021.

[31] Ozdemir, "Why Turkey's currency crash does not worry Erdogan."

[32] "Professor says Turkey may declare state of emergency following economic crisis," *Duvar English*, December 14, 2021; Carlotta Gall, "Frustration Rises as Turkey's Lira Continues Plunge," *New York Times*, December 2, 2021.

[33] Simon A. Waldman, "Why Erdogan Will Survive Turkey's Horrifying Crash," haaretz.com, December 17, 2021; Kemal Kirisci and Berk Esen, "Might the Turkish Electorate Be Ready to Say Goodbye to Erdoğan After Two Decades in Power?" *Just Security*, November 22, 2021.

[34] Ozer Sencar of Metropoll, in Laura Pitel, "Will the ailing Turkish economy bring Erdogan down?" *Financial Times*, November 1, 2021.

[35] Pitel, "Will the ailing Turkish economy bring Erdogan down?"; Kirisci and Esen, "Might the Turkish Electorate Be Ready to Say Goodbye to Erdoğan After Two Decades in Power?"

[36] "Erdogan Looking to Cash in on Economy Gains With Early Election, Analysts Say," *Reuters*, December 29, 2021.

leaders' interest in reducing their dependence on the West for defense and discouraging Western influence over their domestic politics may partly explain their willingness to coordinate some actions with Russia in Syria and purchase a Russian S-400 surface-to-air defense system. Nevertheless, Turkey retains significant differences with Russia—with which it has a long history of discord—including over political outcomes in Syria, Libya, and Nagorno-Karabakh (a region disputed by Armenia and Azerbaijan).

In recent years, Turkey has involved its military in the Middle East, Eastern Mediterranean, and Caucasus in a way that has affected its relationships with the United States and other key actors. U.S. officials have sometimes encouraged cooperation among other allies and partners to counter Turkish actions. Nevertheless, U.S. and Turkish officials maintain that bilateral cooperation on regional security matters remains mutually important.[37]

Turkish leaders appear to compartmentalize their partnerships and rivalries with other influential countries as each situation dictates, partly in an attempt to reduce Turkey's dependence on these actors and maintain its leverage with them.[38] Traditionally, Turkey has relied closely on the United States and NATO for defense cooperation, European countries for trade and investment (including a customs union with the EU since the late 1990s), and Russia and Iran for energy imports. Without a means of global power projection or major natural resource wealth, Turkey's military strength and economic well-being appear to remain largely dependent on these traditional relationships. Turkey's ongoing economic struggles (discussed above) highlight the risks it faces in jeopardizing these ties.[39]

Turkey's compartmentalized approach may to some extent reflect President Erdogan's efforts to consolidate control domestically. Because Erdogan's Islamist-friendly AKP maintains a parliamentary majority in partnership with the more traditionally nationalist MHP, efforts to maintain the support of core constituencies may imbue Turkish policy with a nationalistic tenor. A largely nationalistic foreign policy also has precedent from before Turkey's Cold War alignment with the West.[40] Turkey's history as both a regional power and an object of great power aggression contributes to wide domestic popularity for nationalistic political actions and discourse, as well as sympathy for Erdogan's "neo-Ottoman" narrative of restoring Turkish regional prestige.

Turkey's strategic orientation is a major consideration for the United States. The Biden Administration arguably signaled a more distant approach to Erdogan than President Trump's with President Biden's April 2021 statement recognizing as genocide actions by the Ottoman Empire (Turkey's predecessor state) against Armenians during World War I.[41] The Biden Administration also has been more outspoken on what it sees as threats to democracy, rule of law, and human rights in Turkey. However, the Administration, along with the EU, has praised Turkey's approach to hosting refugees.[42] Of the refugees currently residing in Turkey, according

[37] "Biden, Erdogan upbeat about ties but disclose no breakthrough," *Reuters*, June 14, 2021; State Department, "U.S. Relations with Turkey: Bilateral Relations Fact Sheet," January 20, 2021.

[38] Stephen J. Flanagan et al., *Turkey's Nationalist Course: Implications for the U.S.-Turkish Strategic Partnership and the U.S. Army*, RAND Corporation, 2020.

[39] Diego Cupolo, "Turkish lira nears record lows as emerging markets struggle," *Al-Monitor*, May 13, 2021.

[40] Marc Pierini, "How Far Can Turkey Challenge NATO and the EU in 2020?" *Carnegie Europe*, January 29, 2020.

[41] White House, "Statement by President Joe Biden on Armenian Remembrance Day," April 24, 2021.

[42] United States Mission to the United Nations, "Remarks by Ambassador Linda Thomas-Greenfield during a Press Briefing at the Conclusion of Travel to Turkey," June 4, 2021; Nazlan Ertan, "Amid Afghan influx, Turkey's refugee policy gets tested with fire," *Al-Monitor*, July 28, 2021.

to the U.N. High Commissioner for Refugees (UNHCR) approximately 3.6 million refugees have come from Syria, and about 320,000 persons of concern from other countries (including Afghanistan).[43]

Turkish Hard Power: Using Drones and Proxy Forces in Regional Conflicts

During Erdogan's first decade as prime minister (2003-2012), Turkey's main approach in its surrounding region (with the exception of its long-running security operations against the PKK in southeastern Turkey and northern Iraq) was to project political and economic influence, or "soft power," backed by diplomacy and military deterrence. As regional unrest increased near Turkey's borders with the onset of conflict in Syria, however, Turkey's approach shifted dramatically in light of newly perceived threats. This was especially the case after Erdogan (elected president in 2014) began courting Turkish nationalist constituencies in 2015 and consolidating power following the July 2016 coup attempt.

Under this modified approach, Turkey now relies more on hard power to affect regional outcomes. Specifically, Turkey has focused on a relatively low-cost method of using armed drone aircraft and/or proxy forces (particularly Syrian fighters who oppose the Syrian government and otherwise have limited sources of income) in theaters of conflict including northern Syria and Iraq, western Libya, and Nagorno-Karabakh.[44] Partly because the drones and proxy forces limit Turkey's political and economic risk, Turkish leaders have shown less constraint in deploying them, and they have reportedly proven effective at countering other actors' more expensive but less mobile armored vehicles and air defense systems (such as with Russian-assisted forces in Syria, Libya, and Nagorno-Karabakh).[45]

How these efforts might influence political outcomes remains unclear (see "Regional Conflicts and Disputes" below for discussions of Syria and Libya). In December 2021, Turkish Foreign Minister Mevlut Cavusoglu announced Turkey's intention to move toward normalizing its relations with Armenia, a course of action reportedly suggested by President Biden to President Erdogan.[46]

Russian S-400 Acquisition: Removal from F-35 Program, U.S. Sanctions, and F-16 Request

Background

Turkey's acquisition of a Russian S-400 surface-to-air defense system, which Turkey ordered in 2017 and Russia delivered in 2019,[47] has significant implications for Turkey's relations with Russia, the United States, and other NATO countries. As a direct result of the transaction, the Trump Administration removed Turkey from the F-35 Joint Strike Fighter program in July 2019, and imposed sanctions under the Countering America's Adversaries Through Sanctions Act (CAATSA, P.L. 115-44) on Turkey's defense procurement agency in December 2020.[48] In

[43] UNHCR, "Refugees and Asylum Seekers in Turkey," https://www.unhcr.org/tr/en/refugees-and-asylum-seekers-in-turkey.

[44] See, e.g., Rich Outzen, *Deals, Drones, and National Will: The New Era in Turkish Power Projection*, Washington Institute for Near East Policy, July 2021.

[45] James Marson and Brett Forrest, "Low-Cost Armed Drones Reshape War and Geopolitics," *Wall Street Journal*, June 4, 2021; Mitch Prothero, "Turkey's Erdogan has been humiliating Putin all year—here's how he did it," *Business Insider*, October 22, 2020.

[46] Selcan Hacaoglu, "Turkey Moves to Normalize Armenia Ties in Bid to Please Biden," *Bloomberg*, December 13, 2021. For more on Turkey-Armenia relations, see CRS Report R41368, *Turkey: Background and U.S. Relations*, by Jim Zanotti and Clayton Thomas.

[47] "Turkey, Russia sign deal on supply of S-400 missiles," *Reuters*, December 29, 2017. According to this source, Turkey and Russia reached agreement on the sale of at least one S-400 system for $2.5 billion, with the possibility of a second system to come later.

[48] CRS Insight IN11557, *Turkey: U.S. Sanctions Under the Countering America's Adversaries Through Sanctions Act*

explaining the U.S. decision to remove Turkey from the F-35 program, then-Under Secretary of Defense for Acquisition and Sustainment Ellen Lord said, "Turkey cannot field a Russian intelligence collection platform [within the S-400 system] in proximity to where the F-35 program makes, repairs and houses the F-35. Much of the F-35's strength lies in its stealth capabilities, so the ability to detect those capabilities would jeopardize the long-term security of the F-35 program."[49]

Turkish interest in procurement deals that feature technology sharing and co-production—thereby bolstering Turkey's domestic defense industry—may have affected its S-400 decision. Strengthening its defense industry became a priority for Turkey after the 1975-1978 U.S. arms embargo over Cyprus.[50] Over time, Turkish companies have supplied an increased percentage of Turkey's defense needs, with equipment ranging from armored personnel carriers and naval vessels to drone aircraft. While Turkey's S-400 purchase reportedly does not feature technology sharing,[51] Turkish officials have expressed hope that a future deal with Russia involving technology sharing and co-production might be possible to address Turkey's longer-term air defense needs, with another potential option being Turkish co-development of a system with European partners.[52] Lack of agreement between the United States and Turkey on technology sharing regarding the Patriot system possibly contributed to Turkey's interest in considering non-U.S. options for air defense, including an abortive attempt from 2013 to 2015 to purchase a Chinese system.[53]

Other factors may have influenced Turkey's decision to purchase the S-400 instead of the Patriot. One is Turkey's apparent desire to diversify its foreign arms sources.[54] Another is Turkish President Erdogan's possible interest in defending against U.S.-origin aircraft such as those used by some Turkish military personnel in the 2016 coup attempt.[55]

Turkey has conducted some testing of the S-400 but has not made the system generally operational. President Erdogan stated in September 2021 that Turkey expects to purchase a second S-400 system.[56] Secretary of State Antony Blinken has warned Turkey that acquiring an additional system could lead to more U.S. sanctions under CAATSA.[57] Turkey may need to forgo possession or use of the S-400 in order to have CAATSA sanctions removed.

In the fall of 2021, Turkish officials stated that they had requested to purchase 40 new F-16 fighter aircraft from the United States and to upgrade 80 F-16s from Turkey's aging fleet.

(CAATSA), by Jim Zanotti and Clayton Thomas.

[49] Department of Defense transcript, Under Secretary of Defense for Acquisition and Sustainment Ellen M. Lord and Deputy Under Secretary of Defense for Policy David J. Trachtenberg Press Briefing on DOD's Response to Turkey Accepting Delivery of the Russian S-400 Air and Missile Defense System, July 17, 2019.

[50] Omar Lamrani, "Facing Sanctions, Turkey's Defense Industry Goes to Plan B," *Stratfor*, November 7, 2019.

[51] Aaron Stein, "Putin's Victory: Why Turkey and America Made Each Other Weaker," Foreign Policy Research Institute, July 29, 2019.

[52] Burak Ege Bekdil, "West's reluctance to share tech pushes Turkey further into Russian orbit," *Defense News*, January 10, 2020.

[53] Flanagan et al., *Turkey's Nationalist Course*.

[54] "Turkey is buying Russian missiles to diversify supply," *Oxford Analytica*, January 26, 2018.

[55] Nicholas Danforth, "Frustration, Fear, and the Fate of U.S.-Turkish Relations," German Marshall Fund of the United States, July 19, 2019; Ali Demirdas, "S-400 and More: Why Does Turkey Want Russian Military Technology So Badly?" nationalinterest.org, July 14, 2019.

[56] Humeyra Pamuk, "Erdogan says Turkey plans to buy more Russian defense systems," *Reuters*, September 27, 2021.

[57] Tal Axelrod, "Blinken warns Turkey, US allies against purchasing Russian weapons," *The Hill*, April 28, 2021.

President Erdogan has called for the Biden Administration to apply $1.4 billion that Turkey paid toward F-35s to the approximate $6 billion cost for the F-16 package.[58] President Biden reportedly discussed the F-16 request with Erdogan during an October 2021 G20 meeting in Rome, indicating that the request would go through the regular arms sales consultation and notification process with Congress.[59]

U.S. Policy Implications

How Turkey procures key weapons systems is relevant to U.S. policy in part because it affects Turkey's partnerships with major powers. For decades, Turkey has relied on certain U.S.-origin equipment such as aircraft, helicopters, missiles, and other munitions to maintain military strength.[60] Turkey's purchase of the S-400 and its exploration of possibly acquiring Russian fighter aircraft (as discussed below) may raise the question: If Turkey transitions to major Russian weapons platforms with multi-decade lifespans, how can it stay closely integrated with the United States and NATO on defense matters?

Before Turkey's July 2019 removal from the F-35 program, it had planned to purchase at least 100 U.S.-origin F-35s and was one of eight original consortium partners in the development and industrial production of the aircraft.[61] Section 1245 of the FY2020 National Defense Authorization Act (P.L. 116-92) prohibits the use of U.S. funds to transfer F-35s to Turkey unless the Secretaries of Defense and State certify that Turkey no longer possesses the S-400.

An August 2020 *Defense News* article reported that some Members of Congress had "blocked" major new U.S.-origin arms sales to Turkey in connection with the S-400 transaction. Such a disruption to U.S.-Turkey arms sales has not occurred since the 1975-1978 embargo over Cyprus.[62] Major sales (valued at $25 million or more) on hold, according to the article, included F-16 upgrades and export licenses for engines involved in a Turkish sale of attack helicopters to Pakistan. Sales already underway or for smaller items and services—such as spare parts, ammunition, and maintenance packages for older equipment—were not subject to these reported holds.

Biden Administration discussions with Turkey have sought to end the countries' impasse over the S-400, in hopes of halting CAATSA sanctions and bringing U.S.-Turkey defense cooperation closer to past levels. President Erdogan reiterated his unwillingness to give up the S-400 in a June 2021 meeting with President Biden.[63]

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[58] Abraham Mahshie, "Turkey's Erdogan and Biden to Face Off over F-16 and F-35 Debacle," *Air Force Magazine*, October 29, 2021.

[59] "Biden talks F-16s, raises human rights in meeting with Turkey's Erdogan," *Reuters*, October 31, 2021; Diego Cupolo, "In troubled US-Turkey relations, F-16 deal seen as path for dialogue," *Al-Monitor*, November 1, 2021. For background information, see CRS Report RL31675, *Arms Sales: Congressional Review Process*, by Paul K. Kerr.

[60] Turkey also has procurement and co-development relationships with other NATO allies, including Germany (submarines), Italy (helicopters and reconnaissance satellites), and the United Kingdom (a fighter aircraft prototype).

[61] A 2007 memorandum of understanding among the consortium 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.

[62] Valerie Insinna et al., "Congress has secretly blocked US arms sales to Turkey for nearly two years," *Defense News*, August 12, 2020.

[63] "Erdogan says he told Biden Turkey is not shifting on S-400s—state media," *Reuters*, June 17, 2021.

Turkey's request to purchase new F-16s and upgrade others faces some opposition in Congress, partly based on the S-400 issue.[64] At a September 28, 2021, Senate Foreign Relations Committee hearing, Chairman Bob Menendez said, "I see no arms sales going to Turkey, unless there is a dramatic change around on the S-400."[65] If Turkey cannot partner with the United States to modernize its fighter aircraft, it could turn to Russia or other alternative suppliers.[66] Turkish officials have expressed openness to acquiring Russia's Su-35 aircraft.[67]

Drones: Domestic Production, U.S. and Western Components, and Exports

Over the past decade, Turkey has built up a formidable arsenal of unmanned aerial vehicles (UAVs), or drone aircraft, to carry out armed attacks or perform target acquisition. Their primary purpose has been to counter the PKK or PKK-linked militias in southeastern Turkey, Iraq, and Syria. Turkey and its allies also have reportedly used armed drones against other actors in Syria, Libya, and Nagorno-Karabakh (see text box above). Open source accounts have reported that the drones have been effective in targeting adversaries, while also raising concerns about the legality of their use in these settings and the danger they pose to civilians.[68]

Turkey has focused on producing drones domestically. This is partly due to its failure in the early 2010s to acquire U.S.-made armed MQ-9 Reapers—reportedly because of congressional opposition[69]—and partly due to reported concerns that Israel may have deliberately delivered underperforming versions of its Heron reconnaissance drones to Turkey in 2010.[70] Kale Group and Baykar Technologies have produced the Bayraktar TB2 (see **Figure A-2**), and Turkish Aerospace Industries (TAI) has produced the Anka-S. Turkey anticipates adding both larger and smaller drones to its arsenal over the next decade.[71] Selcuk Bayraktar, a son-in-law of President Erdogan, has played a key role in engineering the Bayraktar drones that dominate Turkey's fleet.[72]

[64] The text of a letter from 42 Representatives to Secretary Blinken opposing the F-16 transaction is available at https://pappas.house.gov/media/press-releases/pappas-leads-colleagues-opposing-sale-f-16s-turkey-demands-information-state.

[65] Congressional Quarterly Congressional Transcripts (requires paid subscription), available at http://www.cq.com/doc/congressionaltranscripts-6353520?5&search=s5LStXmK.

[66] Aaron Stein, "Not a Divorce but a Defense Decoupling: What's Next for the U.S.-Turkish Alliance," *War on the Rocks*, October 18, 2021.

[67] Paul Iddon, "Here Are Turkey's Stopgap Options Until It Can Acquire Fifth-Generation Fighters," forbes.com, March 15, 2021.

[68] Dan Gettinger, "Turkey's military drones: an export product that's disrupting NATO," *Bulletin of the Atomic Scientists*, December 6, 2019. A panel of experts reporting in March 2021 on U.N. Security Council sanctions regarding Libya wrote that conflict during 2020 in Libya featured Turkish loitering munitions such as the Kargu-2 (produced by Turkish company STM) being programmed to fire autonomously on their targets without human involvement. U.N. Security Council, "Letter dated 8 March 2021 from the Panel of Experts on Libya established pursuant to resolution 1973 (2011) addressed to the President of the Security Council," S/2021/229, March 8, 2021.

[69] Outzen, Deals, Drones, and National Will.

[70] Itamar Eichner, "Turkey accuses Israel of selling them defective drones," *Ynetnews*, June 24, 2018.

[71] Paul Iddon, "Turkey's Drones Are Coming in All Sizes These Days," forbes.com, October 4, 2020.

[72] Umar Farooq, "The Second Drone Age: How Turkey Defied the U.S. and Became a Killer Drone Power," *The Intercept*, May 14, 2019.

While Turkish companies have assembled the drones, they have apparently relied on Western countries for some key components, including engines, optical sensors, and camera systems.[73] After a Canadian-produced camera system was reportedly found in a Bayraktar TB2 downed in Nagorno-Karabakh in October 2020, Canada halted export permits for parts used in Turkish drones, concluding in April 2021 that their use was "not consistent with Canadian foreign policy, nor end-use assurances given by Turkey."[74] Also in October 2020, a Canadian company whose Austrian subsidiary had produced engines for Bayraktar TB2s announced that it would suspend engine deliveries to "countries with unclear usage."[75] Additionally, Armenian sources raised concerns about the possible use of some U.S.-origin components in Bayraktar TB2s,[76] and Senate Foreign Affairs Committee Chairman Menendez proposed an amendment to the FY2022 National Defense Authorization Act that would have required a report on recent Turkish drone exports and whether they contained U.S.-origin components and violated U.S. arms export control law.[77]

It is unclear how effective Turkish replacements for Western-origin drone components can be going forward. Since 2018, TAI has reportedly been integrating domestically produced engines into its drones, including the Anka-S.[78] In June 2021, Baykar Technologies officials said that their newly produced drones featured Turkish cameras and anticipated having domestically produced engines by the end of the year.[79] Additionally, Ukraine is reportedly producing engines for some Turkish drones.[80]

Turkish drones' apparent effectiveness to date—such as in destroying Russian-origin air defense systems[81]—may have boosted global demand for Turkish defense exports. In addition to Azerbaijan purchasing Bayraktar TB2s that it used in the 2020 Nagorno-Karabakh conflict, Qatar, Ukraine, Poland, Morocco, and Ethiopia have reportedly purchased or agreed to purchase TB2s.[82] Tunisia has signed a deal to purchase Anka-Ss.[83] Some other countries also have supposedly expressed interest in Turkish drones.[84] It is unclear whether the Turkish provision of drones to other countries—thus involving Turkey at some level in those countries' political disputes and military conflicts—is a net plus or minus for Turkey's fragile economy, in light of the potential

[73] "Canadian decision to halt tech exports exposes key weakness in Turkish drone industry," *Turkish Minute*, October 17, 2020.

[74] "Canada scraps export permits for drone technology to Turkey, complains to Ankara," *Reuters*, April 12, 2021.

[75] Levon Sevunts, "Bombardier Recreational Products suspends delivery of aircraft engines used on military drones," *Radio Canada International*, October 25, 2020.

[76] "How much does the production of Turkish 'local' Bayraktar TB2 ATS depend on foreign supplies?" *Ermeni Haber Ajansi* (translated from Armenian), October 26, 2020.

[77] Senator Bob Menendez website, "Chairman Menendez Announces NDAA Amendments to Hold Turkey and Azerbaijan Accountable," November 4, 2021.

[78] Beth Davidson, "IDEF'19: Anka Aksungur to Fly with Turkish Engine by Year-end," *AIN Online*, May 1, 2019.

[79] Marson and Forrest, "Low-Cost Armed Drones Reshape War and Geopolitics."

[80] Aaron Stein, "From Ankara with Implications: Turkish Drones and Alliance Entrapment," *War on the Rocks*, December 15, 2021.

[81] Seth Frantzman, "Russian air defense systems outmatched by Turkish drones in Syria and Libya," *Long War Journal* (Foundation for Defense of Democracies), June 10, 2020.

[82] Aishwarya Rakesh, "How Turkey's Bayraktar Drones Became an International Success," defenseworld.net, May 27, 2021; "Turkey expands armed drone sales to Ethiopia and Morocco – sources," *Reuters*, October 14, 2021.

[83] "After big wins, interest in Turkish combat drones soars," *Agence France Presse*, March 19, 2021.

[84] See, for example, "Armed with drones, Turkey explores African arms sales," *Hurriyet Daily News*, December 15, 2021.

for Turkey's actions to isolate it from major powers that represent key sources of trade and investment.[85]

U.S./NATO Strategic Considerations

Turkey's location near several global hotspots has made the continuing availability of its territory for the stationing and transport of arms, cargo, and personnel valuable for the United States and NATO. In addition to Incirlik Air Base near the southern Turkish city of Adana, other key U.S./NATO sites include an early warning missile defense radar in eastern Turkey and a NATO ground forces command in Izmir (see **Figure A-3**).

From Turkey's perspective, NATO's traditional importance has been to mitigate Turkish concerns about encroachment by neighbors, as was the case with the Soviet Union's aggressive post-World War II posturing. Some similar Turkish concerns—though somewhat less pronounced—may stem from Russia's ongoing regional involvement in places such as Syria and Ukraine, and may partly motivate recent Turkish military operations to frustrate some Russian objectives in various conflict arenas.[86]

As a result of growing tensions between Turkey and Western countries, and questions about the safety and utility of Turkish territory for U.S. and NATO assets, some observers have advocated exploring alternative basing arrangements in the region.[87] Some reports suggest that expanded or potentially expanded U.S. military presences in places such as Greece, Cyprus, Jordan and Romania might be connected with concerns about Turkey.[88]

Additionally, Turkish actions in opposition to the interests of other U.S. allies and partners in the Eastern Mediterranean (see "Cyprus, Greece, and Eastern Mediterranean Natural Gas" below)—particularly over the past two years—have led U.S. officials to encourage cooperation among those allies and partners.[89] In 2020, the Trump Administration waived restrictions on the U.S. sale of non-lethal defense articles and services to the Republic of Cyprus, effectively ending a U.S. arms embargo that had dated back to 1987, and attracting criticism from Turkish officials.[90]

Turkey's influence in the Black Sea littoral region and its relationships with European countries bordering Russia make its actions in this sphere important for U.S. interests. Ongoing Turkish defense cooperation with or arms sales to Ukraine, Poland, Georgia, and Azerbaijan may present opportunities to make renewed common cause between the United States and Turkey to counter Russia.[91] Alternatively, Turkey's interactions with these other countries could possibly check both

[85] See, for example, Metin Gurcan, "Turkey's foreign policy becoming alarmingly militarized," *Al-Monitor,* September 22, 2020; Sinan Ulgen, "A Weak Economy Won't Stop Turkey's Activist Foreign Policy," foreignpolicy.com, October 6, 2020.

[86] Prothero, "Turkey's Erdogan has been humiliating Putin all year."

[87] See, for example, Xander Snyder, "Beyond Incirlik," *Geopolitical Futures,* April 19, 2019.

[88] Marc Pierini and Francesco Siccardi, "Understanding Turkey's Direction: Three Scenarios," Carnegie Europe, December 9, 2021; "Pentagon pushes back on claim that US to leave Turkey's Incirlik base," *Al-Monitor,* September 16, 2020; Joseph Trevithick, "Docs Show US to Massively Expand Footprint at Jordanian Air Base amid Spats with Turkey, Iraq," *The Drive*, January 14, 2019.

[89] Rauf Baker, "The EastMed Gas and Philia Forums: Reimagining Cooperation in the Mediterranean," *Fikra Forum,* Washington Institute for Near East Policy, March 18, 2021.

[90] "Pompeo says US will lift arms embargo on Cyprus, Turkey furious," *Reuters,* September 2, 2020.

[91] See, for example, Gonul Tol and Yoruk Isik, "Turkey-NATO ties are problematic, but there is one bright spot," Middle East Institute, February 16, 2021.

U.S. and Russian ambitions, or increase regional tensions potentially leading toward conflict.[92] A case in point will be how Turkey regulates and controls other countries' maritime access to and from the Black Sea—a limited privilege granted to Turkey in the Montreux Convention of 1936 (with provisions to give Turkey greater control when at war).[93]

Regional Conflicts and Disputes

Syria[94]

Turkey's involvement in Syria's conflict since 2011 has been complicated and costly and has severely strained U.S.-Turkey ties.[95] Turkey's priorities in Syria's civil war have evolved during the course of the conflict. While Turkey still opposes Syrian President Bashar al Asad, it has engaged in a mix of coordination and competition with Russia and Iran (which support Asad) on some matters since intervening militarily in Syria starting in August 2016. Turkey and the United States have engaged in similarly inconsistent interactions in northern Syria east of the Euphrates River where U.S. forces have been based.

Turkey's chief objective has been to thwart the Syrian Kurdish People's Protection Units (YPG) from establishing an autonomous area along Syria's northern border with Turkey. Turkey's government considers the YPG and its political counterpart, the Democratic Union Party (PYD), to be a major threat to Turkish security because of Turkish concerns that YPG/PYD gains have emboldened the PKK (which has links to the YPG/PYD) in its domestic conflict with Turkish authorities.[96] The YPG/PYD has a leading role within the Syrian Democratic Forces (SDF), an umbrella group including Arabs and other non-Kurdish elements that became the main U.S. ground force partner against the Islamic State in 2015. Turkish-led military operations in October 2019 to seize areas of northeastern Syria from the SDF—after President Trump agreed to have U.S. Special Forces pull back from the border area—led to major criticism of and proposed action against Turkey in Congress.[97]

In areas of northern Syria that Turkey has occupied since 2016 (see **Figure A-4**), Turkey has set up local councils. These councils and associated security forces provide public services in these areas with funding, oversight, and training from Turkish officials. Questions persist about future governance and Turkey's overarching role.

The Turkish military remains in a standoff with Russia and the Syrian government over the future of Syria's northwestern province of Idlib, the last part of the country held by anti-Asad groups (including some with links to Al Qaeda). Turkey deployed troops to Idlib to protect it from Syrian government forces and prevent further refugee flows into Turkey. A limited outbreak of conflict in 2020 displaced hundreds of thousands of Syrian civilians and produced casualties on many sides. Russian willingness to back Syrian operations in Idlib perhaps stems in part from Turkey's

[92] See, for example, Stein, "From Ankara with Implications."

[93] Text of the convention available at https://cil.nus.edu.sg/wp-content/uploads/formidable/18/1936-Convention-Regarding-the-Regime-of-the-Straits.pdf.

[94] See CRS Report RL33487, *Armed Conflict in Syria: Overview and U.S. Response*, coordinated by Carla E. Humud.

[95] 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.

[96] See, e.g., Soner Cagaptay, "U.S. Safe Zone Deal Can Help Turkey Come to Terms with the PKK and YPG," Washington Institute for Near East Policy, August 7, 2019.

[97] Rachel Oswald, "Sanctions on Turkey go front and center as Congress returns," rollcall.com, October 15, 2019.

unwillingness or inability to enforce a 2018 Turkey-Russia agreement by removing heavy weapons and "radical terrorist groups" from the province.[98]

Cyprus, Greece, and Eastern Mediterranean Natural Gas

A dispute during the past decade between Turkey and the Republic of Cyprus (ROC) about Eastern Mediterranean exploration for natural gas reserves (see text box below for broader historical context) has brought the ROC, Greece, Israel, and Egypt closer together.[99] Turkey has objected to Greek Cypriot transactions in the offshore energy sector because they have not involved the de facto Turkish Republic of Northern Cyprus (TRNC) that controls the northern one-third of the island. Turkey also has supported Turkish Cypriot claims to an exclusive economic zone around part of the island. The ROC, Greece, and Israel have discussed possible cooperation to export gas finds to Europe via a pipeline bypassing Turkey,[100] and an Eastern Mediterranean Gas Forum officially established itself in 2021, with the ROC, Greece, Israel, and Egypt among the founding members (and the United States and EU as observers).

Turkish Disputes Regarding Greece and Cyprus: Historical Background[101]

Since the 1970s, disputes between Greece and Turkey over territorial rights in the Aegean Sea and broader Eastern Mediterranean have been a major point of contention, even bringing the sides close to military conflict on several occasions. The disputes, which have their roots in territorial changes after World War I, revolve around contested borders between each country's territorial waters, national airspace, exclusive economic zone (EEZ), and continental shelf. These tensions are related to and further complicated by one of the region's major unresolved conflicts, the de facto political division of Cyprus along ethnic lines that dates from a 1974 conflict. The internationally recognized ROC, which has close ties to Greece, claims jurisdiction over the entire island, but its effective administrative control is limited to the southern two-thirds, where Greek Cypriots comprise a majority. Turkish Cypriots administer the northern third and are backed by Turkey, including a Turkish military contingent there since the 1974 conflict.[102] In 1983, Turkish Cypriot leaders proclaimed this part of the island the TRNC, although no country other than Turkey recognizes it.

In late 2019, the Turkey-Cyprus dispute became intertwined with some long-standing Turkey-Greece disagreements (discussed in the text box above) when Turkey signed an agreement with Libya's then-Government of National Accord (GNA) on maritime boundaries (see **Figure A-5**).[103] The dispute increased Turkey-Greece naval tensions, especially after Greece and Egypt reached a maritime boundary agreement in August 2020 rivaling the 2019 Turkey-Libya deal.[104]

[98] Text of agreement available at https://www.thenational.ae/world/mena/full-text-of-turkey-russia-memorandum-on-idlib-revealed-1.771953.

[99] Yaroslav Trofimov, "Turkey, Rivals Square Off Over Gas Finds," *Wall Street Journal*, August 3, 2020.

[100] "Battling over boundaries," *Economist*, August 22, 2020. The feasibility of such a pipeline is unclear. Sue Surkes, "Mistake to leave Turkey out of new East Med gas club – international expert," *Times of Israel*, September 27, 2020.

[101] For more information, see CRS Report R41368, *Turkey: Background and U.S. Relations*, by Jim Zanotti and Clayton Thomas and CRS Report R41136, *Cyprus: Reunification Proving Elusive*, by Vincent L. Morelli.

[102] Turkey retains between 30,000 and 40,000 troops on the island (supplemented by several thousand Turkish Cypriot soldiers). This presence is countered by a Greek Cypriot force of approximately 12,000 with reported access to 50,000 reserves. "Cyprus—Army," *Jane's Group UK*, October 2019. The United Nations maintains a peacekeeping mission (UNFICYP) of approximately 900 personnel within a buffer zone headquartered in Cyprus's divided capital of Nicosia. The United Kingdom maintains approximately 3,000 personnel at two sovereign base areas on the southern portion of the island at Akrotiri and Dhekelia.

[103] See also "Turkish-Greek Aegean Dispute" at globalsecurity.org.

[104] Michael Tanchum, "How Did the Eastern Mediterranean Become the Eye of a Geopolitical Storm?" foreignpolicy.com, August 18, 2020.

Efforts by individual European governments, the EU, NATO, and the United States to de-escalate tensions have highlighted competing international interests and objectives.[105] Greece and the ROC are EU members, but Turkey is not, and prospects for its accession are dim for the foreseeable future. Greece and Turkey are NATO members, but the ROC is not.

Turkey-Greece talks on territorial disputes resumed in January 2021 after a five-year hiatus, but significant progress on the underlying issues of dispute remains elusive. Additionally, preliminary United Nations-led talks on Cyprus stalled in April 2021.[106] ROC President Nicos Anastasiades has said he will not negotiate as long as the TRNC's leader Ersin Tatar, who assumed office in October 2020, advocates Turkish Cypriot independence and a "two-state solution."[107] President Erdogan has echoed Tatar's advocacy of a two-state solution.[108]

Middle East Rivalries and Libya

In the Middle East, Sunni Arab governments that support traditional authoritarian governance models in the region—notably Saudi Arabia, the United Arab Emirates (UAE), and Egypt—regard Turkey with suspicion, largely because of the Turkish government's sympathies for Islamist political groups and its close relationship with Qatar.[109] Ties with Turkey have bolstered Qatar to the extent other Arab states have sought to isolate it, and while Qatar's efforts to reintegrate with its Arab Gulf neighbors may somewhat limit its cooperation with Turkey, Qatari resources have helped Turkey strengthen its troubled financial position and support its regional military posture.[110] Further signs of tension between Turkey and Sunni Arab states come from a Turkish military presence at bases in Qatar and Somalia.[111]

Libya represents another aspect of Turkey's rivalry with these states. Turkey has played a prominent role in conflict in Libya since late 2019, when Turkish officials reached maritime boundary and security agreements with Libya's Government of National Accord (GNA), which was recognized at that time by the United States and the U.N. Security Council. Turkish military personnel then began providing advice and material support (including drone aircraft and Syrian mercenaries) to Islamist-friendly western Libya-based forces fighting against Khalifa Haftar's Libyan National Army (LNA) movement.[112] Egypt, the UAE, Russia, and others have backed Haftar's LNA movement. After a U.N.-brokered cease-fire was reached in October 2020, Libyans approved a new Government of National Unity (GNU) in March 2021. While the terms of the

[105] For example, The United States has not ratified the U.N. Convention on the Law of the Sea (UNCLOS), though it does recognize UNCLOS as a codification of customary international law. Greece and the ROC have ratified UNCLOS; Turkey has not.

[106] John Psaropoulos, "Cyprus' reunification: What next after failed talks?" *Al Jazeera*, June 7, 2021. The U.N. Security Council reaffirmed its support for "an enduring, comprehensive, and just settlement based on a bicommunal, bizonal federation with political equality" in a resolution adopted on January 29, 2021 (UNSC Resolution 2561/2021).

[107] "After another Cyprus talks collapse, Anastasiades walking away," *National Herald*, May 3, 2021.

[108] Dorian Jones, "Erdogan Calls for Two-state Solution on Cyprus," *Voice of America*, July 20, 2021.

[109] Flanagan et al., *Turkey's Nationalist Course*; Andrew England, et al., "UAE vs Turkey: the regional rivalries pitting MBZ against Erdogan," *Financial Times*, October 26, 2020.

[110] Fehim Tastekin, "Turkey's good relations with Qatar may not be enough for Erdogan," *Al-Monitor*, December 8, 2021; Ibrahim Sunnetci, "Turkey and Qatar: Foul-Weather Friends!" *Defence Turkey*, vol. 14, issue 98, 2020, pp. 34-47.

[111] Sunnetci, "Turkey and Qatar"; "Turkey to train 1/3 of entire Somali military, envoy says," *Daily Sabah*, August 4, 2020.

[112] Department of Defense Office of the Inspector General, East Africa Counterterrorism Operation, North and West Africa Counterterrorism Operation, Lead Inspector General Report to the United States Congress, January 1, 2020-March 30, 2020, July 16, 2020.

cease-fire and U.N. Security Council Resolution 2570 call for all mercenaries and foreign fighters to be withdrawn from Libya, Turkey has reportedly delayed taking action, perhaps partly because of uncertainty about Libya's future leadership and political course.[113]

Turkey's involvement in Libya increased the overlap between Turkey's disputes in the Eastern Mediterranean and its rivalry with other states in the region. In 2021, Turkey has made some headway in softening tensions with Sunni Arab governments, highlighted by a November 2021 visit to Ankara by UAE de facto leader Shaykh Mohammad bin Zayid al Nuhayyan and accompanying Turkey-UAE agreements on economic cooperation and investment.[114] Prospects for broader regional rapprochement remain unclear, including with Saudi Arabia, Egypt, and Israel.[115] Turkey maintains diplomatic ties and significant levels of trade with Israel, but Turkey-Israel relations have deteriorated significantly during Erdogan's rule.[116]

Outlook and U.S. Options

The future of U.S.-Turkey relations could depend on a number of factors, including the following:

- whether President Erdogan is able to maintain control in the country given its currency crisis and various human rights and rule of law concerns.
- whether Turkey makes its Russian S-400 system fully operational and purchases additional Russian arms;
- how various regional crises (Syria, Libya, Eastern Mediterranean disputes with Greece and Cyprus) develop and influence Turkey's relationships with key actors (including the United States, Russia, China, the European Union, Israel, Iran, and Sunni Arab governments); and
- whether Turkey can project power and create its own sphere of influence using military and economic cooperation (including defense exports).

Administration and congressional actions regarding Turkey can have implications for bilateral ties, U.S. political-military options in the region, and Turkey's strategic orientation and financial well-being. These actions could include responding to Turkey's late 2021 request to purchase and upgrade F-16s, evaluating and possibly changing CAATSA sanctions, assessing U.S./NATO basing options, and balancing relations with Turkey and its regional rivals. U.S. actions related to Turkey's acquisition of the S-400 also could affect U.S. relations with respect to other key partners who have purchased or may purchase advanced weapons from Russia—including India, Egypt, Saudi Arabia, and Qatar.

How closely the U.S. government might engage Erdogan's government could depend on U.S. perceptions of his popular legitimacy, likely staying power, and the extent to which a successor might change his policies in light of geopolitical, historical, and economic considerations. Support for Erdogan relative to other key domestic figures may hinge partly on national security and economic conditions and developments, and partly on ideological or group identity considerations stemming from ethnicity, religion, gender, and class.

[113] "Turkey calls for preserving calm in Libya after elections delay," *Xinhua*, December 24, 2021.

[114] Orhan Coskun, "Turkey, UAE sign investment accords worth billions of dollars," *Reuters*, November 24, 2021.

[115] "Erdogan's visit to Qatar to yield deals but no MbS meeting," *Reuters*, December 6, 2021; "Erdogan says Turkey seeking to mend troubled ties with Israel," *Agence France Presse* and *Times of Israel*, November 29, 2021.

[116] See CRS Report R41368, *Turkey: Background and U.S. Relations*, by Jim Zanotti and Clayton Thomas.

Appendix. Maps, Facts, and Figures

Figure A-1. Turkey at a Glance

Geography	*Area:* 783,562 sq km (302,535 sq. mile), slightly larger than Texas
People	*Population:* 82,482,383. Most populous cities (2020): Istanbul 15.2 mil, Ankara 5.1 mil, Izmir 3.0 mil, Bursa 2.0 mil, Adana 1.8 mil, Gaziantep 1.7 mil. *% of Population 14 or Younger:* 23.4% *Ethnic Groups:* Turks 70%-75%; Kurds 19%; Other minorities 7%-12% (2016) *Religion:* Muslim 99.8% (mostly Sunni), Others (mainly Christian and Jewish) 0.2% *Literacy:* 96.7% (male 99.1%, female 94.4%) (2019)
Economy	*GDP Per Capita (at purchasing power parity):* $31,080 *Real GDP Growth:* 8.0% (2021), 3.3% (2022 proj.) *Inflation:* 18.9% *Unemployment:* 13.0% *Budget Deficit as % of GDP:* 3.1% *Public Debt as % of GDP:* 39.4% *Current Account Deficit as % of GDP:* 2.4%

Sources: Graphic created by CRS. Map boundaries and information generated by Hannah Fischer using Department of State Boundaries (2011); Esri (2014); ArcWorld (2014); DeLorme (2014). Fact information (2021 estimates or forecasts unless otherwise specified) from International Monetary Fund, World Economic Outlook Database; Economist Intelligence Unit; and Central Intelligence Agency, *The World Factbook*.

Figure A-2. Bayraktar TB2 Drone

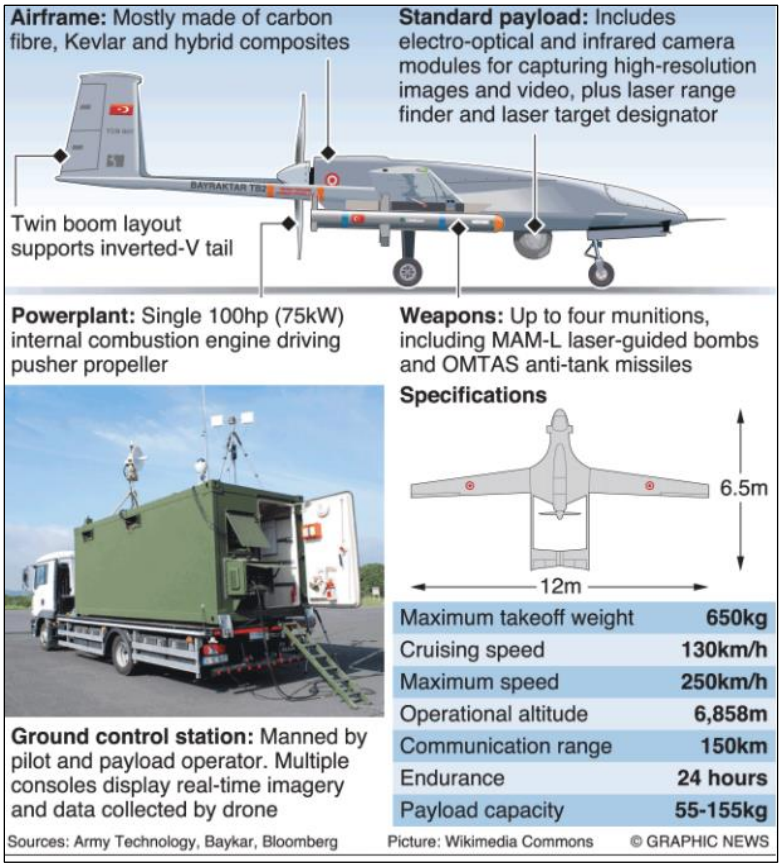
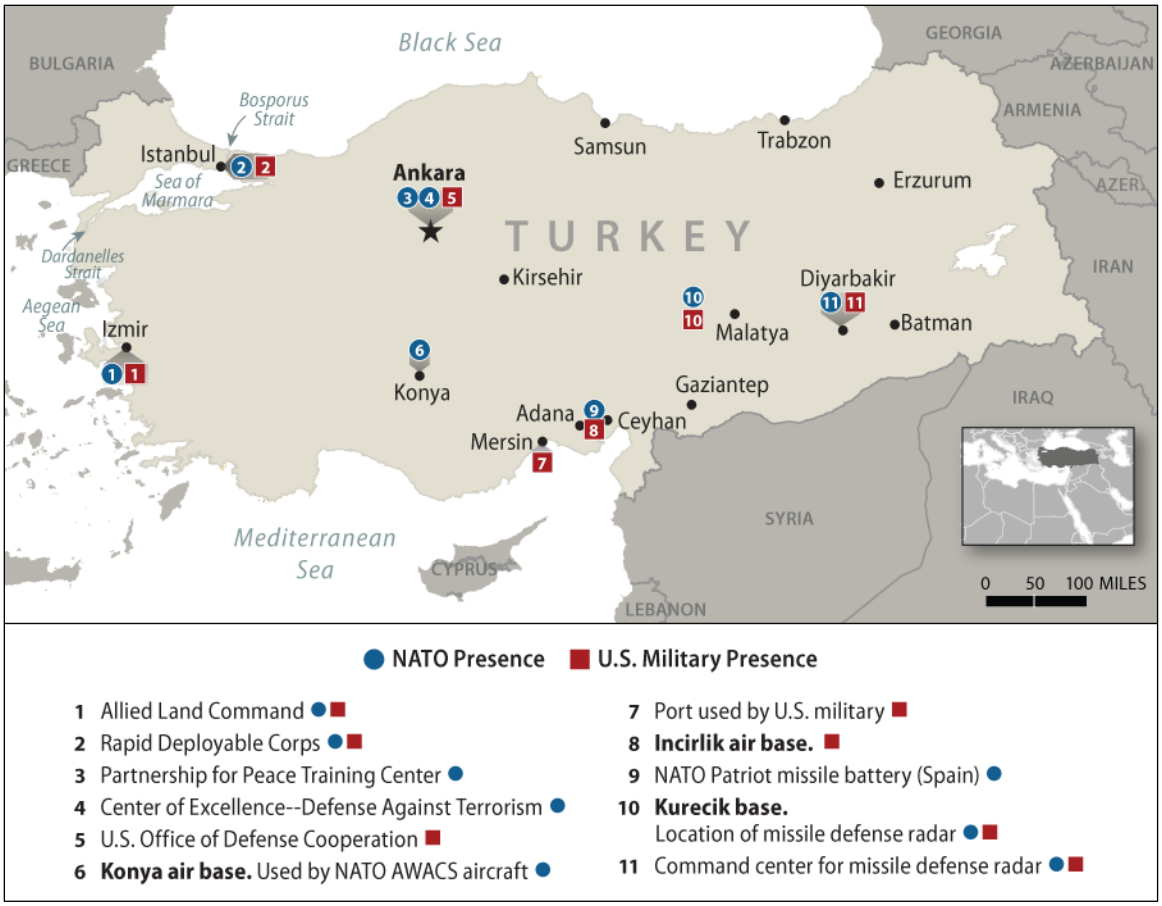


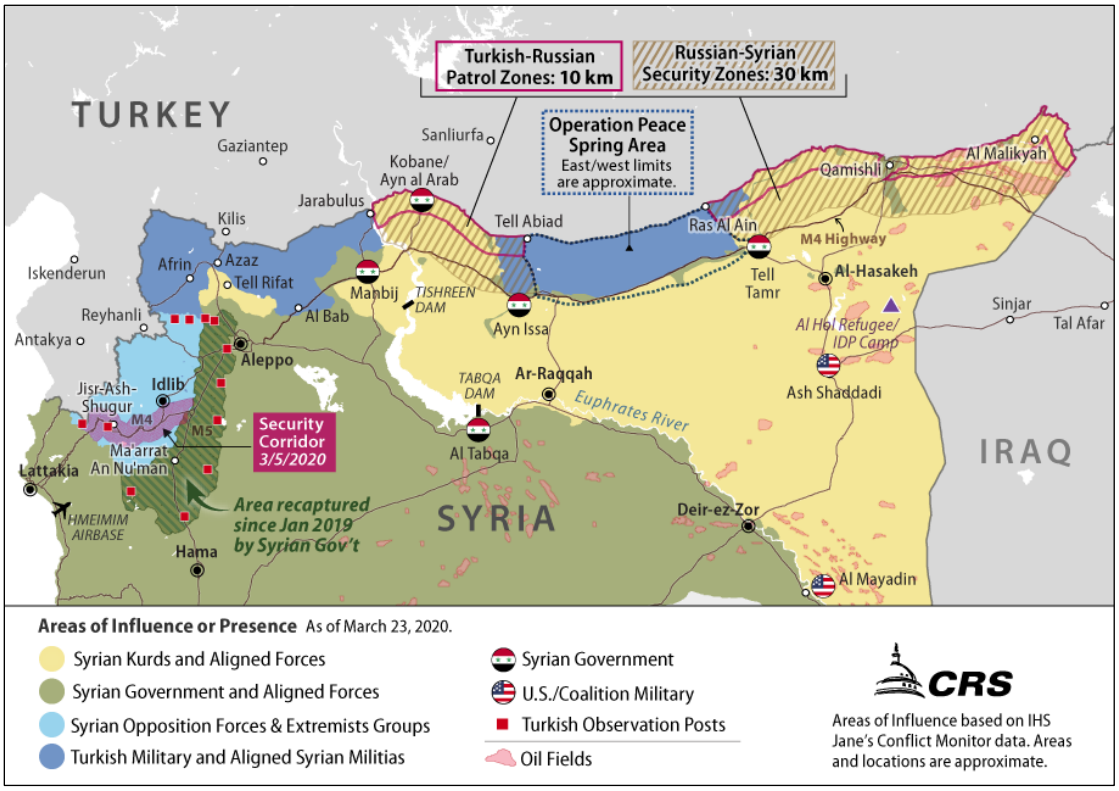
Figure A-3. Map of U.S. and NATO Military Presence in Turkey



Sources: Department of Defense, NATO, and various media outlets; adapted by CRS.

Note: All locations are approximate.

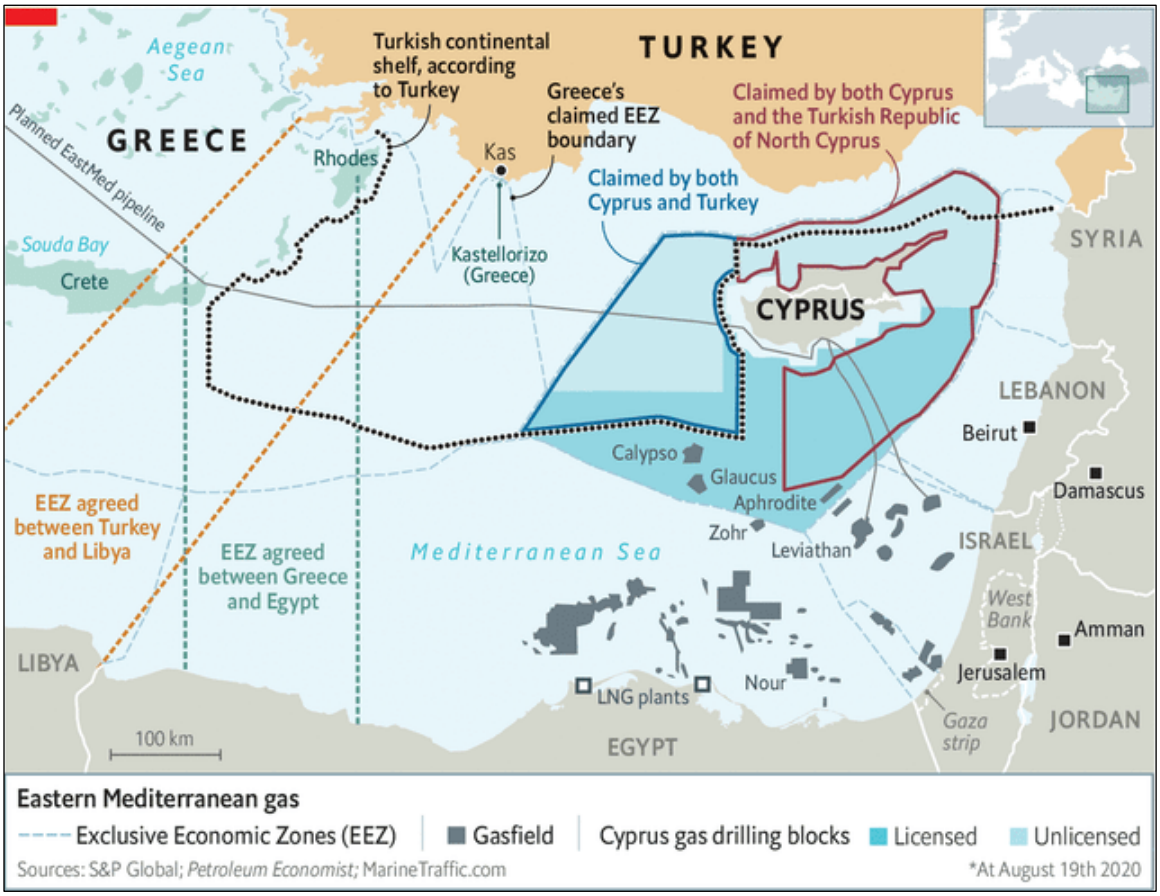
Figure A-4. Syria-Turkey Border



Sources: CRS, using area of influence data from IHS Jane's Conflict Monitor. All areas of influence approximate and subject to change. Other sources include U.N. OCHA, Esri, and social media reports.

Note: This map does not depict all U.S. bases in Syria.

Figure A-5. Competing Claims in the Eastern Mediterranean



Source: Main map created by *The Economist*, with slight modifications by CRS.

Author Information

Jim Zanotti
Specialist in Middle Eastern Affairs

Clayton Thomas
Analyst in Middle Eastern Affairs

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