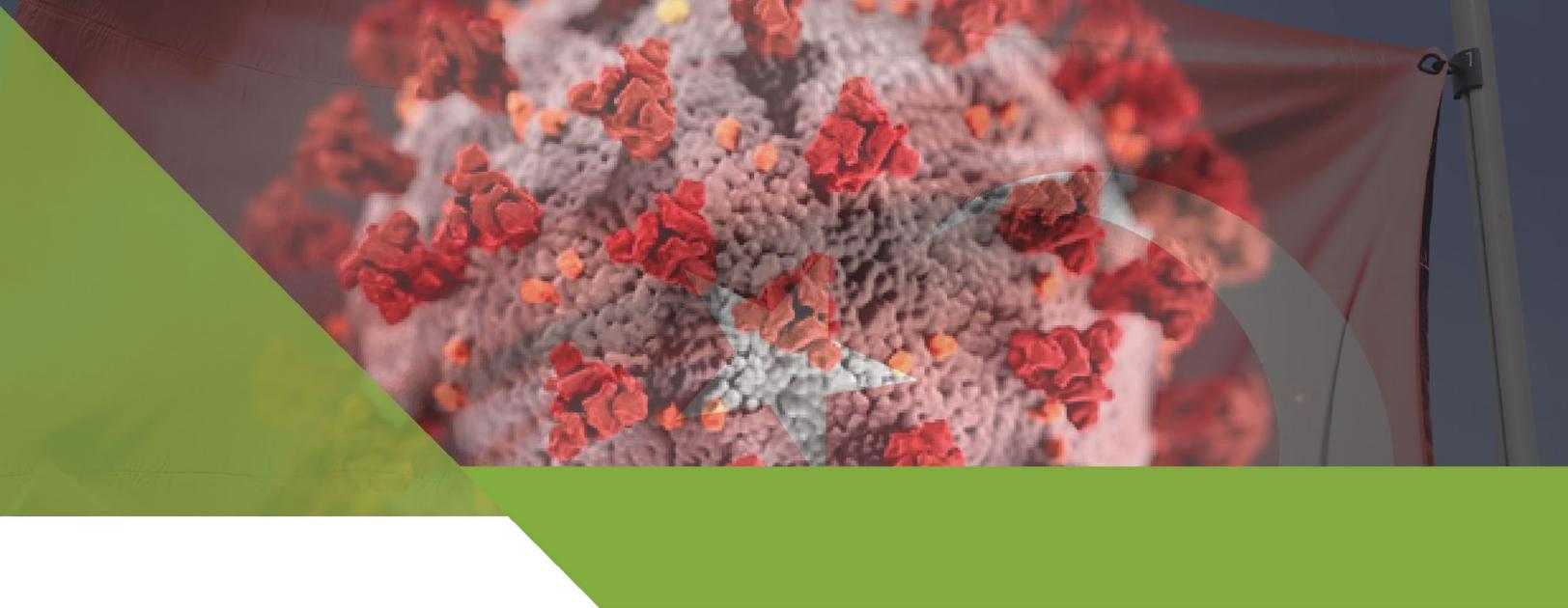


EXPLORING THE IMPACT OF COVID-19 ON TURKEY

Wikistrat's COVID-19 Webinar Series
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BACKGROUND

The outbreak of COVID-19 has impacted many countries and regions across the world, including Turkey. Since registering its first case of COVID-19 in March 11, Turkey has one of the highest number of cases worldwide. Adam Hoffman from Wikistrat interviewed Turkey expert Dr. Aykan Erdemir to discuss the impact of the epidemic on Turkey and the Turkish government's response to the virus.



Dr. Aykan Erdemir

Dr. Aykan Erdemir is senior director of the Foundation for Defense of Democracy's Turkey program and a former member of the Turkish Parliament (2011 to 2015) who served in the EU-Turkey Joint Parliamentary Committee, EU Harmonization Committee, and the Ad Hoc Parliamentary Committee on the IT Sector and the Internet.

KEY TAKEAWAYS

Turkey enters this crisis with empty coffers: Diminished foreign currency reserves raise concerns about Ankara's ability to cushion its economy from the global financial shock. In February alone Turkish swaps jumped more than \$25 billion and this is mostly reserves "borrowed" in terms of swaps from the domestic banking system. As such, Turkey has no real reserves to tackle the coronavirus and, unlike Brazil or Mexico, which have swap lines established by the US Federal Reserve, it lacks that opportunity, hence being more vulnerable to such systemic shocks.

The Turkish government misunderstood the necessary economic response to the crisis: The Turkish government failed to fully appreciate is that this is not about boosting business, but about sustaining Turkey's unemployed, underemployed and the destitute population who have no access to any income. Millions of Turkish citizens are in immediate need of cash handouts, and the Turkish government lacks the capability to deliver them.

Turkey is using its economic weakness as leverage vis-a-vis the United States and Europe: A Turkish economic crash as a result of the coronavirus crisis would have a great contagion effect, which could also then spill over to the United States. Erdogan knows this and is communicating this to his European and American counterparts. He has already asked for a swap line with the Federal Reserve in the immediate term, which could be a lifesaver for Turkey's economy.

Erdogan can't blame other actors for the economic impact of the crisis: In a hyper-centralized system where Erdogan has the executive, legislative and judicial power, the President no longer has the luxury to blame anyone else because he calls all the shots. His son-in-law, the Minister of Treasury and Finance, is in charge of the economy: as a result, Erdogan can't really put the blame on the economic situation and get himself out of this trouble. He has tried to push the Minister of Health to the center stage and this is quite a rare move for an omnipresent President who has always directly controlled messaging on all issues from defense to the economy.

The crisis presents an economic incentive for a rapprochement with Western allies: Few analysts already argued Turkey could pivot back to the Transatlantic Alliance in the wake of the crisis in February in Idlib. It needs an air defense umbrella beyond the S-400, a counterweight to Russia, the Assad regime and its Iranian backers. Now that Turkey needs what only the Bretton Woods Institutions can provide, namely a significant bailout package from the IMF, Ankara now has not only some military and diplomatic reasons to rekindle its relations with NATO allies, but also a new set of economic incentives to also do so.

LIVE WEBINAR: FULL TRANSCRIPT

Wikistrat: Welcome to Wikistrat's special webinar on the impact of COVID-19 on Turkey, the country's stability and its politics. We're very happy to be here today with Dr. Aykan Erdemir, the Turkey Program Director at the FDD, the Foundation for Defense of Democracies in Washington DC. So just with a general question, Aykan, what has been the impact of coronavirus on Turkey so far?

Erdemir: Let me begin by giving you the latest numbers. Each night, Turkey's Minister of Health provides the latest numbers countrywide and as of March 29th, Sunday, Turkey has 9,217 reported cases of COVID-19 and 131 reported deaths. To put things into perspective, Turkey has the highest number of COVID-19 cases at its current stage of the epidemic. What I mean by that is: by the 11th day since Turkey's 100th case, the number of cumulative cases of 9,217 and this is the highest ever recorded in any country. According to financial analyst Inan Dogan's modeling, originally published as an Insider Monkey Blog, nearly one out of every 150 people in Turkey is infected with the coronavirus today. That makes over half a million infected Turkish citizens.

He predicts that, if such a trend were to continue, by mid-April the death toll could exceed 5,000. Now, there's also a caveat

here and that is the Turkish public has little trust even in these numbers and the Turkish system in general. Turkey has a pretty strong tradition of creative accounting and tweaking numbers, Turkish institutions are weak in terms of financial autonomy, and there's a lack of trusted independent media outlets. Given this context, the public at large believes that there is a massive cover-up on the real scale of the outbreak. What are the strengths and potential shortcomings of Turkey in just facing this public health emergency? The strengths to keep in mind are that Turkey does have a strong and updated healthcare sector. Between 2003 and 2013, there has been a World Bank-led health transformation program in effect, through which social security and universal health insurance law were introduced in 2008. Since then, Turkey has universal health coverage, a single purchaser model, institutionalized family medicine system, plus all public hospitals are integrated.

There's a good ratio of healthcare professionals, a good ratio of intensive care units and good access to healthcare services even among the poorest segments of the population as well as most refugees. But there are also some shortcomings. For example, Turkey's tens of thousands of purged individuals, including civil servants, academics and other dissidents who have

been purged from their employment by decree and without due process have no retirement benefits, they don't have access to the healthcare system, so this happens to be a major risk group. One of Erdogan's trademark projects in the healthcare sector more recently has been the building of mega hospitals. These are 17 hospitals either built or under construction under a public private partnership model and they pose a specific risk because, just as an example, Ankara's mega hospital which has combined a number of hospitals around the capital is now one of the world's biggest, covering an area of 100 football pitches. In the healthcare sector, however, bigger is not always better in terms of hygiene and in terms of preventing outbreaks.

To further complicate the situation, the purge extended to the talent in the medical sector as well: thousands of healthcare professionals, including doctors, nurses have been purged, they've been pushed outside of medical employment. And another problem is Erdogan has also shuttered Turkey's military hospitals in the aftermath of Turkey's abortive coup in 2016. This will result in a lack of institutional capacity there. Overall, we have been witnessing insufficient equipment, especially personal protection equipment for Turkey's healthcare professionals. Thus, these are the pros and cons to keep in mind as Turkey faces an increasing COVID-19 epidemic in the days and weeks to come.

Wikistrat: How does the very large population of Syrian refugees in Turkey, which amounts to 3.6 million people, really factor as a risk into the considerations of Turkey's first response to the COVID-19 crisis?

Erdemir: Refugees in Turkey have quite good healthcare access as well, especially the 3.6 million Syrian asylum seekers who are under a temporary protection scheme. They pose greater risk than the population at large particularly because some of them have been on the move as we speak. You might remember the border skirmishes with Greece during last month when thousands of refugees rushed to the European Union borders, namely the Greek and Bulgarian borders, trying to cross over to Europe, when Erdogan announced in the aftermath of the Idlib clashes that Turkey now has an open door policy for refugees, this being his way of putting pressure on the European Union. But since then, the Turkish government has realized that such uncontrolled refugee flows put those people and Turkey at large at greater risk of coronavirus infection. Since then, Turkey has closed all those borders and also forced refugees in the border area to go back to their original settlements across Turkey. Therefore, that risk has been mitigated to some extent.

Wikistrat: Going back to the initial numbers you presented, how do you explain these very high numbers compared to pretty much any other country, I believe also including Italy, in terms of the number of infections? Is there something specific to Turkey's demographics, population size, or geographical location, which makes it more vulnerable to the coronavirus?

Erdemir: The Turkish government has been quite late in responding to the crisis and the first response was more economic than a public health response. Both domestic and international mobility were quite high until very late in Turkey and this has been exacerbated by the fact that tens

of thousands of Turkish citizens carried out the lesser pilgrimage to Mecca: the government prevented some of these trips from happening but then failed to quarantine all the individuals coming back from them. There is now widespread belief that some of those population flows have basically compounded Turkey's problem. There is now a much stricter regime in place, but not as strict as Spain or Italy. Nevertheless, there's more of a public health response in Turkey, even if it means that the too little, too late approach has translated into Turkey now being already an outlier. The country has the highest number of cases at its stage: it will take some time for Ankara to reach its peak and for the curve to start to flatten.

Wikistrat: Do you think that this situation will increase international cooperation between Turkey and the EU, Turkey and Greece, or Turkey and Syria even, in terms of managing this global health crisis and mitigating risks?

Erdemir: Sadly, this is not one of the high points of Turkey's cooperative relations with its neighbors. The Greek Foreign Minister just penned an op-ed yesterday in the Financial Times blaming Ankara for blackmailing Athens and the European Union for basically weaponizing refugees, hence the relations between Turkey and European Union are extremely tense, and not necessarily in a very cooperative mood. When considering what's happening across the Turkish-Syria border, we have seen that over the last week, tensions are again on the rise as Turkey-backed forces or proxies in Northeast Syria have cut running water, drinking water to parts of Northeast Syria governed by the Syrian Democratic Council. Approximately half a million residents of Northeast Syria

now have no access to water, this helps Erdogan take advantage of the crisis to put pressure on the Syrian Democratic Council because, as we speak, there is a Russian brokered deal between the Syrian Democratic Council and Turkey's proxies, which involves electricity in exchange for water. Erdogan is now trying to get better terms for its proxies, but that's also not necessarily helpful, when it comes to cooperation around the issue of coronavirus. And the final issue is what will happen, if and when Erdogan reaches out to international organizations, especially international financial institutions, such as the World Bank and the IMF?

Wikistrat: What has been the economic impact of the epidemic on Turkish economy so far, and is there any estimate or even speculations by Turkish economists on how badly this could hurt the Turkish economy, looking into the weeks and months ahead?

Erdemir: Turkey's stock market, the Borsa Istanbul 100 index, the BIST 100 index, is down 23% year to date and the Turkish Lira, similarly, which used to be 5.95 against the US Dollar, is now down to 6.58 to the US Dollar and this is a 10% devaluation year to date. However, taking a look at official announcements, there seems to be some unfounded optimism. Just as an example, Turkey's Treasury and Finance minister, Berat Albayrak, who also happens to be President Erdogan son-in-law, has portrayed a bullish outlook for Turkey's economy, saying that the government will maintain its 5% growth target for the year while also stating he has no concerns about meeting the government's growth budget and inflation targets in 2020.

The deputy governor of Turkey's Central Bank has joined the chorus and has

been quoted recently saying that, with its dynamic structures, the Turkish economy will be among those that will get over this process with minimum damage and in short time. I, however, do not share this optimism. To begin with, Turkey's economic response to the COVID-19 epidemic was an economic aid package that came too little and too late. It's basically around a \$15 billion aid package and it focuses more on certain incentives such as tax breaks or tax cuts, but it's clear that Turkey's average citizen needs more than tax breaks at this point. We also have to keep in mind that for example, yes, the United States also had a dramatic rise in unemployment, but that came in the immediate aftermath of the lowest unemployment rate in US history. Whereas when we take a look at Turkey, the country suffers from chronic unemployment, chronic youth unemployment, and dramatically high rates when it comes to the younger population, namely the youth not in education, training, or employment (NEET).

The baseline is problematic to start with and, it's important to add that Turkey enters this crisis with empty coffers. Although last month's figures show, owing to a certain short-term borrowing, that Turkey still has some foreign currency reserves, we have to underline that new reserves are down to \$1.5 billion and this raises concerns about Turkey's ability to cushion its economy from the global financial shock. For example, in February alone Turkey's swap deals jumped more than \$25 billion and this is mostly reserves "borrowed" in terms of swaps from the domestic banking system. As such, technically, Turkey has no real reserves to tackle the coronavirus and, unlike Brazil or

Mexico, which have swap lines established by the US Federal Reserve, Turkey lacks that opportunity. Among emerging economies, Turkey is more likely to follow the pattern of Argentina: with no access to the US Federal Reserve swaps and with empty coffers, hence it is more vulnerable to such systemic shocks.

Ankara naturally could turn to the IMF for a lending program, but we know that Erdogan has never been too keen on an IMF bailout, being extremely skeptical on the potential strings that would come attached as part of such a bailout program. What makes things even worse is that, during Erdogan's rule, Turkey has built a large number of vanity projects, multibillion-dollar mega infrastructure projects, which all came with revenue guarantees. Add these guarantees to the \$300 billion in foreign currency liabilities Turkey's nonfinancial companies have, and this sounds like the perfect storm. Just one sign of the business community's anxiety is that on March 27th Turkey's top pro-secular pro-Western Industrialists Association, namely TUSIAD, penned a letter to Erdogan in which they invited the president to introduce stricter measures to fight the coronavirus and boost stimulus. This shows growing discomfort among what happens to be Turkey's most influential business community because they are on the front lines observing the weakening demand across the Turkish economic spectrum first-hand.

Wikistrat: What other responses have we seen from the Turkish government in trying to mitigate the effects of the pandemic in Turkey?

Erdemir: The government's response has been shaped mostly by what's available, meaning

that when you have empty coffers, no real reserves, when you have spent almost all the resources in the unemployment insurance fund for other projects, when you have spent the contingency funds (remember that the Turkish central bank had to boost the Lira during the 2019 against the US Dollar) you literally have no resources to come to the average Turkish citizen's help: as a result, the essence of the package ends up being incentives, tax breaks, and tax cuts. What the Turkish government failed to fully appreciate is that the crisis is not necessarily just one about boosting businesses, but it's mostly about sustaining Turkey's unemployed, underemployed and the destitute population with no access to any income.

That means millions and millions of additional Turkish citizens are in immediate need of cash handouts. The Turkish government lacks that opportunity. In addition to that, many of the incentives in that \$15 billion bailouts package are actually quite meaningless. An example: the Turkish government dramatically reduced the taxes and the value added taxes on, for example, domestic air travel. For starters, that's not really a good incentive during an epidemic, you actually need to slow air traffic down, not boost it with tax incentives. Secondly, even if you provide tax incentives, the Turkish citizens are not really looking forward to domestic travel in the next months to come. Some of those policies were ill-designed. There haven't been prudent moves neither from an economic perspective, nor from a public health perspective. Those moves have been taken back since then, for example, although the tax breaks are still there, Turkey has basically grounded almost most of its domestic flights.

In less than two weeks, we have witnessed a dramatic U-turn in some of the policies and I think this is a sign of the fact that economic policy is no longer that well designed or well thought of. This is one of the side effects of the increasing centralization of executive and legislative capacity in Turkey. Most of the decisions are made within a narrow circle in the Presidential Palace in Ankara and hence they leave out a lot of inputs from some of the brightest minds in Turkey's economic field. Furthermore, for over a decade Erdogan has refused to convene a key consultative assembly that is the country's Economic and Social Council, which includes almost all the stakeholders in the national economy. When you no longer have access to such consensus building and idea generating processes, alternative generating platforms in effect, then your policies end up not being very effective or targeted.

Wikistrat: In addition to the economic policies, has Turkey also implemented a lockdown or some form of quarantine in specific cities or regions?

Erdemir: The response has been coming in stages. It first started as a campaign called "Remain at home" which came with its own hashtag and was publicized through public and private channels, yet this was a social distancing call on a voluntary basis. With the realization that this was not enough, a government crackdown on domestic mobility ensued, starting with flights, then moving on to intercity bus lines, a very central means of transportation in Turkey. Now we are noticing restrictions even on private travel. Then, in certain provinces and sub-provinces, we are seeing stricter control of civilian mobility. In failing to

introduce a blanket stay at home order, what the government did was to introduce basically a lockdown for all individuals 65 or older.

This was a well-intentioned move which aimed to protect the most vulnerable, namely the 65 plus part of the population, but ultimately it backfired in a way because it turned Turkey's senior citizens into scapegoats as they began to be mistreated when they were encountered in the streets. So, there were all these scenes where people 65 years and older ended up treated as scapegoats, which added to the suffering and the difficulties they had been experiencing so far. So all along across the spectrum, we see some gradual and uneven measures put in effect, it's safe to assume that in the next weeks to come we'll start seeing much stricter measures, including curfews, which might first begin with nighttime curfews and then potentially extending to day time as well.

Wikistrat: How would you say how much of the crisis impacting Turkish citizens' perception of president Erdogan and the AKP party?

Erdemir: The main challenge for the Turkish President is that, in a hyper-centralized system where Erdogan has the executive, legislative and judicial power, he no longer has the luxury to blame anyone else because he calls all the shots. To make matters worse, the economy is basically run by his son-in-law Berat Albayrak, the Minister of Finance and Treasury. So again, Erdogan can't really put the blame on the economic situation and get himself out of this trouble. He has tried to push Turkey's Minister of Health, Fahrettin Koca, to the center stage and this is quite a rare

move on Erdogan's part: anyone who has followed Erdogan trajectory in Turkish politics knows that, for the last 19 years, he has been center stage.

Every single day around the clock, he is on TV, on media, he's directly controlling messaging on all issues from defense to the economy, from education to healthcare, from gender relations to foreign policy. Yet, this is a rare moment when Erdogan is missing from the airwaves. Erdogan is no longer doing the messaging himself, we have seen the rise of the Minister of Health, who will ultimately be forced to take the blame for mismanagement. The only comparable case I can think of to Erdogan's absence is when Turkey experienced heavy casualties in Idlib during the month of February at the hands of Russian troops: Erdogan, again, disappeared from public airwaves. He actually asked the Governor of the Turkish-Syrian border town to declare the number of casualties on a daily basis. As such, the pattern here is striking: when major failures are encountered in the policy field, Erdogan disappears from the stage and pushes some other functionaries to the fore.

Compare this to Turkey's failed coup attempt in July 2016, when, even in the heat of the coup, Erdogan was still on stage, he appeared on national TV via FaceTime, thus again single handedly controlling strategic communications during a crisis. His absence today reflects the presence of a key challenge to his legitimacy and a key challenge to his popularity. Now, what makes the problem even more acute is that Turkey's top two cities in terms of symbolism, the political capital, Ankara,

and the financial capital Istanbul, they both are run by opposition mayors, mayors of the pro-secular Republican People's Party, the CHP. Both mayors, the Istanbul mayor, Ekrem Imamoğlu, and the Ankara mayor, Mansur Yavaş, have been very successful in dealing with the coronavirus crisis. The more they appear successful in the public eye, the more their popularity rises, and the more Erdogan will feel that he is losing the popularity and legitimacy game. This has already pushed him to start making some mistakes. There now seems to be some competition between Erdogan-appointed governors of these cities and the elected opposition mayors. If Erdogan really doubles down on this by trying to undermine elected mayors, it could backfire and hurt him more.

Another challenge to Erdogan's legitimacy and popularity is the timing of a new political party namely the Democracy and Progress Party, known through its acronym DEVA, which means "remedy" in Turkish. This party has been launched by Erdogan's former deputy prime minister, Ali Babacan, who has been Turkey's economic minister and he has been the one to steer Turkey during its boom years during the first decade of the AKP. This new political party's challenging the status quo is also putting pressure on Erdogan. What has been his response to this? First of all, there are attempts to deflect responsibility, through a strong crackdown on his end: journalists have been arrested, social media posts by citizens resulted in mass arrests, in total 500 individuals were arrested. The Erdogan troll armies have been extremely busy these days as they attempt to deflect responsibility from the government by putting the blame

on domestic and international nefarious forces.

Conspiracy theories have become extremely popular lately and this is again, one strategy to deflect blame. Overall, I doubt whether this is a smart strategy. To make matters worse, we have seen Erdogan shift into another mode, attempting to turn a crisis into an opportunity because his track record in politics shows he has been using each crisis as an opportunity to come back stronger: a few signs of such a posture are already visible. First, Erdogan went forward with his biggest vanity project ever, namely the Canal Istanbul projects tender, on March 26th at a time when people are staying home and Erdogan is using this opportunity to go forward with his mega-project because he thinks in this current situation nationwide protests, like the Gezi Park protest in 2014, against the project are unlikely to happen. He also then took the opportunity to remove representatives of the Peoples' Democratic Party, namely the HDP, from office to arrest them. He knows there will be less pushback in the Kurdish majority provinces.

Again, he's using these first consequences of the pandemic to consolidate his powers more. He is also trying to put pressure on the Syrian Democratic Council-governed areas of Northeast Syria by threatening to cut off water there. Again, he sees this crisis as an opportunity to consolidate power further to strengthen his repressive apparatus but, at the same time, it's important to realize that there are strong risks, strong threats to his legitimacy and popularity. And we'll see how these two will play out.

Wikistrat: Thank you, Aykan, for your important insights so far. We would now like to open the webinar up for questions:

Question 1: The government is trying to get people to go to the hospital or call for help, only when they have a cough or trouble breathing or experience rises in temperature, so it's interesting. Still, traffic to some extent continues to flow quite freely in Ankara, although you don't see many people on the buses but it's interesting to see this while they should be in curfew.

Erdemir: I will say that, yes, so far measures have been mostly geared around voluntary participation but we have seen the shortcomings of those measures: it's fair to assume that we will increasingly see measures built around state enforcement rather than voluntary citizen participation and, until then, I think Turkey's curve could continue to go up.

Question 1: In your opinion, to what extent will the situation affect Turkey's Neo-Ottomanism? Could this crisis benefit regional adversaries like Saudi Arabia, or other regional powers?

Erdemir: I have already heard a few analysts arguing this could pivot Turkey back to the Transatlantic Alliance, now that Turkey needs what only the Bretton Woods Institutions can provide, namely a significant bailout package from the IMF. These comments also come in the wake of an earlier crisis in February in Idlib, when after suffering the heaviest casualties over the course of the Syrian Civil War, Turkey has come to the realization that it needs NATO. It needs an air defense umbrella other than the S-400, it needs a counterweight to Russia, the Assad regime

and its Iranian backers. If we take the optimistic take here, Turkey now has not only some military and diplomatic reasons to rekindle its relations with NATO allies, but also a new set of economic incentives to also do that.

This is, however, easier said than done: we have to take into consideration the fact that Erdogan has built an entire regime from the institutions to the media, to the political playing field, which is currently dominated by narratives at work revolving around Turkey's adversarial relations with the West, with what Erdogan sees as the Judeo-Christian civilization. So far, most of Turkey's strategies were built on a pivot towards Russia and China, also including some illicit dealings with Iran and Venezuela. It will not therefore be so easy to pull the handbrake on this pivot to the rogue regimes of the world back to the West, but we nevertheless can expect a slowdown of Erdogan's rigorous Neo-Ottomanist agenda.

This wouldn't mean an end to it, but probably simply less time and resources for some of these campaigns, which might have reduced priority. It could also mean more motivation and incentives on Ankara's part to reach out to the European Union, and also to the United States for additional funds or for diplomatic, medical and technological support. It will be very interesting to watch how Erdogan navigates this, but I think anyone who has followed him closely knows that he has quite a number of tricks up his sleeve and it's always difficult to second-guess him because this could end up being not the first time when he surprises observers by turning again a crisis into a new opportunity in the diplomatic and military fields.

Question 3: There have always been rumors about a second coup: do you think that this current coronavirus would actually either increase or lessen the possibility of it happening? Secondly, if Erdogan turns to the Americans for help, how do you think he's going to get around the S-400 crisis, which is still really a big issue in Washington?

Erdemir: Two "million-dollar" questions. Let me try with the first one. I think Erdogan could emerge from this crisis with greater consolidation of powers, a stronger repressive apparatus and even more legitimacy to use repressive measures. For example, Erdogan already achieved following the abortive coup what Viktor Orban managed to do today in Hungary with the parliamentary vote. Erdogan can rule by fear, he can rule the country by decree, now more than ever. This of course does not rule out a black swan event. To be frank, I was caught off guard with the July 2016 abortive coup which to this day remains a mystery to me but again it's difficult to rule out a black swan event but I'll again say I don't see one coming with the fine print that I failed to predict the previous one.

Now, to your second question about how Erdogan would approach Washington to get aid with the S-400 question still lingering over his head. Erdogan has been very stubborn when it comes to the S-400 air defense system. He has repeatedly ruled out either mothballing the system or returning the system, even at the height of the fighting in Idlib. When dozens of Turkish soldiers were killed at the hands of Russians, Erdogan still remained committed to the S-400 systems. If the S-400s continue to be a deal breaker in US-

Turkish relations, also potentially in terms of US support for an IMF bailout program for Turkey, this could prove to be tricky because it is unlikely Erdogan will easily take a U-turn on that matter. He could play the too-big-to-fail card, that is Turkey is not North Korea, that Turkey is not Iran, in the sense that Ankara is quite well integrated into the Western economy. A number of European banks led by Italian, Spanish and German banks have outstanding loans to Turkish financial and non-financial corporations.

A Turkish economic crash would thus have a great contagion effect which could also then spill over to the United States. Erdogan knows this best and is communicating this to his European and American counterparts. He has already asked for a swap line with the Federal Reserve in the immediate term, which could be a lifesaver. He does want to join other emerging economies like Mexico and Brazil to get that lifeline and, having almost no real foreign currency reserves, he is in a most desperate situation. Keep in mind that, where we see great desperation, Erdogan will see a great opportunity to play the too-big-to-fail card and try to extract some of these economic and political concessions without necessarily providing anything in return, namely the S-400s.

Wikistrat: Thank you, Aykan, for the fascinating comments and an insight into the effects of COVID-19 on Turkey and thanks to the other participants for joining us for this webinar.



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