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AYŞE İ. A. ÖZER

# THE RISE OF THE TURKISH DEFENSE INDUSTRY



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INDUSTRY**



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AYŞE İ. A. ÖZER

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**Ayşe İ. A. Özer** | is a PhD student in Political Science and International Relations program at Bogazici University. She received her bachelor's degree in Political Science and International Relations from Bogazici University in 2014 and completed her master's degree at Istanbul Sehir University in 2017. She is currently working on international security, national security and defense, armament strategy, and counter-terrorism.

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Nenehatun Caddesi No: 66 GOP Çankaya 06700 Ankara Turkey  
Tel: +90 312.551 21 00 | Fax : +90 312.551 21 90  
www.setav.org | kitap@setav.org

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To my husband, Ahmet Özer,  
who has supported me in every step of the way.



## LIST OF ABBREVIATIONS

<b>ASELSAN</b>	Military Electronic Industries
<b>BDP</b>	Peace and Democracy Party
<b>BİK</b>	Press Release Institution
<b>BMD</b>	Ballistic Missile Defense
<b>DAESH</b>	al-Dawlah al-Islamiyah fi al-Iraq wa-al-Sham
<b>FSA</b>	Free Syrian Army
<b>GPI</b>	Global Peace Index
<b>ISIS (ISIL)</b>	Islamic State of Iraq and Syria (Levant)
<b>İTO</b>	Istanbul Chamber of Commerce
<b>JSF</b>	Joint Strike Fighter
<b>KAP</b>	Public Informing Platform
<b>KRG</b>	Kurdish Regional Government
<b>NATO</b>	North Atlantic Treaty Organization
<b>PKK</b>	Kurdistan Workers' Party
<b>PYD</b>	Democratic Union Party
<b>SASAD</b>	Defense and Aerospace Industry Manufacturers Association
<b>SIPRI</b>	Stockholm International Peace Research Institute
<b>SSB (SSM)</b>	Presidency of Defense Industries-PDI (Undersecretariat of Defense Industries before 2018)
<b>TAF</b>	Turkish Armed Forces
<b>TEMSA</b>	Thermomechanical Industry and Trade Inc
<b>TİM</b>	Turkish Exporters Assembly
<b>TUBİTAK</b>	Türkiye Bilimsel ve Teknolojik Araştırma Kurumu

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## **FOREWORD**

The national defense industry is the most significant sector for a country's security. Turkey had always been a country that depended on procured arms of defense and took refuge under the security umbrella of its allies for protection. However, lack of self-reliance for a country's defense is a matter of sovereignty. All countries prefer the nationalization of their defense industry since it ends the dependency stemming from reliance on other countries and, therefore, sustains national sovereignty. Countries are aware of the dangers stemming from the dependence of their national defense on foreign states.

The case is no different for Turkey. Turkey has suffered from arms supply embargoes - the most known one being the arms embargo during the Cyprus intervention - which have made the country aware of the dangers of being overdependent on procured arms. Turkey tried to nationalize its defense after the crisis of 1974, but those attempts did not render Turkey great leverage. Moreover, at that time, Turkey did not have the financial resources and political will that was necessary for undertaking a project such as the nationalization of its armament strategy on a great scale. Turkey's recent clash of interests with Austria and Germany laid bare the fact that the nationalization of the defense industry continues to be a hot topic that deserves study. At the beginning of the 2000s, Turkey had the external surrounding conditions, internal motivation, and the financial resources necessary to start industrial self-reliance in defense.

This book explains the increase in the share of national production in Turkey's military capabilities after the invasion of Iraq in 2003. It analyzes in great detail the external environmental developments that followed the invasion pushing Turkey to be more determinant in the nationalization process. The lack of security commitments by Turkey's allies is another cause that triggered the current study of the nationalization of the arms strategy.

Ayşe İ. A. Özer provides an insight on the nationalization of the modern arms industry in Turkey with a detailed analysis of the literature and empirical evidence. The book shows how owning national arms of defense can provide strategic advantages to Turkey in terms of its relations with other countries and how it is expected to contribute to the Turkish economy in the long run.

Prof. Burhanettin Duran  
*SETA General Coordinator*

## INTRODUCTION

*Dear Mr. Prime Minister,*

*I am gravely concerned by the information which I have had through Ambassador Hare from you and your Foreign Minister that the Turkish Government is contemplating a decision to intervene by military force to occupy a portion of Cyprus. I wish to emphasize, in the fullest friendship and frankness, that I do not consider that such a course of action by Turkey, fraught with such far reaching consequences, is consistent with the commitment of your government to consult fully in advance with the United States. Ambassador Hare has indicated that you postponed your decision for a few hours in order to obtain my views. I put to you personally whether you really believe that it is appropriate for your government, in effect, to present an ultimatum to an ally who has demonstrated such staunch support over the years as has the United States for Turkey. I must, therefore, first urge you to accept the responsibility for complete consultation with the United States before any such action is taken...*

*Furthermore, a military intervention in Cyprus by Turkey could lead to direct involvement by the Soviet Union. I hope you will understand that your NATO allies have not had a chance to consider whether they have an obligation to protect Turkey against the Soviet Union if Turkey takes a step which results in Soviet intervention without the full consent and understanding of its NATO allies...*

*I wish also, Mr. Prime Minister, to call your attention to the bilateral agreement between the United States and Turkey in the field of military assistance. Under Article IV of the agreement with Turkey of July 1947, your government is required to obtain United States consent for the use of military assistance for purposes other than those for which such assistance was furnished. Your government has on several occasions acknowledged to the United States that you fully understand this condition. I must tell you in all candor that the United States cannot agree to the use of any United States supplied military equipment for a Turkish intervention in Cyprus under present circumstances.*

*\* This book is the revised version of my thesis which I have defended in Istanbul Sehir University in August 2017. Since then I kept doing research in the field and have updated the data for the preparation of the book.*

*Moving to the practical results of the contemplated Turkish move, I feel obligated to call to your attention in the most friendly fashion the fact that such a Turkish move could lead to the slaughter of tens of thousands of Turkish Cypriots on the island of Cyprus. Such an action on your part would unleash the furies and there is no way by which military action on your part could be sufficiently effective to prevent wholesale destruction of many of those whom you are trying to protect. The presence of United Nations forces could not prevent such a catastrophe.*

*... As I said to your Foreign Minister in our conversation just a few weeks ago, we value very highly our relations with Turkey. We have considered you as a great ally with fundamental common interests... I must, therefore, inform you in the deepest friendship that unless I can have your assurance that you will not take such action without further and fullest consultation I cannot accept your injunction to Ambassador Hare of secrecy and must immediately ask for emergency meetings of the NATO Council and of the United Nations Security Council.*

*I wish it were possible for us to have a personal discussion of this situation. Unfortunately, because of the special circumstances of our present constitutional position, I am not able to leave the United States. If you could come here for a full discussion I would welcome it. I do feel that you and I carry a very heavy responsibility for the general peace and for the possibilities of a sane and peaceful resolution of the Cyprus problem. I ask you, therefore, to delay any decisions which you and your colleagues might have in mind until you and I have had the fullest and frankest consultation.*

*Sincerely,*  
 LYNDON B. JOHNSON

On June 5, 1964, U.S. President Johnson's letter to Turkish Prime Minister Inonu strained the relations between the two countries. The letter marks a turning point in Turkey's foreign policy, its perception of security, and national defense. The crisis created

by the disagreement over how to deal with the island led to the unilateral intervention of Turkey in 1974 by sending land troops to Cyprus. As a result, the United States placed an embargo on Turkey. It led Turkey to search for ways to sustain self-sufficiency in the country's defense.

The above incident is clear proof that the defense industry of a country is the only sector that is closely related and directly linked to international relations: in the anarchical global system, it is a state's defensive power that determines its security and sovereignty. Moreover, such a power can be sustained by a self-reliant defense industry. Turkey had tried to nationalize its defense after the crisis of 1974; these early periods of nationalization have been studied in previous works. However, Turkey's efforts for nationalization after the 2000s have not been adequately covered in academic literature. Hence, the nationalization of the defense industry in Turkey in the 2000s is a subject that requires close study.

This book explains the increase in the share of national production in Turkey's military capabilities after the invasion of Iraq in 2003. The period I am going to concentrate on will start with the invasion of Iraq which was followed by the sequence of events that affected Turkey's national security. In that regard, my study will be filling a periodic void. Even though there were attempts to establish a national defense industry before 2003, recent efforts are different as nationalizing critical components are also the goal.

The power vacuum that occurred in Iraqi territory after the American invasion; the lack of a central government and the three-way division of Iraq; and the formation of the Kurdish Regional Government (KRG) in Northern Iraq - of which Turkey is suspicious because of its possible effect on the independence movement inside Turkey - are all of great concern to Turkey's security. The breakdown of relations with Israel is another critical juncture as it





**T**his book elaborates on the nationalization of the Turkish defense industry since the invasion of Iraq in 2003. The objective of the book is to understand the recent increasing trend of nationalization of the defense industry in Turkey. The book begins by analyzing the regional conjuncture and the lack of trust in allies in order to show how these influence Turkey's investments in the sector. Then, it moves on to explain the country's domestic structure which enables and inspires its politicians to attribute greater importance to industrial self-reliance in defense. Lastly, it focuses on the political economy of the defense industry and the considerable amount of revenue the sector generates at the global level and for Turkey. The book concludes that focusing on developing modern technology and on the production of specific arms of defense is beneficial for Turkey's future and position in the international market.

