

MGT 4230 International Business Management

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Economist Article Special Report Review #3

Review #3

Erdogan's Empire (January 21st 2023)

Article:

The country has a newly confrontational foreign policy. (2023, January 21). *The Economist*, NA. [https://link-gale-com.libproxy.clemson.edu/apps/doc/A733439014/AONE?u=clemsonu_main&sid=bookmark-](https://link-gale-com.libproxy.clemson.edu/apps/doc/A733439014/AONE?u=clemsonu_main&sid=bookmark-AONE&xid=1c4cd1a3)

[AONE&xid=1c4cd1a3](https://link-gale-com.libproxy.clemson.edu/apps/doc/A733439014/AONE?u=clemsonu_main&sid=bookmark-AONE&xid=1c4cd1a3)

The screenshot shows the top portion of a web page from The Economist. The header includes the logo, navigation links for 'Menu', 'Weekly edition', 'The world in brief', and a search bar. There are 'Subscribe' and 'Log in' buttons on the right. Below the header, a breadcrumb trail reads '← Special reports'. The main content area features a large photograph of Recep Tayyip Erdoğan clapping in front of a crowd of people holding red Turkish flags. To the right of the photo, the article title 'Turkey Erdogan's empire' is displayed in a large, bold font. Below the title, it indicates 'SPECIAL REPORTS - JAN 21ST 2023' and provides a summary: 'Approaching its centenary, Turkey faces an election that could decide its future as a democracy, argues Piotr Zalewski'. A list of related topics follows, each with a right-pointing arrow: 'Turkey: Turkey faces a crucial election this summer', 'The economy: The Turkish economy is in pressing need of reform and repair', 'Friends and relations: Recep Tayyip Erdogan's relatives are becoming increasingly powerful', 'Syria: The effects on Turkey of Syria's civil war', 'Political Islam: Turkey has given up promoting political Islam abroad', 'Foreign policy: Turkey has a newly confrontational foreign policy', 'Politics: The Turkish opposition faces big obstacles to winning the election', and 'The future: Turkey is still just a democracy, but it is not certain to remain that way'.

This screenshot shows the top portion of a second web page from The Economist. It features the same header as the first page. Below the header, a breadcrumb trail reads 'Report: Erdogan's empire | View all chapters'. The main content area features the title 'Turkey has a newly confrontational foreign policy' in a large, bold font. Below the title, it indicates 'Special report | Foreign policy' and provides a summary: 'The country has turned into an awkward ally for the West'. Below the text is a photograph of several soldiers in military gear, including helmets and rifles, pointing forward. The image has a strong red color cast.



My first takeaway from the article regarding a controversial new foreign policy development within the government of Turkey relates to Chapter 7 in the textbook. Chapter 7 discusses government and foreign trade policy and how that relates to businesses looking to expand into other countries and what types of governments and policy ideologies make a country ideal for expansion or a bad choice. My takeaway from this article, as it discusses Turkey's foreign policy changed and actions in recent years goes hand in hand with this chapter. I understood from this article that Turkey's foreign policy under Mr. Erdogan is very volatile and the foreign power they have chosen to align themselves with paint them as not a place a business would want to expand into. Mr. Erdogan is known to change his mind often and play favorites when it comes to his foreign policy. Such antics breed a volatile environment and one that could change drastically for businesses at the drop of a hat. The country has tried to play happy medium but is working more like a double agent when it comes to foreign relations, with Erdogan cozying up to Russian president, Putin, with also making moves to bar Russian forces from blockading important shipments into Ukraine.

My second takeaway from this article not only relates to Chapter 7 from the textbook, but also Chapter 8 regarding foreign direct investment and different ways a company might expand into a new country when looking to do business with them. Turkey has allied itself with incredibly volatile and controversial allies such as Russia. This is definitely cause for extreme concern for companies looking to expand or directly invest in Turkey, especially for western companies as westerners are typically not welcome. Many foreign powers hoped Turkey would distance itself from Russia due to the issues with the war in Ukraine, creating more potential for foreign direct investment or economic expansion, however, Turkish ties with Russia couldn't be

stronger as they are one of Turkey's largest oil consumers, with their near \$8bn industry seeing almost a 50% increase from 2021.

My final takeaway from this article again regards chapter 7 and 8 from the textbook, again discussing the issues Turkey has been causing with their international governmental policies and foreign relations. Turkey itself is becoming increasingly aggressive in their international policies and foreign relations. They have been making threats in attempts to strong arm its "allies" into removing sanctions and essentially doing what they want. Similarly, while Turkey is a part of NATO, who has openly rebuked Russia for the invasion into Ukraine and was awakened to Russia's volatility with such actions, Turkey has said outright that they do not believe Russia poses a threat and that NATO's issues with Russia should not be allowed to affect their foreign relationships. Additionally, Turkey has threatened to prevent Finland and Sweden from entering NATO in a ploy to get the United States to stop threatening to cease sales of the new F-16 fighter jets. These are just two examples for how difficult Turkey is proving to be to work with if something does not fit within their ideologies and therefore, attempting to expand into Turkey or directly invest as a foreign entity would be incredibly risky.

These takeaways are incredibly significant to businesses looking to directly invest within the middle east because they show that it is very important to look at how the country you are looking to expand into manages international relations, who they choose to ally with and what their foreign policies have been like in the past few years because it gives a pretty clear idea on how working within and with that country would be.