sipri

SIPRI Insights on Peace and Security
No. 2014/1 March 2014

MEASURING TURKISH MILITARY EXPENDITURE

NURHAN YENTÜRK

I. Introduction

It is not easy to estimate how much Turkey spends on its military. The headline figure for spending by the Ministry of National Defence (MND, Millî Savunma Bakanlığı) covers only a portion of total military expenditure—other spending on military activities is distributed among several other budget lines and also comes from the profits of private companies run by the Turkish Armed Forces Foundation (TSKGV, Türk Silahlı Kuvvetleri Güçlendirme Vakfı). To calculate a figure for total spending requires a detailed study to determine which government spending is for military-related activities and to trace its source.

There are two major international resources for monitoring military spending in Turkey: annual press releases produced by the North Atlantic Treaty Organization (NATO) on the military spending of its member states and the SIPRI Military Expenditure Database.[1] All the data produced by NATO and SIPRI is available online, along with details of their definitions of military spending; but neither gives sufficient detail to allow full monitoring of military spending in Turkey. As the main objective of both institutions is to provide worldwide information on military spending, they only provide figures for total military spending by different countries, military spending as a share of gross domestic product (GDP)—known as the military burden—and, in the case of NATO, a breakdown into four major categories. Without more detailed figures for the components of military spending, the aggregate figures are insufficient for monitoring and policy purposes.

To fill this gap in knowledge, this study provides detailed information on military spending in Turkey, including all components and categories, in order to inform the public debate on military spending by citizens, parliamentarians and academics. The figures used cover actual spending for the period 2006–12 and forecast spending for the period 2013–15.

The data and estimates presented here uses the SIPRI methodology. SIPRI's definition of military expenditure encompasses all financial resources devoted to current military forces and activities, regardless of which budget or ministry they fall under.[2] Applying SIPRI's methodology

[1] North Atlantic Treaty Organization (NATO), 'Financial and economic data relating to NATO defence', Press Release PR/CP(2012)047-REV1, 13 Apr. 2012, <http://www.nato.int/cps/en/natolive/news_85966.htm?mode=pressrelease>; and SIPRI Military Expenditure Database, <http://www.sipri.org/databases/milex/>.

[2] The methodology is described in Perlo-Freeman, S. et al., 'Military expenditure data, 2003–12', *SIPRI Yearbook 2013: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2013), pp. 200–202.

SUMMARY

● Estimating how much Turkey spends on its military requires a detailed study to determine which government spending is for military-related activities and to trace its source. While details of some of Turkey's military expenditure is available online—such as the budgets of the Ministry of National Defence—access to information about other elements is limited or, in some cases, impossible.

For example, estimating the cost of servicing foreign loans taken out for military projects requires calculation of interest based on incomplete information. In the case of military pensions and transfers from the Turkish Armed Forces Foundation, no public information is available.

Calculating or estimating all the elements of Turkish military expenditure leads to the conclusion that the military burden in Turkey is approximately 2.4 per cent of gross domestic product. Although military spending has fallen from the peak reached in the late 1990s, Turkey continues to have a relatively high military burden—in 2012, it had the world's 15th highest military expenditure. There is scope for reductions in military spending, in particular in spending on personnel in parallel with a reduction in the size of the army. There is an equal need to improve democratic oversight of the military and to increase transparency in military data.

Table 1. Turkish military expenditure accessible online, 2006–15

Figures are millions of Turkish lira. Figures for 2013 are as legislated; figures for 2014 and 2015 are budget forecasts.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ministry of National Defence	11 564.3	11 844.5	12 738.5	14 671.2	14 990.3	16 431.3	18 509.5	20 350.1	22 333.6	24 079.3
Gendarmerie General Command	2 629.8	2 771.5	3 233.1	3 772.0	4 158.6	4 551.2	5 188.0	5 843.5	6 343.2	6 865.2
Coast Guard Command	116.5	169.9	191.2	191.9	222.4	273.5	334.9	432.0	457.2	492.0
Undersecretariat for Defense Industries	16.1	21.4	21.7	27.1	31.8	30.8	39.6	41.0	45.1	48.7

Sources: Ministry of Finance, General Directorate of Public Accounts, <https://portal.muhasebat.gov.tr/> (for actual spending, 2006–12); and Ministry of Finance, General Directorate of Budget and Fiscal Control, <http://www.bumko.gov.tr/> (for projected spending, 2013–15).

may therefore require taking into consideration the expenditure of several institutions, and several different types of expenditure. This is certainly the case in Turkey.

This paper continues in section II by examining the components of military spending in Turkey and their evolution over the years. Section III presents figures for and a detailed analysis of total military spending for 2006–15. Section IV contains concluding remarks on democratization and transparency.

II. Tracking military spending

Details of some of Turkey's military expenditure is available online. Since the adoption in 2003 of Law no. 5018 on public financial management and control, the publications of the General Directorate of Public Accounts (Muhasebat Genel Müdürlüğü) of the Ministry of Finance (Maliye Bakanlığı) have provided a large amount of information on military spending.[3] In addition, the transition to multi-year budgeting in accordance with Law no. 5018 and, from 2006, the preparation of medium-term financial plans that include three-yearly income and cost estimations have facilitated accessing and monitoring information on military spending, as well as other public expenditure data. The publications of the Ministry of Development (Kalkınma Bakanlığı, known as the State Planning Organization, Devlet Planlama Teşkilatı, until June 2011) and the Undersecretariat of Treasury (Hazine Müsteşarlığı) as well as the activity reports of relevant institutions have also served as important sources of information. However, for some categories of military spending, restrictions still prevent access to information. As no information is available for some spending categories, those figures can only be estimated using a variety of methods.

To facilitate the tracking of military expenditure, the various elements of military expenditure in Turkey are categorized according to the transparency of the associated data.

[3] Law no. 5018 on public financial management and control, accepted 10 Dec. 2003, *Türkiye Cumhuriyeti Resmî Gazete*, 24 Dec. 2003, text as amended up to Oct. 2013 in English and Turkish at <http://www.sgb.gov.tr/Sayfalar/Basimi-Yapilan-Mevzuat.aspx>.

The first category consists of institutions with totally transparent expenditure: the Ministry of National Defence, including the General Staff (Genelkurmay Başkanlığı) and the Commands of the Land, Naval and Air Forces; the General Command of the Gendarmerie (Jandarma Genel Komutanlığı, JGK); the Coast Guard Command (Sahil Güvenlik Komutanlığı, SGK); and the MND's Undersecretariat for Defence Industries (Savunma Sanayii Müsteşarlığı, SSM).

For some categories of military spending, restrictions still prevent access to information

In the second category, access to information about expenditure is limited. It consists of the Defence Industry Support Fund (Savunma Sanayii Destekleme Fonu, SSDF), the Machinery and Chemical Industry Corporation (Makina ve Kimya Endüstrisi Kurumu, MKEK), the village guards (*köy koruculari*), the Secret Fund (Örtülü Ödenek), military research and development (R&D), foreign credits intended for military spending, and financial transfers to Northern Cyprus for military purposes.

The third category, for which no or very limited information is available, includes the Turkish Armed Forces Foundation and the pensions of retired military and civil personnel who served in the Turkish Armed Forces (Türk Silahlı Kuvvetleri, TSK).

Military expenditure accessible online

The military expenditure of institutions in the first category—the MND, the JGK, the SGK and the SSM—can be monitored online via the Ministry of Finance's electronic publications and databases (see table 1).

The Ministry of National Defence

The MND's budget includes the budgets of the General Staff and the Land, Naval and Air Forces Commands. Although spending on peace support and peacekeeping operations is reported separately in the budget of the General Directorate of Security Affairs (Güvenlik İşleri Genel Müdürlüğü) in the Prime Ministry (Başbakanlık, the office of the prime minister), these funds are transferred to the MND and the JGK and are included in their budgets.[4] To avoid double counting, spending on peace operations is not reported separately here.

A small amount of the MND's spending is listed under the heading of social assistance expenditure, defined as spending to support social development.[5] Since such spending is not for military purposes and can be separated from the rest of the MND's budget, it is excluded from calculations of military spending.

The MND's budget also includes spending on education and equipment related to preparation for earthquakes and search and rescue activities. However, it is impossible to separate this spending, and so it is included in the total.

[4] Prime Ministry, *2012 Faaliyet Raporu* [2012 activity report] (Başbakanlık: Ankara, 2013), pp. 27, 28.

[5] The breakdown of the MND's expenditure received from the Ministry of Finance is available from Istanbul Bilgi University, NGO Training and Research Center, 'İdarelerin fonksiyonel sınıflandırmaya göre harcamaları' [Expenditure on public administration by functional classification] <http://stk.bilgi.edu.tr/stkButce.asp>.

Table 2. Expenditure by the Turkish Defence Industry Support Fund, 2006–15

Figures for 2013 are as legislated; figures for 2014 and 2015 are budget forecasts.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
As reported by the Undersecretariat for Defence Industries (SSM)										
US$ m.	1 044.0	1 194.0	1 670.0	1 461.0	1 832.0	1 402.0	1 229.0	. .	. .	. .
Lira m.	1 494.0	1 561.5	2 169.6	2 271.2	2 761.9	2 341.3	2 203.0	. .	. .	. .
As reported by the Ministry of Development										
Lira m.	1 540.2	1 541.1	2 195.5	2 244.9	2 755.8	2 244.5	2 504.0	2 741.4	3 034.1	3 367.5

Sources: Ministry of National Defence, Undersecretariat for Defence Industries (SSM), *Faaliyet Raporu 2012* [Annual report 2012] (SSM: Ankara, 2013), p. 31; Turkish Central Bank, <http://www.tcmb.gov.tr/> (for exchange rates); and Ministry of Development, Correspondence with author, 21 Mar. 2013.

The General Command of the Gendarmerie and the Coast Guard Command

The JGK is an armed force under the control of the Ministry of Interior (MOI, İçişleri Bakanlığı) whose duties focus on security and public order. It operates in areas outside cities boundaries, where there are no police forces.

The SGK protects and provides security for Turkey's coastline, territorial and inland waters, exclusive economic zone, and other marine areas. During peacetime, the Coast Guard operates as part of the domestic security services that are affiliated with the MOI; in wartime, it operates as part of the Naval Force Command.

The JGK and the SGK are considered part of the defence organization (affiliated with the General Staff), although the MOI supervises their law-enforcement activities (concerning security and public order).[6] SIPRI's definition of military expenditure includes spending on paramilitary security forces if they are trained and equipped for military purposes and if they have a role in military operations or activities.[7] Other studies of Turkish military spending have also included the budgets of the JGK and the SGK in the total.[8] In contrast, NATO has excluded the expenditure of the JGK and the SGK in its calculation of total military spending since 2002.[9]

The Undersecretariat for Defence Industries

The SSM was established under Law no. 3238 of 1985.[10] It is the main arms procurement authority and is tasked with developing a modern indigenous

[6] Ministry of National Defence (MND), *2011 Yili Faaliyet Raporu* [2011 annual report] (MND: Ankara, 2012), p. 19.

[7] Perlo-Freeman et al. (note 2), p. 200. See also Born, H., Fluri, P. and Johnsson, A. (eds), *Güvenlik Sektörünün Parlamenter Gözetimi: İlkeler, Mekanizmalar ve Uygulamalar* [Parliamentary oversight of the security sector: principles, mechanisms and practices] (Inter-Parliamentary Union/Geneva Centre for the Democratic Control of Armed Forces/Economic and Social Studies Foundation: Geneva/Istanbul, 2004), p. 58; and International Institute for Strategic Studies (IISS), *The Military Balance 2011* (Routledge: London, 2011), p. 485.

[8] Günlük-Şenesen, G., *Türkiye'de Savunma Harcamaları ve Ekonomik Etkileri, 1980–2001* [Defence spending and economic impact in Turkey] (Turkish Economic and Social Studies Foundation (TESEV): Istanbul, 2002); Cizre, Ü. (ed.), *Almanac Turkey 2005: Security Sector and Democratic Oversight* (TESEV: Istanbul, 2006); and Bayramoğlu, A. and İnsel, A. (eds), *Almanak Türkiye 2006–2008: Güvenlik Sektörü ve Demokratik Gözetim* [Almanac Turkey 2006–2008: security sector and democratic oversight] (TESEV: Istanbul, 2009).

[9] North Atlantic Treaty Organization (note 1).

[10] Law no. 3238 on defence industry, accepted 11 July 1985, *Türkiye Cumhuriyeti Resmî Gazete*, 13 Nov. 1985. See also the summary at Undersecretariat for Defence Industries, 'Law no. 3238', 1 June 2011, <http://www.ssm.gov.tr/home/institutional/Sayfalar/law3238.aspx>.

arms industry.[11] It fully controls the SSDF, which finances projects executed by the SSM.

The SSM's share of the general budget is small and may not exceed 2 per cent of the SSDF (see below). However, the Cabinet can increase that amount by 50 per cent. Law no. 3238 also permits the use of foreign loans for projects that require high levels of funding.

The Gendarmarie and the Coast Guard are considered part of the defence organization

Military expenditure with limited access to information

In the second category, transparency is incomplete for a variety of reasons. While information on the SSDF, the MKEK, the wages paid to village guards and expenditure on the secret services is easily accessible for 2006–12, long-term estimates for 2013–15 are not.

The military-related R&D expenditure of the Scientific and Technological Research Council of Turkey (Türkiye Bilimsel ve Teknolojik Araştirma Kurumu, TÜBİTAK) and repayment of military-related foreign loans can be calculated from the activity reports and financial statistics of the related institutions but, again, long-term estimates are not available. Data on military-related transfers to Northern Cyprus is not available from Turkey's Treasury, but the North Cypriot Treasury publishes the information online.

The Defence Industry Support Fund

Law no. 3238 placed the SSDF within the Central Bank and under the supervision of the SSM.[12] Its function is to ensure continuous and stable extra-budgetary financing to enable modernization of the Turkish Armed Forces and development of the Turkish defence industry.

The SSDF's expenditure includes credits for arms production, contributions to capital expenditure, and funding for project costs related to arms procurement and production. The information provided by the SSDF and (on request) by the Ministry of Development is generally consistent, although minor differences exist (see table 2). The differences are probably due to the method used to convert the US dollar figures provided by the SSM to Turkish lira.

Since 2008 the SSDF's expenditure has tended to increase. In the SSM's activity reports for 2008 and 2009 the increase is identified as the result of advance payments made for the procurement of T129 attack and tactical reconnaissance (ATAK) helicopters.[13] The 2010–12 activity reports do not list any specific projects to explain the increased expenditure.

The Machinery and Chemical Industry Corporation

MKEK was founded in 1950, with all of its capital provided by the state. Today, it operates as a state economic enterprise (*kamu iktisadi teşekkülü*,

[11] Jackson, S. T., 'Arms production', *SIPRI Yearbook 2011: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2011), pp. 244–47.

[12] Law no. 3238 (note 10), Article 12.

[13] Ministry of National Defence, Undersecretariat for Defence Industries (SSM), *2008 Faaliyet Raporu* [2008 annual report] (SSM: Ankara, 2009), p. 40; and Ministry of National Defence, Undersecretariat for Defence Industries (SSM), *2009 Faaliyet Raporu* [2009 annual report] (SSM: Ankara, 2010), p. 34.

Table 3. Turkish military expenditure with limited access, 2006–15

Figures are millions of Turkish lira. Figures for 2013 are as legislated. Figures for 2014 and 2015 are budget forecasts.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transfers to MKEK	24.7	39.7	48.0	50.0	52.0	–	–	100.0	180.0	75.0
Salaries of village guards	312.3	369.0	331.2	372.5	384.2	405.3	453.5	[460.0]	[460.0]	[460.0]
Secret service	309.3	369.7	425.3	484.6	586.6	691.3	1 072.1	[1 072.0]	[1 072.0]	[1 072.0]
Goods and services	292.9	354.1	399.2	465.0	547.4	626.7	1 000.5	[1 000.0]	[1 000.0]	[1 000.0]
incl. Secret Fund	227.0	266.0	291.0	341.9	390.4	391.7	694.2	. .	. .	. .
Capital	16.4	15.5	26.1	19.7	39.2	64.5	71.6	[72.0]	[72.0]	[72.0]
Transfers to Northern Cyprus for military purposes	125.0	136.0	136.0	160.0	148.0	200.0	194.7	[206.0]	[210.0]	[220.0]

[ ] = Estimated figure.

Sources: Ministry of Finance, General Directorate of Public Accounts, <https://portal.muhasebat.gov.tr/> (for actual spending, 2006–12); Prime Ministry, *Faaliyet Raporu* [Activity report], various years (Başbakanlık: Ankara, various years) (for actual Secret Fund spending, 2006–12); Prime Ministry, Undersecretariat of Treasury, Correspondence with author, 15 Mar. 2013 (for projected MKEK spending, 2013–15); North Cypriot Ministry of Finance, Treasury and Accounting Department, <http://www.kktchazine-muhasebe.net> (for transfers to Northern Cyprus, 2006–12); and author's estimates (for projected village guard salaries, secret service and transfers to Northern Cyprus, 2013–15).

KİT) with 10 factories and around 6000 personnel. Its main mission is to provide arms, artillery, rockets, equipment and tools to the TSK.

As a KİT, MKEK has principal capital of 400 million Turkish lira and paid-in capital of 270 million Turkish lira.[14] The Treasury provides loans to MKEK to meet its financial needs. Since these loans are not projected to be repaid in the short-term, they should be included in calculations of military spending (see table 3).

The village guards

The village guards are official paramilitary forces that were set up in the mid-1980s and funded by the state to act primarily as local militia during the conflict in south-eastern Turkey. The MOI provides both their salaries and weapons and they are under the command of local civil officers rather than the TSK. However, the TSK provides their training and they take part in military operations in south-eastern Turkey, including cross-border operations. The village guards can therefore be considered a paramilitary force and included in calculations of military spending.

While allocations for both salaries and equipment for the village guards are included in the MOI's budget, only salaries are listed separately. Calculations of total military spending can therefore include expenditure on salaries of village guards but must exclude expenditure for arms and equipment as there is no reliable way to estimate such expenditure in the MOI's overall equipment budget (see table 3).

The Secret Fund and the secret services

Law no. 5018 established the Secret Fund 'included in the budget of the Prime Ministry to be used for the confidential intelligence and defence services;

[14] Paid-in capital is capital obtained by an enterprise through sale of stock directly to investors (i.e. not on the open market).

national security and high interests of the State as well as the requirements of the State prestige and needs of the government for political, social and cultural objectives, and extraordinary services'.[15] The amount allocated for the Secret Fund for a given year cannot exceed 0.5 per cent of total initial allocations in the general budget. Details of the Secret Fund are given in the activity reports of the Prime Ministry. Another source of information on this type of expenditure is the information provided by the Ministry of Finance on secret service expenditure (*gizli hizmet giderleri*), which includes the Secret Fund among other activity (see table 3).

The Secret Fund and other secret service expenditure is used for domestic security as well as military purposes.[16] However, the size of the military portion of total secret service expenditure is not publicly available. Estimates assume that the share is high, and the general belief among the public is that a large portion of military spending is financed through these allocations. For that reason, this study considers all secret service expenditure, including the Secret Fund, to be military spending—estimates of total military spending presented here thus include the non-military expenditure financed by these funds. However, compared to other components of military spending, the difference is negligible.

There was a large, unplanned increase in the expenditure of the secret services and the Secret Fund in 2012. Secret activity conducted in connection with the war in Syria is the most likely explanation for the increase.[17]

Table 4. Turkish military research and development expenditure by TÜBİTAK, 2006–12

Figures are millions of Turkish lira.

	2006	2007	2008	2009	2010	2011	2012
TÜBİTAK SAGE	24.1	31.1	58.9	91.1	70.1	56.3	83.9
TÜBİTAK UZAY	12.5	16.7	21.6	22.2	27.8	30.8	36.2
TÜBİTAK UEKAE[a]	72.8	90.2	99.7	125.0	. .	. .	. .
TÜBİTAK BİLGEM	. .	. .	. .	. .	157.8	199.6	208.4
Total	**109.4**	**138.1**	**180.2**	**238.3**	**255.6**	**286.7**	**328.5**

TÜBİTAK SAGE = Defence Industries Research and Development Institute, TÜBİTAK UZAY = Space Technologies Research Institute, TÜBİTAK UEKAE = National Research Institute of Electronics and Cryptology, TÜBİTAK BİLGEM = Informatics and Information Security Research Centre.

[a] On 4 Sep. 2010 TÜBİTAK UEKAE merged with the Information Technologies Institute (Bilişim Teknolojileri Enstitüsü, TÜBİTAK BTE) to form TÜBİTAK BİLGEM.

Sources: Scientific and Technological Research Council of Turkey (TÜBİTAK), *Faaliyet Raporu* [Activity report], various years (TÜBİTAK: Ankara, various years).

The military research and development expenditure of TÜBİTAK

Expenditure on military R&D includes spending by TÜBİTAK and spending by universities financed by public resources. However, total military-related R&D expenditure by universities is not available, and so this study includes only data from TÜBİTAK's activity reports (see table 4) on the expenditure of its Defence Industries Research and Development Institute (Savunma Sanayii Araştırma ve Geliştirme Enstitüsü, TÜBİTAK SAGE), Space Technologies Research Institute (Uzay Teknolojileri Araştırma Enstitüsü,

[15] Law no. 5018 (note 3), Article 24.

[16] See e.g. 'Örtülü ödenek gaza gitti!' [Secret Fund used for tear gas], CNN Türk, 15 May 2011, <http://www.cnnturk.com/2011/turkiye/05/15/ortulu.odenek.gaza.gitti/616761.0>.

[17] Doğan, Y., 'Gizli harcamalar hızla artmış' [Secret spending has increased rapidly], *Hürriyet*, 7 Nov. 2012; Anadolu Agency, '"Örtülü ödenek MİT'i geçti"' [Secret Fund passes the National Intelligence Organization], ntvmsnbc, 13 Nov. 2012, <http://www.ntvmsnbc.com/id/25397175/>; and 'Örtülü ödenek harcaması MİT'in bütçesini geçti' [Secret Fund budget passes the National Intelligence Organization], *Milliyet*, 13 Nov. 2012.

Table 5. Estimated annual interest payments for Turkey's military-related loan agreements, 2006–15

Payment figures are millions of US$.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
SGK search and rescue boat[a]	. .	. .	. .	. .	. .	. .	. .	. .	. .	34.8
MND lifting crane and SGK helicopter[b]	. .	. .	. .	. .	. .	. .	. .	1.2	1.2	1.1
Payment projection for defence-related project[c]	. .	. .	. .	. .	. .	4.3	4.0	3.7	3.4	3.0
FMS credits repayment plan[d]	239.0	227.0	215.0	202.0	191.0	175.0	152.0	124.0	87.0	63.0
Total (US$ m.)	**239.0**	**227.0**	**215.0**	**202.0**	**191.0**	**179.3**	**156.0**	**128.9**	**91.5**	**101.9**
Total (lira m.)	**342.0**	**295.4**	**278.0**	**312.5**	**286.6**	**299.5**	**279.7**	**231.1**	**164.1**	**182.6**

Notes: The interest rate is assumed to be 5% for all loans. In addition to the loans listed here, payments on a loan of $2 924 079 820 taken out in 2010 by the Undersecretariat for Defence for the New Type Submarine Project will start in 2018; and payments on a loan of $893 843 taken out in 2011 by the Undersecretariat for Defense Indutries for the Meltem II Project will start in 2019.

[a] This loan, for $520 502 410, was taken out in 2008 for a search and rescue boat for the Coast Guard Command (SGK). The repayment period is 13 years.

[b] This loan, for $19 495 056, was taken out in 2007 for a procurement of a shipyard lifting crane for the Ministry of National Defence (MND) and a helicopter project for the SGK. The repayment period is 11 years.

[c] This loan, for $68 000 000, was taken out in 2005 for a defence-related project. The repayment period is 11 years.

[d] Payments for US Foreign Military Sales (FMS) credits include principal as well as interest payments.

Sources: Prime Ministry, Undersecretariat of Treasury, *Public Debt Management Report*, monthly edns 2003–13 (Undersecretariat of Treasury: Ankara, Nov. 2003–Jan. 2013); Günlük-Şenesen, G., *Türkiye'de Savunma Harcamaları ve Ekonomik Etkileri, 1980–2001* [Defence spending and economic impact in Turkey] (Turkish Economic and Social Studies Foundation (TESEV): Istanbul, 2002), p. 112 (on FMS credits); and Prime Ministry, Undersecretariat of Treasury, *Public Debt Management Report*, annual edns 2008–13 (Undersecretariat of Treasury: Ankara, 2009–14) (on repayment and non-refundable periods).

TÜBİTAK UZAY), and Informatics and Information Security Research Centre (Bilişim ve Bilgi Güvenliği İleri Teknolojiler Araştirma Merkezi, TÜBİTAK BİLGEM). Most of this expenditure has been military-related, especially that of the latter two organizations, although some may have been used for non-military purposes.

Interest payments on foreign loans

Principal payments on a loan are added to the budget allocation of the public institution using the loan, while interest payments are covered by the Treasury and are not included in institutional budget allocations.[18] In order to avoid double counting, only the interest payments on foreign loans are included in military spending, not the principal payments. The Treasury makes both principal and interest payments on credits from the United States' Foreign Military Sales (FMS) programme, which date back to the 1970s and were refinanced (at 5 per cent interest) in the 1990s.[19] These pay-

[18] Law no. 4749 on regulating public finance and debt management, accepted 28 Mar. 2002, *Türkiye Cumhuriyeti Resmî Gazete*, 9 Apr. 2002, amended by Law no. 4969, accepted 31 July 2003, *Türkiye Cumhuriyeti Resmî Gazete*, 12 Aug. 2003, English translation at <http://www.treasury.gov.tr/default.aspx?nsw=TrR3vg8KCNGoDQ4jjQvkpw==-SgKWD+pQItw=&mid=748&cid=31&nm=663>, Article 14.

[19] On FMS credits see Günlük-Şenesen (note 8); and Erçel, G., 'Türkiye'nin diş borç birikiminin kaynaklari' [Sources of Turkish external debt], *3. İzmir İktisat Kongresi Tebliğler, 4–7 Haziran 1992*

ments are counted as military expenditure. Similarly, the Treasury covers both principal and interest payments for credit used by the SSM.[20]

Information on credit agreements by government agencies can be acquired from the monthly Public Debt Management Reports published by the Treasury.[21] The size of interest payments on foreign loans used for military projects taken out since 2003 can be estimated using available information. (Details of interest payments on foreign loans borrowed before 2003 could not be obtained from the Treasury.)

The Treasury has classified the length of the non-refundable and repayment periods for these loans as commercial information, and so declines to disclose them separately.[22] Instead, the average length of the non-refundable and repayment periods are given in the annual Public Debt Management Report. Budgetary spending on annual interest payments on military foreign borrowing can be calculated using annual average non-refundable and repayment periods and interest rates (see table 5).

Transfers to Northern Cyprus for military purposes

Turkey provides financial aid to Northern Cyprus through transfers from the Turkish Treasury to the Treasury and Accounting Department of the North Cypriot Ministry of Finance. Two different types of transfer occur: capital transfers for economic purposes and transfers for military purposes. Both can be tracked on the North Cypriot Treasury's website.[23] Since the SIPRI definition includes military aid in the military spending of the donor country, Turkey's transfers to Northern Cyprus for military purposes are considered to be Turkish military spending (see table 3).

Turkey's transfers to Northern Cyprus for military purposes are considered to be Turkish military spending

Military spending with no access to information

There are two elements of total Turkish military spending for which information is not available: the expenditure of the TSKGV on military projects and pension payments made to retired TSK personnel. It is nonetheless possible to make reasonable estimates of this spending on the basis of publicly available information.

Turkish Armed Forces Foundation

The TSKGV was founded in 1987 in order to 'strengthen the armed forces, minimize foreign dependency by establishing a national defence industry able to produce the necessary warfare armaments, tools and equipment'.[24]

[Proceedings of the 3rd İzmir Congress of Economics, 4–7 June 1992], vol. 3 (DPT: Ankara, 1992), pp. 31–40.

[20] Law no. 4749 (note 18), Article 14.

[21] Recent editions of the monthly and annual Public Debt Management Reports are available at <http://www.treasury.gov.tr/default.aspx?nsw=BKsmUPQeFbnBXCDahrXm1A==-SgKWD+pQItw=&mid=739&cid=22&nm=1145>.

[22] The non-refundable period is the time during which no payment is due. The repayment period is the time that the loan will be pay back over.

[23] Northern Cypriot Ministry of Finance, Treasury and Accounting Department, <http://www.kktchazinemuhasebe.net/>.

[24] Turkish Armed Forces Foundation (TSKGV), <http://www.tskgv.org.tr/tskgv/?page_id=15> (author's translation).

Table 6. TSKGV profits and transfers to the Turkish Armed Forces, 2006–12

Figures are millions of Turkish lira. Profit figures for 2006–2009 are based on net dividends of the 4 largest TSKGV-affiliated companies, Aselsan, Havelsan, Roketsan and Turkish Aerospace Industries (TAI).

	2006	2007	2008	2009	2010	2011	2012
Net profit	[27.9]	[30.9]	[16.8]	[76.3]	97.6	91.9	117.0
Contribution to military projects	[18.1]	[20.1]	[10.9]	[49.6]	63.4	59.7	76.0

[ ] = Estimated figure.

Note: For 2006–2009, the annual dividend ratio of Aselsan is applied to the profit figures of the 3 other companies, assuming that their dividend ratios are the same. Aselsan's dividend ratio is taken from the equity capital table of Public Disclosure Platform (Kamuyu Aydınlatma Platformu), <http://www.kap.gov.tr/>.

Sources: Istanbul Chamber of Commerce, Turkey's Top 500 Industrial Enterprises, 2005–2009, <http://www.iso.org.tr/en/iso500gecmisyillar.aspx>; Turkish Armed Forces Foundation (TSKGV), 'Mali tablolar' [Financial statements], <http://www.tskgv.org.tr/tskgv/?page_id=1271> (net profit for 2010–12); and Turkish Armed Forces Foundation (TSKGV), *Tanıtım Kitabı 2010–2011* [Presentation book 2010–2011] (TSKGV: Ankara, 2010) (rate of contribution to military projects).

One of the TSKGV's objectives is to establish private defence companies or to establish partnerships with existing companies. Within this framework, the TSKGV directly or indirectly owns shares of 18 companies. These companies operate subject to the law for private commerce but are managed by public officials—the TSKGV's Board of Trustees consisting of the Minister of National Defence, the Deputy Chief of the General Staff, the MND Undersecretary and the MND Undersecretary for Defence Industries.

No resources are allocated to the TSKGV's corporations and affiliates from the general government budget, but the TSKGV makes substantial contributions to different types of military spending.[25] According to the TSKGV's 2010–11 Presentation Book, 52 per cent of the Foundation's expenditure consisted of transfers to projects of the Land, Naval and Air Force Commands.[26] These transfers should be included in total military spending.

The absolute value of the TSKGV's expenditure is not published (in Turkish lira or dollars), so needs to be estimated. Assuming that the TSKGV's income and expenditure are equal, expenditure (and transfers to the TSK) can be calculated from figures for the Foundation's profits. The TSKGV has published balance sheets showing net profit since 2010, but for earlier years estimation of net profits is required.

The four largest of the TSKGV's affiliated companies—Aselsan, Havelsan, Roketsan and Turkish Aerospace Industries (TAI, Türk Havacılık ve Uzay Sanayii AŞ, TUSAŞ)—account for the great majority of its profits.[27] Estimation of profits prior to 2010 can thus be based on information on the profits of these four companies, which is accessible through the Istanbul Chamber of Commerce's publications on Turkey's Top 500 Industrial Enterprises. To estimate the TSKGV's profit income from these four companies, (*a*) apply the dividend ratio (i.e. the dividend paid to shareholders as a share of total profits) to the profit of each company;[28] (*b*) deduct 15 per cent tax; and

[25] Günlük-Şenesen (note 8). See also Turkish Armed Forces Foundation (TSKGV), *Tanıtım Kitabı 2010–2011* [Presentation book 2010–2011] (TSKGV: Ankara, 2010), p. 5.

[26] Turkish Armed Forces Foundation (note 25), p. 17.

[27] Yentürk, N., *Askeri ve İç Güvenlik Harcamalarını İzleme Kılavuzu* [Guide to monitoring military and internal security expenditure] (Istanbul Bilgi University Press, 2011), p. 35.

[28] It is assumed here that the 4 companies all have the same dividend ratio as Aselsan.

Table 7. Turkish military salaries and estimated military pensions, 2006–15

Salaries and pensions are in millions of Turkish lira. Military salaries include salaries and social security payments to employees of military agencies. Military pensions include payments to military and civilian personnel of the Turkish Armed Forces.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Salaries and social security payments										
Ministry of National Defence	5 070.2	5 629.7	6 177.3	6 893.5	7 594.3	8 857.3	10 150.2	11 354.6	12 516.1	13 684.7
Gendarmerie General Command	1 534.4	1 732.0	1 942.1	2 254.4	2 494.3	2 909.4	3 501.9	3 940.4	4 343.5	4 749.1
Coast Guard Command	65.8	76.2	87.1	101.5	119.7	147.1	172.9	191.9	211.6	231.3
Undersecretariat for Defence Industries	8.6	9.8	11.9	15.3	17.5	18.8	23.1	25.8	28.4	31.1
Total military salaries and social security payments	**6 679.0**	**7 447.7**	**8 218.5**	**9 264.7**	**10 225.8**	**11 932.6**	**13 848.1**	**15 512.7**	**17 099.6**	**18 696.1**
As a share of all central administration institutions (%)	*15.6*	*15.1*	*14.9*	*14.7*	*14.0*	*14.0*	*13.7*	*14.0*	*14.3*	*14.3*
Pension payments to public-sector retirees[a]	14 779.4	17 402.9	19 683.5	22 456.8	26 283.2	30 534.6	35 170.1	40 253.7	44 292.3	48 634.7
Total military pension payments	**2 308.5**	**2 633.2**	**2 938.0**	**3 305.0**	**3 674.8**	**4 269.2**	**4 834.7**	**5 640.4**	**6 319.9**	**6 954.8**

[a] According to the 2007 Budget Justification published by the General Directorate of Budget and Fiscal Control, public-sector pensions (the Retirement Fund) make up 33 per cent of total (private- and public-sector) pension expenditure.

Sources: Ministry of Finance, General Directorate of Public Accounts, <https://portal.muhasebat.gov.tr/> (military salaries 2006–12); Istanbul Bilgi University, NGO Training and Research Center, 'İdarelerin ekonomik sınıflandırmaya göre harcamaları' [Expenditure on public administration by economic classification], <http://stk.bilgi.edu.tr/stkButce.asp>; and Ministry of Finance, General Directorate of Budget and Fiscal Control, <http://www.bumko.gov.tr/> (military salaries 2013–15 and rate of pension payments).

(*c*) allocate dividends to the TSKGV in proportion to its shareholding in each company (see table 6).[29]

Pension payments for retired armed forces personnel

According to SIPRI's methodology, the pensions of civilian and military armed forces personnel are included in total military spending. However, Turkey does not publish this information. Spending on military pensions is therefore estimated here by first calculating military salaries (including social security payments) as a share of total public-sector salaries (see table 7). This share is then applied to the figure for total public-sector social insurance payments (i.e. pensions) made by the Social Security Institution (Sosyal Güvenlik Kurumu).

These estimates are based on the assumption that military pension payments as a proportion of total public-sector pension payments is the same as military salaries as a proportion of total government salaries. This assumption may lead to underestimation since pension payments made to retired armed forces personnel are known to be higher than pension payments to other government retirees.

[29] For more details of the estimate see Yentürk (note 27).

Table 8. Turkish military expenditure, 2006–15

Figures are millions of Turkish lira.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenditure accessible online										
Ministry of National Defence	11 564.3	11 844.5	12 738.5	14 671.2	14 990.3	16 431.3	18 509.5	20 350.1	22 333.6	24 079.3
Gendarmerie General Command	2 629.8	2 771.5	3 233.1	3 772.0	4 158.6	4 551.2	5 188.0	5 843.5	6 343.2	6 865.2
Coast Guard Command	116.5	169.9	191.2	191.9	222.4	273.5	334.9	432.0	457.2	492.0
Undersecretariat for Defence Industries	16.1	21.4	21.7	27.1	31.8	30.8	39.6	41.0	45.1	48.7
Expenditure with limited access										
Defence Industry Support Fund	1 540.2	1 541.1	2 195.5	2 244.9	2 755.8	2 244.5	2 504.0	2 741.4	3 034.1	3 367.5
Transfers to MKEK	24.7	39.7	48.0	50.0	52.0	–	–	100.0	180.0	75.0
Salaries of village guards	312.3	369.0	331.2	372.5	384.2	405.3	453.5	[460.0]	[460.0]	[460.0]
Secret service	309.3	369.7	425.3	484.6	586.6	691.3	1 072.1	[1 072.0]	[1 072.0]	[1 072.0]
R&D spending by TÜBİTAK	109.4	138.1	180.2	238.3	255.6	286.7	328.5	[360.0]	[390.0]	[410.0]
Payments for loans	[342.0]	[295.4]	[278.0]	[312.5]	[286.6]	[299.5]	[279.7]	[231.1]	[164.1]	[182.6]
Transfers to Northern Cyprus	125.0	136.0	136.0	160.0	148.0	200.0	194.7	[206.0]	[210.0]	[220.0]
Total, based on accessible and limited-access expenditure	**17 089.6**	**17 696.3**	**19 778.8**	**22 525.1**	**23 871.9**	**25 413.8**	**28 904.5**	**31 837.1**	**34 689.1**	**37 272.2**
as a share of GDP (%)	*2.25*	*2.10*	*2.08*	*2.36*	*2.17*	*1.96*	*2.01*	*2.03*	*1.99*	*1.93*
Estimated expenditure										
TSKGV contribution to military projects	[18.1]	[20.1]	[10.9]	[49.6]	63.4	59.7	76.0	[85.0]	[95.0]	[105.0]
Pension payments to retired TSK personnel	[2 308.5]	[2 633.2]	[2 938.0]	[3 305.0]	[3 674.8]	[4 269.2]	[4 834.7]	[5 640.4]	[6 319.9]	[6 954.8]
Total military expenditure	**19 416.2**	**20 349.6**	**22 727.8**	**25 879.6**	**27 610.2**	**29 742.8**	**33 815.3**	**37 562.5**	**41 104.0**	**44 332.0**
as a share of GDP (%)	*2.56*	*2.41*	*2.39*	*2.72*	*2.51*	*2.29*	*2.36*	*2.39*	*2.36*	*2.29*

[ ] = Estimated figure, GDP = gross domestic product, MKEK = Machinery and Chemical Industry Corporation, R&D = research and development, TSK = Turkish Armed Forces, TSKGV = Turkish Armed Forces Foundation, TÜBİTAK = Scientific and Technological Research Council of Turkey.

Sources: Tables 1–7.

III. Total military spending in Turkey

Adding the elements of military expenditure calculated in section II gives a total for Turkey's military spending and allows the estimation of military spending as a share of GDP—the military burden (see table 8). The difference between the totals excluding and including estimates for the elements for which there is no public access to information—in particular, military pen-

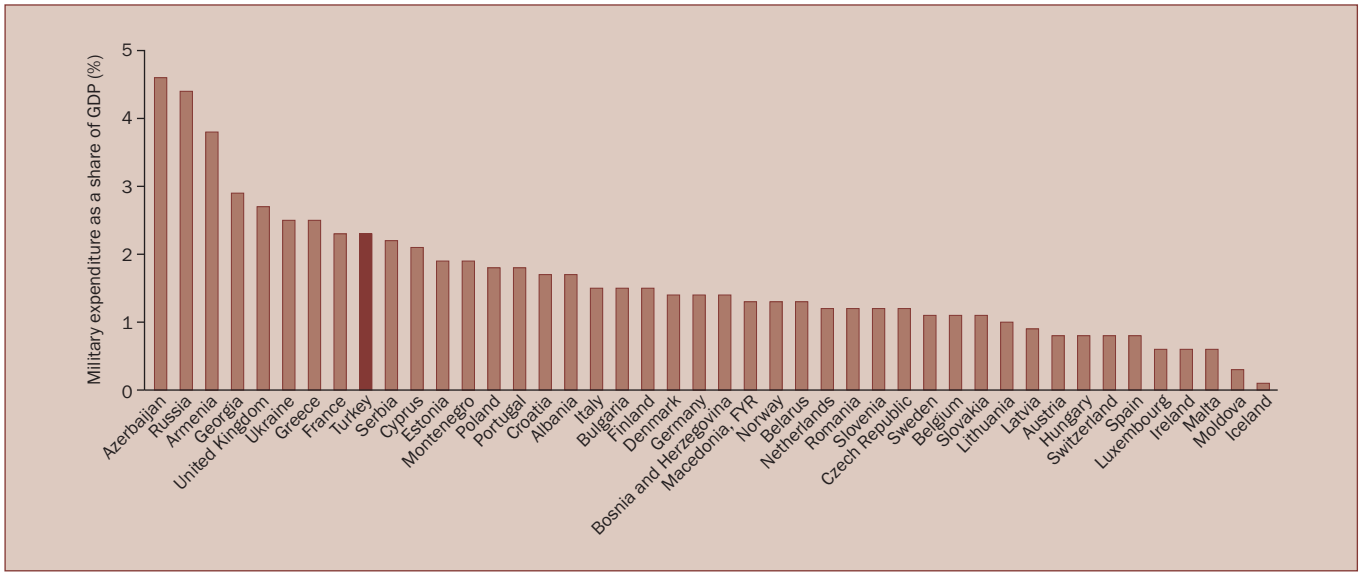

Figure 1. Military spending as a share of gross domestic product of European countries, 2012

Source: SIPRI Military Expenditure Database, <http://www.sipri.org/databases/milex/>.

sions—shows the significance of these elements in total spending. Indeed, pension payments are the third largest expenditure item, after expenditure on the MND and the JGK.

The share of GDP represented by military expenditure calculated using the most accessible information is around 2 per cent for the period 2006–15, with minor fluctuations. Adding pension payments and the TSKGV's contributions to military projects increases the share to approximately 2.4 per cent of GDP. The military burden has remained relatively constant despite the nominal increase in military spending in Turkish lira. The only exception since 2006 was the increase in 2009, which was the result of a contraction in Turkey's GDP due to the 2008 global financial crisis.

Turkey has one of the highest military burdens among the 44 countries in Europe covered by the SIPRI Military Expenditure Database. In 2012 Azerbaijan had the highest military burden in Europe, at 4.6 per cent, followed by Russia, Armenia, Georgia, Ukraine, the United Kingdom, Greece and then Turkey and France at 2.3 per cent each (see figure 1). All 35 other European countries had a lower military burden than Turkey. To see why Turkey has a relatively high military burden and to explore where its military spending could be decreased, the components of military spending are examined more closely below.

There was an increase in spending on salaries and social security between 2006 and 2012 (see table 9). For example, in 2006 salaries and social security expenditure was 43.8 per cent of total MND spending; by 2012 it had increased to 54.8 per cent. Similarly, JGK spending on salaries and social security increased from 58.3 per cent in 2006 to 67.5 per cent in 2012. The increase in salaries can be linked to efforts to establish a professional army.[30]

[30] In Nov. 2013 the Supreme Military Council (Yüksek Askeri Şura) decided to move towards to a more professional armed forces. 'Profesyonel ordu ve kır birlikleri geliyor!' [Professional military and rural troops are coming!], *Aksam*, 29 Nov. 2013.

Table 9. Disaggregated spending by the main Turkish military institutions, 2006–12

Figures are shares (%) of total annual spending by each institution. Spending on goods and services procurement includes arms procurement and both single-use equipment and equipment for long-term use. Capital expenditure includes spending on infrastructure. Current transfers are transfers to other institutions and persons.

	2006	2007	2008	2009	2010	2011	2012
Ministry of National Defence							
Salaries	37.8	41.1	42.0	40.8	43.6	45.2	46.1
Social security	6.0	6.4	6.4	6.2	7.1	8.7	8.7
Goods and services	53.5	51.8	50.5	52.1	48.0	44.8	43.7
Current transfers	2.6	0.6	0.7	0.7	1.1	0.9	1.0
Capital expenditure	0.1	0.1	0.3	0.3	0.4	0.4	0.4
Gendarmerie General Command							
Salaries	51.9	55.6	53.6	53.5	53.2	55.3	58.8
Social security	6.4	6.9	6.5	6.2	6.7	8.7	8.7
Goods and services	41.0	36.9	38.9	39.1	37.5	34.1	30.7
Current transfers	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Capital expenditure	0.6	0.6	1.0	1.1	2.5	1.9	1.7
Coast Guard Command							
Salaries	49.3	39.3	39.9	46.4	46.7	45.8	44.0
Social security	7.2	5.6	5.6	6.5	7.1	8.0	7.6
Goods and services	35.9	50.7	50.6	44.4	44.3	43.7	46.3
Current transfers	0.0	0.0	0.0	0.0	0.1	0.9	1.0
Capital expenditure	7.6	4.5	3.9	2.7	1.8	1.6	1.1
Undersecretariat for Defence Industries							
Salaries	50.0	43.2	51.6	53.1	50.1	55.5	52.4
Social security	3.2	2.6	3.1	3.4	4.9	5.5	6.0
Goods and services	36.8	41.3	37.3	36.8	35.9	35.7	35.8
Current transfers	2.6	3.3	2.9	2.4	1.8	2.0	1.4
Capital expenditure	7.4	9.7	5.0	4.4	7.3	1.2	4.5

Source: Ministry of Finance, General Directorate of Public Accounts, <https://portal.muhasebat.gov.tr/>; and Istanbul Bilgi University, NGO Training and Research Center, 'İdarelerin ekonomik sınıflandırmaya göre harcamaları' [Administration expenditure by economic classification], <http://stk.bilgi.edu.tr/stkButce.asp>.

However, no official document is available to explain the increase.

The level of capital expenditure is low compared to other expenditure components. Spending on goods and services includes expenditure on both arms and on equipment procured for personnel use. According to the MND, in 2011 and 2012 half of the spending on goods and services related to accommodation, officers' clubs, housing, fuel, food, transport and the like.[31] The other half was spent on modernization of the armed forces. Spending on goods and services was 41.0 per cent of total spending by the main Turkish military institutions, which can be divided equally between spending on personnel and spending on modernization (see figure 2).

Salaries and social security payments accounted for 57.5 per cent of total spending of the main military institutions—combined with the 20.5 per cent spent on procurement of goods and services for personnel (i.e. half of 41.0) gives a total of 78.0 per cent spent on personnel. The remaining 22.0 per cent is composed of spending on modernization projects (20.5 per cent), capital expenditure (0.7 per cent) and current transfers (0.8 per cent). With its 600 000 personnel, the TSK is the 11th largest army in the world and the second largest army in Europe (following Russia).[32] It is thus not surprising that Turkey spends more than three-quarters of its military expenditure on personnel and related expenditure. However, the need for such a large army is debatable.

IV. Conclusions

The findings of this study suggest that steps could be taken to decrease Turkey's military spending and increase democracy and transparency.

The need to decrease Turkish military expenditure

Military spending in Turkey had began increasing in the early 1990s.[33] It reached its peak in the late 1990s, with the military burden increasing to 4 per cent. Since the early 2000s the military burden has decreased, largely

[31] Ministry of National Defence (note 6), p. 77.
[32] International Institute for Strategic Studies (note 7), table 29, pp. 471–77.
[33] Information on Turkey's military spending since 1988 can be obtained from the SIPRI Military Expenditure Database (note 1).

owing to the 2001 economic crisis and the assumption of power by the Justice and Development Party (Adalet ve Kalkınma Partisi, AKP) in late 2002.

However, the downward trend ceased after 2006, and the military burden has remained constant since then (except for 2009). Nonetheless, in 2012 Turkey had the 15th highest military expenditure, and its military burden was 2.3 per cent of GDP.[34]

Despite the fall in the military burden from its peak, Turkey continues to have a relatively high military burden. There is scope for reductions in military spending, in particular in spending on personnel in parallel with a reduction in the size of the army.

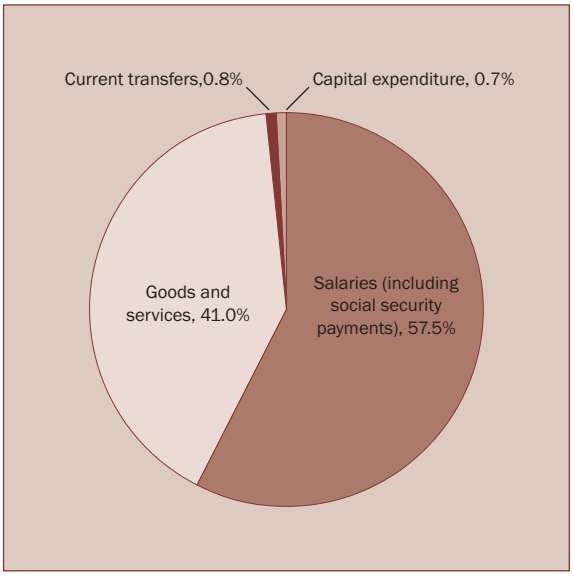

Figure 2. Spending of the main Turkish military institutions, share by category, 2012

Sources: Tables 1 and 9.

The need for more democratization

Compulsory military service is enshrined in the Turkish Constitution, leading to a 'defence strategy' based on a large Turkish Army of many conscripts.[35] This is not only a defence strategy but also a tactic to diffuse militarist culture into society, which helps to legitimize the intervention of the army in the political and civil sphere.

Despite a certain degree of autonomy that in the past enabled the army to intervene in politics, since the 2001 economic crisis and the AKP's assumption of power, military intervention in politics has gradually become more infrequent.[36] In July 2013 the TSK's Internal Service Law was changed to reformulate the duties of the Turkish military.[37] Before 2013 Article 35 had stated that 'The role of the Armed Forces is to guard and protect the Turkish homeland and the Republic of Turkey as proclaimed by the Turkish Constitution'.[38] The article was accepted as enabling the military to intervene in politics and to carry out military coups. In July 2013 the text of the article was changed to 'The duty of the Armed Forces is to guard and protect the Turkish homeland from external risks, to strengthen the army for deterrent effect, to fulfil duties given by the Grand National Assembly, and to assist international peacekeeping activities'.[39]

[34] Perlo-Freeman, S., Solmirano, C. and Wilandh, H., 'Global developments in military expenditure', *SIPRI Yearbook 2013* (note 2), p. 134.

[35] Constitution of the Republic of Turkey, adopted 18 Oct. 1982, *Türkiye Cumhuriyeti Resmî Gazete*, 20 Oct. and 9 Nov. 1982, English text as amended up to 17 Mar. 2011 at <http://global.tbmm.gov.tr/docs/constitution_en.pdf>, Article 72.

[36] Akay, H., *Security Sector in Turkey: Questions, Problems and Solutions* (Turkish Economic and Social Studies Foundation (TESEV): Istanbul, Feb. 2010); eds Bayramoğlu and İnsel (note 8); Heper, M., 'Civil–military relations in Turkey: toward a liberal model', *Turkish Studies*, vol. 12, no. 2 (2011); and Berksoy, B., *Military, Police and Intelligence in Turkey: Recent Transformations and Needs for Reform* (Turkish Economic and Social Studies Foundation (TESEV): Istanbul, June 2013).

[37] Sariibrahimoglu, L., 'Turkey legally ends justification for military coups', *Jane's Defence Weekly*, 17 July 2013.

[38] Law no. 211 on Turkish Armed Forces civil service, accepted 4 Jan. 1961, *Türkiye Cumhuriyeti Resmî Gazete*, 10 Jan. 1961 (author's translation).

[39] Law no. 6496 amending certain laws, accepted 13 July 2013, *Türkiye Cumhuriyeti Resmî Gazete*, 31 July 2013 (author's translation).

Although the revised article will restrict the army's ability to intervene in politics, two obstacles remain on the path to democratization. First, Article 117 of the Turkish Constitution defines the Chief of the General Staff as accountable to the Prime Minister, which makes his position equal to that of the Minister of National Defence. Second, the existence of the military judiciary is based on Article 145 of the Constitution. The MND should have the authority of oversight and inspection over the Office of the Chief of General Staff and, since there is no separate judicial mechanism within other occupational groups, there should not be a separate judicial mechanism within the military.[40]

Obstacles remain on the path to democratization

The need for greater transparency

Even though this study finds that some data is accessible, it does not claim that the available information is transparent. Transparency of data means that the data set provides information detailed enough to enable the public to monitor and discuss the figures by considering the cost of the existing policies and their alternatives, as well as their impact.[41] Unfortunately, this is not the case for Turkish military data.

Parliamentary oversight

For example, like other public institutions, military institutions inform the Ministry of Finance and the Grand National Assembly (Büyük Millet Meclisi, the Turkish Parliament) about their annual budget requirements each year. Analysis of the budget requirement sheets that are scrutinized by the Grand National Assembly, and shared with the public via the Ministry of Finance shows that the MND's budget requirement is 2.5 pages long and that of the JGK is 2 pages long, while those of the ministries of Finance, Health and Interior and the National Police are 41, 24, 12.5 and 28 pages long, respectively.

Moreover, during the meetings of the Grand National Assembly and its Planning and Budget Committee (Plan ve Bütçe Komisyonu), parliamentarians are largely misinformed about the details of military spending and important procurement projects. Their investigation is limited to 2 or 3 pages of information on very broad categories of expenditure, and military programmes and projects are not investigated.[42] These limitations make effective policy evaluation impossible and increase the need for parliamentary oversight on procurement decisions and strategies implemented by military institutions.

Another indirect expenditure that cannot be monitored is the amount of tax from which military institutions are exempt. While the Ministry of Finance includes the total cost of tax in its annual budget requests, figures for military institutions are not included.[43]

[40] Berksoy (note 36).

[41] Public Expenditures Monitoring Platform, Letter to the Members of the Grand National Assembly of Turkey, Oct. 2012, <http://www.kahip.org/index_en.html>.

[42] This comparison is based on budget requirement sheets of the mentioned institutions available from the Ministry of Finance, General Directorate of Budget and Fiscal Control, <http://www.bumko.gov.tr/TR,1507/odenek-gelir-yada-finansman-cetveli.html> (in Turkish).

[43] On various tax laws and tax exemptions for military institutions see Yentürk (note 27).

Internal transparency

In 2011 the number of armed forces' personnel was made public for the first time since 2001.[44] Such information is important and should be made public regularly. Yet it remains restricted since no breakdown of the numbers of military professionals by rank is available and there continue to be restrictions on information about the salaries of the professional staff and the total expenditure allocated to them and to conscripts. Insufficient information is also available about the types of duty that conscripts carry out. These limitations undermine effective public and parliamentary debate.

Moreover, military institutions reveal little information in their activity reports and are exempt from publishing their strategic plans. This exemption is another factor that restricts effective oversight since strategic plans are important resources for obtaining detailed information on military staff, the activities of military institutions and procurement projects.

Auditing

The Court of Accounts (Sayıştay) audits military expenditure on behalf of the Grand National Assembly, but there are two main limitations: restrictions on how auditing is conducted and constraints on publication of auditing reports.

First, performance auditing does not exist in Turkey, although such an approach is essential for auditing military expenditure.[45] Since military institutions are exempt from publishing their strategic plans, the only way to assess the feasibility of projects and expenditure is by performance auditing. Law no. 6085 on the Court of Accounts, which was adopted in December 2010, tasked the court with the responsibility of carrying out performance auditing in addition to normal auditing.[46] However, Law no. 6085 was amended in June 2012 to restrict the scope of performance auditing by the Court of Accounts.[47] Although the Constitutional Court ruled in December 2012 that some of the restrictions on performance auditing were invalid, in 2013 the Court of Accounts was unable to assess the necessity and feasibility of military expenditure. This was due to practical reasons such as the ambiguity of the law, the lack of necessary regulations, the difficulty of visiting military facilities and, primarily, the absence of civilian personnel with expertise on military projects.[48]

Even though this study finds that some data is accessible, it does not claim that the available information is transparent

Second, publication of reports prepared by the Court of Accounts is restricted. A government regulation issued on 15 August 2012 established limitations on public dissemination of the audit reports of the defence, secur-

[44] Yentürk (note 27), p. 72.

[45] On performance auditing see e.g. International Organization of Supreme Audit Institutions (INTOSAI), *Performance Audit Guidelines: ISSAI 3000-3100* (INTOSAI: Copenhagen, July 2004).

[46] Law no. 6085 on Court of Accounts, accepted 3 Dec. 2010, *Türkiye Cumhuriyeti Resmî Gazete*, 19 Dec. 2010, English translation at <http://www.sayistay.gov.tr/en/?p=2&CategoryId=15>.

[47] Kemal, L., *Zayıf Kalan Meclis İradesi: Yeni Sayıştay Yasası'nda Askerî Harcamaların Denetimi Sorunu* [The parliamentary will remains weak: the new law on the Turkish Court of Accounts and the ongoing problems of monitoring military spending] (Turkish Economic and Social Studies Foundation (TESEV): Istanbul, 2012), pp. 35–37 and English executive summary.

[48] Kemal (note 47); and Berksoy (note 36).

ity and intelligence institutions.[49] Moreover, under the 2012 regulation, part of the reports on state property holdings and the assets of related institutions were to be censored before being presented to the Grand National Assembly. Given those restrictions, an important opportunity for transparency and parliamentary and civilian oversight has been missed.

[49] Decision no. 2012/3179, Regulation concerning defence, security and intelligence public affairs, *Türkiye Cumhuriyeti Resmî Gazete*, 15 Aug. 2012.

Abbreviations

AKP	Adalet ve Kalkınma Partisi (Justice and Development Party)
FMS	Foreign Military Sales
GDP	Gross domestic product
JGK	Jandarma Genel Komutanlığı (General Command of the Gendarmerie)
KİT	Kamu iktisadi teşekkülü (state economic enterprise)
MKEK	Makina ve Kimya Endüstrisi Kurumu (Machinery and Chemical Industry Corporation)
MND	Ministry of National Defence
MOI	Ministry of Interior
NATO	North Atlantic Treaty Organization
R&D	Research and development
SGK	Sahil Güvenlik Komutanlığı (Coast Guard Command)
SSDF	Savunma Sanayii Destekleme Fonu (Defence Industry Support Fund)
SSM	Savunma Sanayii Müsteşarlığı (Undersecretariat for Defence Industries)
TSK	Türk Silahlı Kuvvetleri (Turkish Armed Forces)
TSKGV	Türk Silahlı Kuvvetlerini Güçlendirme Vakfı (Turkish Armed Forces Foundation)
TÜBİTAK	Türkiye Bilimsel ve Teknolojik Araştirma Kurumu (Scientific and Technological Research Council of Turkey)

SIPRI INSIGHTS ON PEACE AND SECURITY NO. 2014/1

MEASURING TURKISH MILITARY EXPENDITURE

NURHAN YENTÜRK

CONTENTS

ABOUT THE AUTHOR

Professor Dr Nurhan Yentürk (Turkey) has been Professor in the Department of Economics of Istanbul Bilgi University since 2003 and is Director of its NGO Training and Research Center. She is also the spokesperson of the Public Expenditures Monitoring Platform. Her research interests include public expenditure and social and youth policy. She is the editor of the NGO Collection, a series published by Istanbul Bilgi University Press that covers different subjects of NGO capacity building.

sipri

STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE
Signalistgatan 9
SE-169 70 Solna, Sweden
Telephone: +46 8 655 97 00
Fax: +46 8 655 97 33
Email: sipri@sipri.org
Internet: www.sipri.org