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2024 in the Shadow of Elections



In a presentation I delivered in December last year I listed the top risks for 2023: inflation, recession and their impacts on the world trade supply challenges and supply chain restructuring, conflicts and wars, escalating tensions between the Islamic world and the West, the ever-growing global population, environmental degradation and natural disasters and the constantly increasing debt burden and efforts to replace strong currencies.

I emphasised the severity of problem number 4 in terms of immigration, growing population and the rise of ultranationalism in the Western World. A year has passed and the risks I mentioned above have not gone away.

Considering the upcoming elections in many countries next year, we will certainly witness moments of significant political clashes which will make these risks even more complicated.

Below, I would like to share with you the notes I took in a recent meeting with political experts and highly experienced executives.

Everyone normally asks economists for solutions, but at the meeting, a few economists, including myself, stated our belief that the issue is more political rather than economic.

The US elections

The result of elections that will take place in almost 70 countries will hint at the direction that the global economy will take. And obviously, the US elections is the one that interests Turkey most.

Biden looks like the only candidate of the Democrats. However, if he is re-elected and has to leave his presidential duties due to health problems, no one wants the current Vice President Harris to take over the White House. Accordingly, The Democratic Party is looking for a new Vice President.

On the other hand, Trump leads Biden in several swing states and polls better than ever

with black voters (20%), who did not vote for him in the previous elections, and with other immigrants (12%).

Apparently, the civil suit filed against Trump has made him a "victim" in the eyes of the public, helping him attract more voters.

The **ruling** issued by the Colorado Supreme Court says that Trump is not eligible to become president again and bars him from the state's primary ballot.

If a similar ruling is delivered in all states, his candidacy for the United States President might be terminated due to "engaging in insurrection".

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Experts also mention possibilities, such as the "risk of civil war", in their analyses on the United States of America.

In fact, the public's view is divided along ideological lines in the US as well as in all Western countries. On the one hand, there are ultranationalists, and on the other, there are liberals and leftists working together.

However, a pre-pandemic issue of The Economist said that there was no more "left or right discourse" in western countries, with almost all politicians engaging in nationalist discourses and practices to please the voters.

As the downward spiral of US foreign policy gains momentum with Biden, we should be reminded that not a single official visit, especially at presidential level, between the US and Turkey has taken place since 2019.

Biden says, "First let Sweden join NATO and then we'll talk". Erdogan replies, "I did my best. Now it's up to the Parliament to decide".

The Hungarian Parliament, on the other hand, has postponed the vote since it is waiting for the Turkish decision.

The fighter jets

So, the NATO summit to be held in Washington on the occasion of its 75th anniversary is accordingly crucial. The members are perhaps going through the most difficult times since the North Atlantic Treaty was signed in Washington 75 years ago, on 4 April 1949.

In the face of Biden's insistence that Turkey must agree to Swedish accession to NATO, the Turkish government is angry that the F-16 order will be finalised only on the condition that Turkey accepts Sweden as a NATO member.

In fact, there are rumours that Turkey will not be allowed to purchase the fighter jets even if it agrees to Biden's condition, because in the United States, all foreign military sales exceeding \$50 million are expected to require Congressional approval.

One should be delusional to hope for a decision favouring Turkey, defying the pressure of the Greek, Armenian and Jewish lobbies, especially now as the 2024 United States presidential election draws closer.

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Also, the fact that the Turkish press has been publishing fewer and fewer news reports criticising Sweden has not gone unnoticed.

Most likely, the media is trying to convince the public to come to terms with Sweden's NATO membership before the parliamentary vote.

So, it is evident that the Turkish Government does not make Sweden's NATO accession difficult. If Sweden, or people in Sweden, do nothing that could be disturbing to the Islamic World, I think that the Turkish Parliament will approve the membership.

Removed from the F-35 joint strike fighter programme and unable to obtain F-16s from the US, Turkey is now seeking Eurofighters, but this time Germany has refused to grant permission for the purchase of Eurofighter Typhoon fighter jets.

As a matter of fact, Turkey had given the green light to the Eurofighter acquisition before joining the F-35 programme, but then opted for the purchase of US-made fighter jets.

Turkey could still buy these jets, which however would make it impossible for Turkey to take part in "joint missions", since Eurofighters are not included in NATO's JSF programme.

Therefore, as Turkey continues its search, it will also continue to develop its own defence industry.

European Parliament election

Speaking of Germany and the EU, let's now discuss the European Parliament election which is scheduled to be held on 6-9 June 2024.

Fascism is rising in Europe. The Chancellor of Austria openly backs far-right ideas. Populist and ultra-nationalist trends are on the rise in Italy and Germany as well. Far-right candidates are anticipated to win the European Parliament elections.

The thing is that politicians who are representing such extreme political tendencies have said that they were against the creation of the EU from the very beginning.

Soon, we could bear witness to an interesting process during which those who want to put an end to the European Union will fill the seats in the European Parliament.

I think, panicked by the inevitable, the European Commission has decided to clear the way for membership talks with Ukraine and Moldova, while granting candidate status to

Georgia.

Although this move will not actually help the EU, it might rather provoke the Russians.

The latest **progress report** on Turkey had a slightly softer tone than the previous ones, including efforts such as the resumption of EU-Turkey association council meetings, modernisation of the Customs Union, and visa facilitation.



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However, the EU continuously repeats the impossibility of following a common foreign policy with Turkey. The biggest disagreements with the EU involve Cyprus and the war between Israel and Hamas.

Let alone the implementation of a common foreign policy. It is clear that the EU and Turkey also disagree about legal processes.

As for Turkey, which is in dire need of funds, it is quite apparent that its access to these funds is primarily at the discretion of the Jewish lobbies in the US and other countries.

However, Erdogan is unlikely to soften his rhetoric against Netanyahu until the local elections are concluded, perhaps even until the Gaza war is over.

Erdoğan's rhetoric, however, is targeting Netanyahu, not Israel directly. In this respect, the Turkish government emphasises that there is no problem between the people of Turkey and Israel.

This diplomatic approach also saves the Jews in Turkey from being victims of bad treatment.

The Caucasus

Meanwhile, unusual things are happening in the Caucasus. Azerbaijan seeks to connect its mainland with Nakhichevan via Iran, bypassing Armenia while supporting China's Belt and Road Initiative.

Although the US states that they would not allow such action, President Aliyev seems quite determined to do whatever necessary to initiate the project.

Also, giving the green light to Armenia for "participating in the initiative", Azerbaijan is gradually strengthening its relations with Turkey.

However, as reported, France and the United States are provoking Armenia to cause turmoil in the Caucasus, which has inevitably led to an idea of establishing a joint corps consisting of Turkish, Azeri and Uzbek soldiers.

In fact, other countries in the region are expected to join this initiative. Even though Azerbaijani President Aliyev says "our foreign policy is fully compatible with Turkey's", their strategic cooperation with Israel and their support in the Gaza war were not.

But the lasting friendship between Turkey and Azerbaijan apparently erases such details.

2024 will bring about both inflation and growth concerns in the shadow of the upcoming elections worldwide

So, in a nutshell, 2024 will bring about both inflation and growth concerns in the shadow of the upcoming elections worldwide.

If climatic and natural disasters inflict serious impacts on economies next year, international

institutions will have to revise their macroeconomic forecasts.

In some countries, GDP growth is expected to slow down faster than thought as inflation goes out of control.

I know that those who have liquidated their assets in 2023 are looking forward to investing, but in light of the expectations, concerns and variables I have mentioned above, they should have patience and wait for the right time and the right methods.