

## THE TURKISH BELL JAR

THE SUMMER OF 2004 has seen a new sense of optimism in Turkey. A stable government has garnered a series of successes both in legislating democratic reforms and in international diplomacy. Long-promised rights and safeguards have been put in place, significantly reducing the authoritarian legacy of the republican state. The EU announced that the country had fulfilled its requirements for political reform, and no longer had to be monitored. It is widely expected that negotiations for membership to the EU will be given the go-ahead later this year and that foreign capital may start to flow in. Inflation has been reduced and the economy is currently in an up-swing, registering a growth rate above 10 per cent last quarter. Yet, barely three years ago, Turkey's political instability—erupting in a public row between president and prime minister—catalysed a financial crisis, with a 50 per cent devaluation of the currency, severe recession and soaring unemployment. A year later, in summer 2002, the coalition government (Turkey's seventh in a decade) collapsed in disarray. The political and economic outcomes of these debacles unfolded within the context of the Iraq War and US-led occupation, EU pressures to reform the highly authoritarian state system, electoral breakthrough by the populist Islamist AKP and intensified IMF-led restructuring.

The 2001 crisis itself represented the collapse of a two-decade attempt by Turkey's traditional elite to shore up its faltering ideological hold through resort to state coercion. The state is a concept with an unequivocal referent in the Turkish context. In its eyes, the nation is an organic totality whose true interests can be known and fostered only by the Kemalist governing elite. It calls for constant vigilance against the forces who would dismantle the country and threaten Turkish national unity. The hegemony of the elite was established through the construction of the nation-state from the ashes of the Ottoman defeat, and sustained through the ordinary

apparatuses of school and barracks. It was perpetuated through its control over foreign exchange and credit during the three decades of developmentalism that followed the Second World War. The state's arsenal of policies and resources dominated a weak bourgeoisie and moulded the largest businessmen into a willing alliance around a strategy of centrally coordinated national development on the import-substitution model.

As in Latin America, development came to an end due to an inability to perpetuate a largely closed economy. The crisis was occasioned by problems in securing foreign exchange. Urbanization and industrialization had ensured that most of the basic consumption items, durable goods included, were manufactured domestically. The Turkish economy produced a sufficient quantity of the staples, such as steel and petrochemicals. Yet none of these sectors could hope to compete in the world market. State enterprises were burdened with excessive employment, while in the private sector, monopoly positions translated to high profits and high wages. Despite a respectable growth performance, the economy could not generate the foreign-exchange earnings that were needed for essential imports such as oil and new technology.

The response of the Turkish political establishment in the 1970s was to perpetuate national-developmentalism rhetoric, borrow dollars abroad, and continue to protect industry, support agriculture and subsidize consumers. They attempted to control the market by fiat, setting exchange rates and prices at artificial levels, and watched helplessly as shortages grew and a black market flourished. The economic crisis and the social dislocation it instigated fuelled the already raging political struggle between the hardline right and the revolutionary left. The 1980 military coup was thus a response to the economic impasse as well as to political crisis. It ushered in a regime of exception under which the alliance of statist and authoritarian interests succeeded in stalling all attempts to break through its own fog of nationalist ideology.

The chief institutional legacy of the three years of overt military tutelage (1980–83) was the 1982 Constitution. Under this basic law, the powers of a National Security Council (NSC) were expanded to form what amounted to a parallel government, while the State Security Courts became a parallel legal system with jurisdiction over 'crimes against the state'. Within the NSC, military chiefs of staff met with top cabinet members and dictated the policies to be followed. The NSC was endowed with

a permanent secretariat and staff, designed to pool all intelligence and to develop policy to be implemented by the relevant bureaucracy, often bypassing the politically appointed ministers.<sup>1</sup> It gradually extended its authority to cover any issue that could be deemed important in the total war against separatism and the Islamic movement. A Higher Education Council was established to oversee the universities, their personnel and syllabuses, and a similar body to regulate the content of all broadcast media. Virtually everything, from foreign and military policy to the structure of civil and political rights, from secondary-school curricula to energy policy, was eventually decided in the monthly meetings of the NSC, invariably along the lines formulated by its secretariat. The civilian governments that subsequently entered office, beginning with Turgut Özal's election victory in 1983, essentially concerned themselves with economic policy and the management of the debt. Meanwhile, the State Security Courts served as unabashed organs of the 'deep state': their jurisdiction extended to everything political, ranging from human rights to anything that the state construed as separatist propaganda, within which rubric even singing a song in Kurdish could qualify.<sup>2</sup>

### *Economic restructuring*

Under the military-NSC regime, a radical makeover of the economy could be embarked upon with minimum resistance. The gradual dismantlement of the import-substituting industrial sector took place against a backdrop of worsening income distribution. The share of wages and salaries in national income dropped from around 30 per cent in the 1970s to roughly 20 per cent in the 1980s. Wages in manufacturing had increased, more or less in line with productivity, over the three decades after 1950; by contrast, the level of real wages remained in 2000 what it had been in 1980, having dropped below that for long periods in between. Manufacturing employment in the public sector fell from 250,000 to 100,000 between 1980 and 2000, due to downsizing and privatization. Workers in the state-owned industries had constituted the core of the labour movement of the 1960s and 70s—organized trade unionists who received relatively high wages and good benefits. With

<sup>1</sup> The real status of the NSC emerged during the course of the war against the Kurdish population in the Southeast: the administration of the war region and all matters of free speech and exercise of rights connected to the Kurdish problem and ethnic matters came under the NSC's de facto authority.

<sup>2</sup> 'Bir Zümrü, Bir Parti, Türkiye'de Ordu', articles by Ömer Laçiner, Ahmet İnsel, Tanıl Bora and Gülay Günlük-Şenesen, special issue of *Birikim*, Aug–Sept, 2002.

privatization, deregulation and flexible employment, the advantages they had enjoyed in a protected manufacturing sector rapidly eroded. Subcontracting, the spread of smaller enterprises and piecework became standard practices; especially as the service sector gained ground, informal and diversified conditions of work increased.<sup>3</sup>

At the same time, market liberalization unleashed entrepreneurial energies at every level; traders and merchants were suddenly permitted to do things for which they would have served jail sentences a few years earlier. The industrial structures of the developmentalist era had been characterized by the oligopoly of a few multi-tentacled holding companies, through which the import-substituting bourgeoisie of Istanbul, with their privileged access to policy makers in Ankara, had been able to maintain an iron grip over the economy. With liberalization, a new breed of entrepreneurs emerged who had to compete in globalized markets, and indexed their behaviour to commercial and consumer signals rather than bureaucratic decisions; hence their dependence on policy was less direct. As Turkish exports gravitated toward labour-intensive manufactures, a number of smaller Anatolian cities with craft traditions and non-unionized workforces, where households could be incorporated in subcontracting deals, began to emerge as regional industrial centres.<sup>4</sup> Most of the production in these towns, the so-called Anatolian Tigers, was located on buyer-driven networks: businessmen contracted directly with retail chains and volume buyers in Europe. Dealings with the economic bureaucracy of the state were considered a burden rather than a benefit.

The 1980s thus saw the emergence of new sectors, new markets, new forms of labour organization and new geographies. Exports increased from \$3 billion in 1980 to \$13 billion in 1990, and to \$50 billion in 2003—the expansion entirely due to manufactures, especially textiles. From Ankara's point of view, the new businessmen functioned outside the customary networks of influence and privilege, and did not share the westernized style and militant secularism of their more entrenched counterparts in Istanbul; they were more likely to support an Islamic

<sup>3</sup> Today only five per cent of the labour force is unionized—barely one million, out of over twenty million workers—within a highly fragmented institutional structure.

<sup>4</sup> See, for example, Asuman Türkün-Erendil, 'Mit ve Gerçeklik Olarak Denizli—Üretim ve İşgücünün Değişen Yapısı', *Toplum ve Bilim*, no. 86, 2000. This pattern well conforms with the expectations of post-Fordist theory: see Charles Sabel, 'Flexible Specialization and the Re-emergence of Regional Economies', in Ash Amin, ed., *Post-Fordism*, Oxford 1994.

party, and to associate themselves with MÜSİAD, an association of Islamic businessmen, which became an important social and political counterweight to the association of Istanbul industrialists, TÜSİAD.<sup>5</sup>

### *Islamist movement*

Opening to the world market and restructuring the economy depleted the resources that had served to purchase popular consent. The last two decades of Turkish history have been coloured by state forces attempting to find new ways of securing domination over a transformed and increasingly vocal society. Having lost the legitimacy accorded them during the developmentalist period, since 1980 they have relied heavily on various forms of coercion to maintain the statist equation in face of emerging forces that have sought to establish their own economic, cultural and political autonomy. The rise of the Islamist parties has posed a particular dilemma for the traditional ruling class. Secularism, defined as strict state control over religion, has been a principal concern of the Turkish elite since the inception of the republic. In their conception of modernization, western modes of conduct had to be adopted to replace local particularisms; Islam, of course, was the most blatant expression of the local. Furthermore, a fundamentalist interpretation of Islamic law conflicted with both the allegiance required by the state of its citizens, and with the unique legal system that Kemalism wished to impose. However, contradicting their vigilant rhetoric, republicans have in fact been pragmatic in their dealings with even the more extreme versions of religious affiliation; their secularism conceals an underlying hypocrisy toward Islam and Islamists. Starting in the 1940s, political parties bargained with the leaders of sects, granting concessions on religious schools in exchange for their devotees' votes. After the coup in 1980, the military junta subscribed uncritically to the American policy of encouraging Islamism as a buffer against the socialist movement.<sup>6</sup> With the

<sup>5</sup> Ayşe Buğra, 'Class, Culture, and State', *International Journal of Middle East Studies*, vol. 30, no. 4, 1998.

<sup>6</sup> During the Kurdish war, the 'deep state' contracted with a brutal extremist faction of Islamists, Hizbollah, to eliminate businessmen sympathising with the Kurdish side. Themselves mostly Kurds, Hizbollah were a fundamentalist Sunni faction, with no relation to the Shi'ite party of the same name. This patronage, it now appears, continued after hostilities ceased in the Southeast, facilitating Hizbollah's international mobility and alleged participation in the Istanbul suicide bombings of November 2003. The security force's pretence of being able to control the fundamentalists for its own purposes had backfired.

education system undermined by IMF fiscal austerity measures, enrolment in government-backed religious *lycées* grew faster than that in general secondary schools during the 1980s, and religion was made a compulsory element of the curriculum. During these years, party leaders competed for good relations with various moderate and modernist Islamic factions, Özal winning their support in 1983.

Since the mid-80s, Islamists have steadily increased their share of the vote. Under Necmettin Erbakan's leadership, the Islamist Refah (Welfare) Party won 8 per cent in 1987, 16 per cent in 1991 and 21 per cent in 1995. Observers of political Islam have argued that the fundamentalist platform, defined as a project to replace the modern state and western law with Islamic ones, appeals to no more than 6 or 7 per cent of the population. The much larger numbers that have voted for the Islamic parties have arguably done so not because they want an anti-secular systemic change but because they favour an opening, a widening of the base that the system acknowledges. Islam has served as a rallying cry for those who were forced to remain outside the imaginary city walls when large-scale urbanization started, for the smaller entrepreneurs against the state-supported bourgeoisie of Istanbul, for politicians who did not enjoy the military's stamp of approval.<sup>7</sup>

Earlier incarnations of Islamic parties—Refah, dissolved under pressure from the NSC in 1998, following its short-lived coalition government with Tansu Çiller's centre-right True Path (DYP), was replaced by Fazilet (Virtue), itself closed down in 2001—oscillated between defying the system and adapting to it, and failed to harness this populist impulse to a programme that would be politically acceptable to the Turkish elite. The 2001 split in the Islamist ranks after the Fazilet Party was banned saw the creation of the Adalet ve Kalkınma (Justice and Development) Party (AKP) led by Abdullah Gül and Tayyip Erdogan, while the old guard around Erbakan set up the Saadet (Felicity) Party. The AKP successfully combined electoral rhetoric aimed at the excluded with a message to the elite that regime change was not on its agenda. In the November 2002

<sup>7</sup> There is a lot written on the Islamic movement in Turkey: Binnaz Toprak, *Islam and Political Development in Turkey*, Leiden 1981; Nilüfer Göle, *The Forbidden Modern: Civilization and Veiling*, Ann Arbor, MI 1996; Jenny White, *Islamist Mobilization in Turkey*, Seattle, WA 2002, are representative. Also see Haldun Gülpalp, 'Globalization and Political Islam: The Social Bases of Turkey's Welfare Party', *International Journal of Middle East Studies*, vol. 33, no. 3, 2001.

elections the two Islamic parties received 37 per cent of the vote, with the AKP taking 34 per cent. The 10 per cent threshold imposed by the NSC's constitution duly disqualified all but one of the other parties, leaving the AKP with 60 per cent of the seats.<sup>8</sup>

The AKP's popular appeal is based on providing a voice to the heretofore excluded, while the validity of its material promises derives in large part from the local-government record of its precedent political formations, which succeeded in building a reputation for relative honesty in administrations customarily mired in corruption. These municipalities initiated social-assistance policies in an environment where there was virtually no government welfare policy targeting the poor, and where organized philanthropy was scant. They organized soup kitchens and health centres, offered in-kind aid to the destitute, and invariably set up social-assistance drives during Ramadan, pressuring local businessmen to donate goods, buildings and money. Such engagement involved large numbers of party activists (and especially young women) building networks and linking with the population. Tayyip Erdoan himself, was the popular mayor of Istanbul from 1994 until his brief imprisonment in 1998. Islamist parties have thus been the principal conduit for the expression of economic resentment. Despite the AKP leaders' genuine commitment to neoliberal orthodoxy, and although they also articulate the aspirations and discontent of a rising Anatolian bourgeoisie as against the established business oligarchy, they receive the bulk of their votes from the poor. This support from the excluded is due more to the critique of the political system and its corruption than to explicit promises of economic restructuring or a rights-based social policy.

### *Kurdish questions*

In addition to the Islamic movement, the issue that has occupied the Turkish agenda most consistently since 1980 has been the Kurdish problem. Any intimation of Kurdish or any other separatism was, of course, strictly forbidden at the foundation of the Republic, and the use of the Kurdish language in public speech or education has been rigidly outlawed ever since. Brutal cultural suppression combined with economic underdevelopment inevitably fed resistance. Martial law was continued in the

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<sup>8</sup> The popular votes were 9.6 per cent for Ciller's True Path, 8.3 per cent for the Nationalists, 5.1 per cent for Motherland and 1.2 per cent for Ecevit.

Kurdish provinces after 1983, accompanied by mass arrests, torture and forcible relocation of villagers. In 1984 Abdullah Öcalan returned from Syrian exile to lead the Kurdish Workers' Party (PKK) in guerrilla attacks on the security forces. State repression was intensified in return: the war would claim 30,000 lives before it finally ended in 1999.

During the 1990s, the war against the Kurdish forces was used to justify a gradual transition to a national security state, as the Army's chosen mode of response to the insurgency—military victory first, cultural freedoms later—gained the upper hand. The war allowed the return of the Rechtsstaat as the cloak under which a new era of repression and arbitrary rule could flourish. The tentative openings created under Özal after 1983—expansions of the social sphere to acknowledge the hitherto taboo lifestyles that market liberalization fostered—shrank back. A military-dominated authoritarianism coupled with a lack of accountability characterized the decade. All attempts at democracy and the rule of law were brutally quashed in the name of national security.

The military justified its regency on the basis of the war; yet the war also compromised its standing. The 'special forces' had gained a particular reputation for brutality in their dealings with civilians. Much of the population left the war zone. In the mid-1990s more than 1,500 rural settlements were evacuated as part of the military campaign against guerrilla forces, leading to a massive displacement of Kurdish peasants. The area had become a separate jurisdiction, governed by a law of exception. Conscripts reported on their dehumanizing experience under arms.<sup>9</sup> There were well-documented cases of torture in prisons, and instances of the military and intelligence services using civilians to eliminate suspected supporters of the PKK. As in similar cases elsewhere, funds for such clandestine activities were sometimes obtained through criminal means.

The military's strategy of defeating the guerrillas before there could be any talks on cultural and political rights would not have achieved its expensive success had a separatist platform enjoyed greater support. There

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<sup>9</sup> Nadire Mater, *Mehmedin Kitabı: Güneydoğu'da Savaşmış Askerler Anlatıyor*, Istanbul 1999, was a milestone. See the review article by Ayşe Gül Altınay, 'Mehmedin Kitabı: Challenging Narratives of War and Nationalism', *New Perspectives on Turkey*, no. 21, 1999. For a recent account see Hasan Cemal, *Kürtler*, Istanbul 2003; for a broader perspective Kemal Kirişci and Gareth Winrow, *The Kurdish Question and Turkey, an Example of a Trans-state Ethnic Conflict*, London 1997.

were historical and political reasons behind the PKK's failure. Under the Ottoman Empire, ethnicity—unlike religion or sect—had never been a barrier to assimilation or intermarriage. This legacy of ethnic neutrality has continued at the social level in modern Turkey, where the bourgeoisie and political-cultural elite derive from diverse backgrounds, and marriages bring together co-religionists of all ethnicities, including Kurds, Circassians, Albanians, Bosnians and recent converts to Islam. Assimilation has been the norm in the case of Kurds who have moved out of the Southeast and the East to western Turkey. Ethnic Kurds have long been prominent in politics, and were even over-represented in the parliament. The price of assimilation, however, was the suppression of ethnic identity. While in the Empire one could remain Kurdish and still become part of the Ottoman elite, in the Turkish nation-state Kurdishness, as all other ethnic allegiance, had to be a private affair; in public, all were Turks. Thus, while the politics of identity and cultural recognition would find a much wider appeal among Kurds living outside the region, separatism would not.

There are no reliable figures on the ethnic composition of the population in Turkey, since censuses assiduously avoid questions of ethnicity or native language. Best estimates suggest that the Kurdish population (defined variously) is between 10 to 20 per cent of the total, but intermarriage makes the count impossible. In 1990 perhaps a third of ethnic Kurds lived in the Western provinces of the country; in 2000, after ten years of war, the proportion had increased to 50 per cent. Istanbul is by far the largest Kurdish city, with more than one million Kurdish inhabitants. It would be difficult to find many proponents of a separatist movement subscribing to the goal of a landlocked Kurdistan among those living in western Turkey. Recent immigrants to Istanbul and the big cities of western Anatolia have been poor peasants, driven out of their villages, but with little desire to go back. In other words, most of the elite of Kurdish ethnic origin are not interested in a separatist solution, and it is unlikely that the subaltern Kurdish population, now making up a good proportion of the urban poor in large cities, will subscribe to any such movement.

There was an additional dimension which made it difficult for the Kurdish elite, rural or urban, to align with the nationalist movement. While earlier Kurdish insurrections of the 1920s and 1930s had originated within the landlord class and clergy, the modern movement was

rooted in the poor peasantry. The PKK started as an anti-feudal movement against Kurdish landlords in southeastern Turkey, who had been the willing allies of the republican state in maintaining social control. Elsewhere, the builders of the Turkish state had allied themselves with the independent peasantry and even supported poor farmers in occupying land, but they had shied away from changing the social balance in the Southeast. When the peasant movement started in the 1970s, Ankara sent gendarmes to protect the landlords from the insurrencies. This explains the ‘socialism’ of the PKK, its declared affinity with movements such as the Shining Path, but also the lack of support for the ideology and guerrilla tactics of the PKK and its commander Öcalan among the Kurdish elite. Some clan chiefs continued to back Ankara against the insurgents as the state recruited and armed a force of some 60,000 ‘village guards’, themselves ethnic Kurds, who were supposed to protect local populations against the guerrillas. Clashes were frequent between the two, and the PKK’s campaign to win over villagers sometimes degenerated into intimidation and massacres that almost took on the appearance of a Kurdish civil war.

The UN Security Council passed its first resolution on the Kurdish question in the aftermath of the Gulf War, with the creation of the US-monitored no-fly zone in northern Iraq—thus officially putting the issue of Kurds’ human rights on the international agenda. In the same year, Özal proposed a modification of the language ban to permit informal speech. In 1993 Öcalan declared a ceasefire and renounced the demand for an independent Kurdistan, instead claiming cultural and political freedoms. Özal’s sudden death put a halt to further negotiations, and his successors moved swiftly to strengthen the army’s presence in the Southeast. The war was finally brought to an end in 1999. That February, Öcalan was captured in Kenya, with Israeli and American help, flown back to Turkey for a State Security Court trial and condemned to death. In August, he called on the PKK to lay down its arms.

From Özal’s death onwards there had been no suggestion from civilian politicians that there might be a non-military solution. The NSC vetoed any attempts to broach the issue of cultural rights, although it gradually became acceptable to talk about what was euphemistically called ‘the Kurdish reality’. Yet even such symbolic gains were due to human-rights groups and journalists, rather than politicians. Against the backdrop of war, the political parties mostly remained quiet—tacitly

accepting the military's strategy, without questioning the effects of the rigid imposition of national identity on the population. Highly centralized inner-party regimes, with candidate lists drawn up by the leaders, assured block voting in the parliament. Ecevit's Democratic Left Party (DSP), dubbed a 'family partnership' in the press, was the most advanced in sycophancy. The far-right Nationalists (led by the veteran Turkes) were the more outspoken wing of the militarist camp, but Ecevit, with a similar emphasis on the sanctity of the nation and its sovereignty, was at least as adamant in upholding the strictures of the 1982 Constitution. The Motherland Party (ANAP) of Mesut Yilmaz and the DYP were more in the nature of loose associations of interest without a stable political line. All participated in one or other of the short-lived coalition governments that characterized the 1990s, dutifully towing the line set out by the NSC; all fell below the 10 per cent mark in the November 2002 elections. Only the extraordinary conditions of civil war and ideological confinement, imposed by the military, could allow their corruption and ineptitude to go unscathed.

One function of the 10 per cent threshold was to ensure that the Kurdish movement would not be represented in parliament. When, in 1994, the Kurdish parties formed an electoral alliance with the centre-left and sailed over the mark, six deputies were arrested on charges of aiding the PKK; they remained in prison until June 2004. With the parliament becoming an increasingly irrelevant sideshow, real political debate over issues of democracy, ethnic representation and the effects of economic liberalization shifted to various extra-parliamentary forums: human-rights groups, the feminist movement, anti-war platforms, NGOs.

### *Debt crisis*

In economic terms, too, the 1990s were Turkey's lost decade. Whereas growth had averaged 5.3 per cent during the 1980s, the economy shrank by 6 per cent in the crisis years of 1994 and 1999, and by 9 per cent in 2001. Investment fell, while bankruptcies and unemployment exploded. The average rate of inflation was around 80 per cent. Starting from manageable levels in the early 1990s, state indebtedness reached the alarming level of 150 per cent of GNP by 2001. With accumulation mounting every year, Turkey's entire tax revenue was required to service the debt; for the government to function beyond debt management, it had to have recourse to new loans. The level of debt accumulation

has been due in large part to the excessively high interest rates paid to domestic lenders, averaging over 20 per cent in real terms for much of the 1990s. With lending to the government bringing such returns, investment in the real sector suffered. Banks bought the bonds issued by the Treasury and offered attractive rates to depositors. The bulk of the debt was held by a small group at the top of the concentration of wealth, who owned the high-interest deposits in the banks. In 2002, interest payments reached around 20 per cent of GNP, nine-tenths of it for internal debt. A century ago, Rosa Luxemburg described how the Ottoman state was employed as a tax-collecting conduit for the appropriation of surplus by international financiers; the present-day beneficiaries are a small group of local rentiers.

The state's systematic transferral of tax revenues to a rentier class was bound to create resentment among the 'active and working elements' in the real economy.<sup>10</sup> Not only did they suffer a worsening income distribution, they were also deprived of public-sector expenditures due to fiscal exhaustion. The debt economy introduced another distortion in the form of the unusual profitability of financial activity, consisting mostly of transactions in government bonds. Banks would borrow in foreign markets to buy state debt, gambling on the differential between the interest rate and the depreciation of the Turkish lira. Domestic savers and investors maintained holdings in local and foreign currency, buying and selling according to their expectations. The ensuing volatility encouraged further speculation. In this frenzied contest over the division of the spoils, the financial sector collected high returns from mediation, and invited corruption, political meddling and cronyism. There was also a high incidence of cross-investment between the financial sector and influential media: publishers could leverage their influence to buy banks, and bankers safeguarded their position by acquiring media. The biggest incidents of corruption involved politicians in league with bank owners plundering the state treasury.

Meanwhile successive governments found themselves squeezed for funds. As neoliberal globalization made deeper inroads, the political class was unable to offer any protection to the population against the ravages of market forces. Instead of engaging in politically unpopular

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<sup>10</sup> Sentiments expressed by Keynes, quoted in Yılmaz Akyüz and Korkut Boratav, 'The Making of the Turkish Financial Crisis', Discussion Paper no. 158, UNCTAD, 2002. Also see Erinç Yeldan, *Küreselleşme Sürecinde Türkiye Ekonomisi*, İstanbul 2001.

tax reform, they restricted all expenditures in line with IMF prescriptions. Thus public education and health services were left to deteriorate (by 2000, social expenditures on health and education had decreased to 3.5 and 2.2 per cent of GNP respectively). Nationally owned companies were privatized, consumer subsidies were discontinued and agricultural support reduced. Public investment dried up and no further social assistance measures were put in place, despite the widely perceived ravages of new poverty. Turkey's rank in human development reports is 85, well below its GDP per capita ranking.

### *Into Europe?*

Perhaps the major determinant of the domestic political scene in recent years has been Turkey's candidacy for the European Union—arguably, the only national project to enjoy popular support. This has not always been the case. In 1987, when Özal first applied for full membership, both the Islamic and the nationalist political forces were staunchly against a closer association with Europe, and what remained of the left had not yet totally outgrown its fascination with third-worldism. Despite the relaxation of statist control over the economy, Turkey's coddled bourgeoisie, fearing the loss of cozy profits from a protected market and state subsidies, was yet far from charting an independent course. In the 1990s, this began to change. A burgeoning urban middle class was growing impatient with official constructions of national identity, as propagated by the authors of the modernization project. Elements within the intelligentsia began to question the basic premises of statist developmentalism. Where previously political debate had been defined along a left-right continuum, the opposition's platform now focused increasingly on civil rights. Candidacy to the European Union became a crucial card to play at this juncture. Aware that they had neither the resources nor the ability to mobilize social forces to defeat the state, opposition groups came to see the candidacy process as the only way of winning support for greater democracy, rule of law and an expanded pluralism, as depicted in the Copenhagen criteria. By the end of the decade, the moderate wings of Islamic and Kurdish movements had joined the ranks of civil-society and human-rights activists advocating rapid fulfilment of the conditions required by Brussels.

The EU had in fact acquired a major presence in Turkey by the late 1990s. Euro-parliamentarians regularly visited areas of conflict, inspected

prisons and gave overt support to human-rights organizations. The EU office in Ankara funded projects with the objective of strengthening civil society; contacts were established through NGO activities, ranging from working with homeless children to sponsoring environmental activists. Official visits served to remind the public that this special relationship continued on course. Almost imperceptibly, the EU had become a player in Turkish politics and public opinion. The country's heretofore insular political scene had been penetrated by new Europe-centred networks into which NGOs, political parties and state agencies found themselves drawn.

In addition, the Istanbul big bourgeoisie now swung their weight behind the EU project. Although Özal's 1987 membership application had met with rebuttal by the Commission—its reply, in 1989, had cited doubts about enlargement as well as the protectionism and imbalances of the Turkish economy—it had instead proposed a free-trade customs union, to come into force from 1995. Initially, the free-trade agreement was met with suspicion by some of Turkey's larger, first-generation industrialists. Having made their fortunes through protectionism, they were wary of unbridled competition. For many of the smaller, export-oriented businessmen, however, the Customs Union not only promised markets but also signalled the hope of keeping the capricious ministries and the planning authority out of their affairs. The struggle over the signing of the agreement was an important threshold, after which the bourgeoisie were left with no choice but to compete in larger markets. Their objectives therefore shifted to rationalization of the economic environment, and to curbing the state's arbitrary prerogatives. By the mid-1990s both TÜSİAD and the new Anatolian bourgeoisie had adopted a platform of democratization and reform, pursuing a relatively consistent programme of economic and political liberalization.<sup>11</sup>

To this end, TÜSİAD invited prominent academics to draft reform proposals to the Constitution, the judiciary and the electoral system; they

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<sup>11</sup> Ziya Öniş and Umut Türem, 'Business, Globalization and Democracy: A Comparative Analysis of Turkish Business Associations', *Turkish Studies*, vol. 2, no. 2, 2001. For the history of the relations between Turkey and the EU, see Meltem Müftüler-Bac, *Turkey's relations with a changing Europe*, Manchester 1997; Mehmet Ugur, 'The Anchor-Credibility Problem in EU-Turkey Relations', in Jackie Gower and John Redmond, eds, *Enlarging the European Union*, Aldershot 2000; Birol Yesilada, 'Turkey's Candidacy for EU Membership', *Middle East Journal*, vol. 56, no. 1, 2002.

published position papers on the Kurdish situation, education, human rights and democratization. Although they were less than heroic in defending their positions against displeased representatives of the state, their timid attempts at a belated platform of bourgeois freedoms played an important role in legitimizing discussion on these issues. The salient point in these developments was that both Anatolian and Istanbul businessmen agreed that it was necessary to curb the excessive powers of the state. The lack of political will to introduce radical remedies and the unconcealed enthusiasm for graft had made Ankara an excrescence difficult for them to tolerate.

What made the opposition of the ‘civil society’ to continuing statist prerogatives possible was that the state elite and establishment politicians never faltered in their professed commitment to the European ideal. At the EU’s 1997 ‘enlargement’ summit in Luxemburg, Turkey’s candidacy was consigned to deep freeze, but a withdrawal of the application was never mooted. Instead, the governing class seemed satisfied with the stand-off whereby Turkey would be seen as a perpetual supplicant for membership and the EU as a fickle and ultimately disinterested object of desire. This official pro-Europeanism made an appeal to the democratic norms required for EU candidacy a legitimate form of critique—the only one available, in fact, to those advocating greater civil liberties. To call for a rapid fulfillment of the EU conditions was a far safer option than direct confrontation with the formidable powers of the governing elite. Public opinion polls indicated a solid majority, between 65 and 75 per cent, behind this broad coalition of interests—even if this did not reflect a clear understanding of what EU membership would actually entail.

The unexpected development at this juncture was the switch in the EU’s stance. In December 1999, two years after the Luxemburg rejection, the EU heads of state at the Helsinki summit meeting agreed to accept Turkey’s candidate status. Observers have pointed to a number of factors. In Germany, Schroeder had replaced the more intransigent Kohl in 1998. Öcalan’s imprisonment and the PKK surrender had defused the Kurdish issue. The Blair government had campaigned hard for enlargement as an antidote to integration. There was a new rapprochement with Greece, partly as a result of the ‘earthquake diplomacy’ of 1999. TÜSİAD had been lobbying successfully in Brussels. American support—in particular, Clinton’s efforts at the OSCE summit in Istanbul in November 1999—was also seen as instrumental in securing the positive outcome at

Helsinki, although the US's frequent interventions in favour of Turkey's accession have been resented by Brussels, especially since G. W. Bush's presidency. Of course, Turkey had proved a loyal asset in the post-Cold War period, and entry into the EU, it was argued, would help to stabilize Turkey domestically, at no cost to the US and the 'western alliance'.

Nevertheless, the EU's 1999 decision to extend candidate status to Turkey took fractions of the state elite in Ankara by surprise. Having counted on perpetual postponement, they now found that the reforms suddenly demanded of them required significant alterations to their national-security system and its ideological props. The ideal of nation as community would have to yield to rule of law; enforcement of civil and political liberties would strengthen oppositional forces. The cultural rights of the Kurdish minority would have to be recognized, and secularism redefined to allow freedom of religious organization and expression. Perhaps most controversial, the military would have to abdicate its regency over the state. Accordingly, opposition to the European project, especially from the military but also from within the ranks of the bureaucracy and the judiciary, was openly voiced for the first time. Top generals opined that the EU, using the pretext of cultural rights, wanted to divide Turkey along ethnic lines; the far-right Nationalist Action Party, a member of Ecevit's coalition, was mobilized to defend the unitary national structure against European demands. Anti-EU forces pointed out that Turkey's geostrategic centrality meant it could always depend on IMF bail-outs and Washington's support. While the EU had initially been a state project for Turkey's elite, now it had become a platform for those who wanted to rein in the elite authoritarianism of Ankara. Rhetorical entrapment of the statist party served the democratizers well during the debate, however. Very few voices actually went so far as to propose a total rupture with the EU. Official Kemalist discourse would not permit such a jettisoning of the western ideal.

The unease of the military and their extensions in civilian government about the prospects of membership fed on the doubts of the European side. The dialogue between Turkey and the EU always hid more tension than the parties openly admitted to. European elites who aspired to a politically united federation objected to Turkey's membership on the same grounds that De Gaulle had opposed Britain's in the 1960s. Austrian and German Christian Democrats held that Turkey was not European enough, or too Islamic, culturally speaking. Opinion polls

showed only minority support for Turkey's candidacy, though higher in Southern Europe than in the North. Giscard d'Estaing accused other politicians of hypocrisy, declaring that accepting Turkey into the Union would spell the end of Europe.<sup>12</sup> Yet the EU, too, was trapped in its own rhetoric as a 'union of the willing': ostensibly everyone who fulfilled the Copenhagen criteria could join. Hence, negotiations had to be allowed to proceed through the designated channels and bureaucratic momentum took over, with annual progress reports prepared by the Commission.

### *The AKP government*

The pro-EU forces in Turkey were delivered an unexpected breakthrough with the AKP election victory in November 2002. Not only had the party actually promised to work for membership, but it was the only political force not compromised by its relationship with the state elite. Even before the government had been formed, Erdoğan started making the rounds of European capitals to garner support for Turkey's accession negotiations to be scheduled. It was the first time in fifteen years that an Ankara government had been formed by a single party, with a prime minister who could promise to implement reforms without fearing (or hiding behind) sabotage by coalition partners. Over the past eighteen months, the AKP government has worked feverishly to speed through the legislation begun under Ecevit. The prerogatives of the National Security Council have been reduced; it will be expanded to include a majority of civilians, one of whom will be its chairman. In June 2004 the imprisoned Kurdish deputies were finally released and a Kurdish-language programme, 'Our Cultural Riches', broadcast on state-run TRT. Other rights which will go some way toward satisfying the demands of the Kurdish minority may follow. It remains to be seen whether legislation to protect individuals against the coercive organs of the state has any effect on the actual behaviour of the police and courts. Torture and police brutality have long been staples of the Turkish state's relations with the populace, and civilian governments have lacked the courage

<sup>12</sup> Giscard d'Estaing and Helmut Schmidt co-authored a disapproving op-ed piece after the Helsinki summit where Turkey's candidacy was agreed. Giscard was particularly outspoken in November 2002 when he declared that Turkey was not a European country on account of geography and religion. See 'L'Europe sans frontières', *Le Monde*, November 9, 2002. Generally, Turkey's candidacy has been more popular among the left than the right (Britain is an exception), and in southern European countries more than in the North.

to bring the perpetrators to justice. Appeals by victims to the European Court of Human Rights have provided the only exceptions during the last decade, with the Turkish state ordered to pay damages to some of its own nationals. The AKP government has reiterated that ECHR decisions will be considered as case law by Turkish courts.

Erdogan got a cool response on accession scheduling at the EU's Copenhagen summit in December 2002, at the height of the pre-Iraq War turbulence in trans-Atlantic relations. Turkey's case was postponed for consideration until December 2004. But the past year's insurgency in Iraq, as well as the AKP's confident progress, have led to a different emphasis. In May 2004, the EU's Commissioner for External Affairs, Chris Patten, described the December 2004 European Council vote as 'the main test of the European Union's commitment to a pluralist and inclusive approach to Islam'. In June, the Council announced that it was satisfied with Turkey's democratization and would stop monitoring its progress. Barring some major upset, it seems likely that December 2004 will see Turkey admitted to the EU waiting room, even if it has to remain there for a lengthy period while Brussels manoeuvres into place sufficient opt-outs, multi-tracks and subsidiarity loopholes to differentiate future farming subsidies and restrict the movement of new jobseekers.

Of course, beginning negotiations with the EU for eventual accession will not magically resolve the tensions Turkish social and political life engender. For the moment, the military seem resigned to the smaller role accorded them by Erdogan's skillful manoeuvring, but calls for them to reassume the mantle of vigilant guardianship have not disappeared. The unfolding of the struggle will depend on AKP's success in negotiating the consent of its Islamic base toward a more centrist rule that will also satisfy the secularist establishment and the military. The role the military is likely to play also depends on how much the Turkish army will be committed to new wars and security undertakings planned by the Pentagon. The parliament veto of US troop transits through Turkey to Iraq in March 2003—one third of newly elected AKP deputies disobeyed the party whip to vote with the opposition Republican People's Party—seems unlikely to re-occur. The unheard-of act of Turkish disobedience caused fury in the White House, and Erdogan has been trying hard to compensate ever since. By October 2003, he had managed to convince the AKP ranks to vote in favour of sending troops to support the US-led occupation, using the military's logic that an armed Turkish presence was necessary to

prevent the formation of a Kurdish state. Only the urgent pleas of the Iraqi Governing Council prevented the deployment from taking place. The generals remain as important as ever to Washington, and Erdogan himself committed to appeasing the US. It is not clear that the expanding professional stature of the army may easily be reconciled with a diminishing of its accustomed presence in political affairs—especially if there is a resurgence of Kurdish guerrilla activity within Turkey's borders.

On the fiscal front, the debt burden continues to increase and, even if the AKP succeeds in gradually lowering interest rates, the arithmetic seems unsustainable. The government is unlikely to declare outright bankruptcy in the near future, but once the atmosphere of perpetual crisis dispels, it will have to face growing resentment against austerity and the paucity of budget allocations to social expenditures. While economic recovery has been substantial since the crisis of 2001, Turkey's young and growing population sends a fresh contingent of young workers onto the job market each year, whose prospects in the age of jobless growth are increasingly disappointing. Labour-force restructuring has created a visible polarization in the big cities, which can no longer be remedied by the traditional mechanisms of large families and neighbourhood solidarity. During the 1990s, Kurds fleeing the war or forced out of the eastern and southeastern provinces predominated in the migration to the cities. While earlier arrivals were attracted by job opportunities or better access to education and health services, for the newcomers the decision is more likely to be based on sheer necessity. These displaced migrants have ended up in Istanbul, in shantytowns around Diyarbakir, Adana or Antalya, or in smaller towns along the coast. For most, there is no place to go back to.

The new urban poor have provided a vast pool of votes for the AKP, yet they remain an unpredictable factor. For the time being the AKP still benefits from its relatively clean past record on corruption. Its principal attraction for the urban poor lies not so much in concrete proposals as in its projection of empathy; it also profits from the absence of any alternative political channel for the expression of their discontent. Of the two major parties that claim a 'left' heritage, Ecevit's DSP had become ultra-nationalist and statist before its demise in the 2002 elections. The Republican People's Party, which now forms the parliamentary opposition with 19 per cent of the popular vote, defines itself primarily on the basis of its 'secularism'; accordingly most of its support derives from

the middle-class vote of the more developed regions and the larger cities. As the novelty wears off, the conflict between AKP's policies and the demands of its principal constituency, emboldened by populist rhetoric, will become increasingly tension-ridden. While some formal recognition by the EU of an eventual prospect of membership will provide a definite boost, the future for Washington's 'beacon of democracy in the Muslim world' still remains uncertain.