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## Development Reconsidered: The Case of Turkey

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## **Introduction**

The question that motivates my research is, in one sense, an old-fashioned one. I am asking why Turkey, unlike the other Southern European countries with which it was compared in the seventies and eighties, Greece, Portugal and Spain (see Arrighi 1985, Sapelli 1995, Liebert and Cotta 1990) has not “undergone a fundamental structural transformation, as a result of which it irreversibly crossed a critical threshold in its transition to modernity” (Gunther et al 1995: xi), and joined the European Union. Instead it is somewhere in between, as a “second world” (Khanna 2008), a semi-peripheral state (Arrighi 1985) or a vassal state (van der Pijl 2006). This outcome is surprising, given that ‘westernization’ or ‘modernization’ has been the Republic’s explicit goal from Ataturk onwards (or- as some would argue- since the 19<sup>th</sup> century reforms under the last Ottoman emperors).

Turkey, unlike South Korea, and despite the existence of a strong state tradition, has not achieved the establishment of a successful developmental state that would overcome the obstacles of late modernization and establish a successful, competitive, modern economy. Of course, the picture is not totally negative. In contrast to the Mediterranean countries with prolonged military dictatorships even in the postwar period, Turkey has made the transition to multi-party democracy already in 1945, the authoritarian period under Ataturk was thus relatively short. While there were several military coups, the military did not stay in power for long. Turkey’s transition to a democratic state form has thus been earlier and most changes of government occur under peaceful circumstances. Unlike other Mediterranean countries such as Algeria or Egypt, Turkey’s transition to an alternative ruling class that has its origin in a more religious oriented background has been allowed to happen in 2002, after a military coup ousted a more militant version in 1997. Political modernization is thus not absent nor has it stalled; Nevertheless (and the EU reports are very detailed in their lists) there are key areas where political modernization is lacking such as a peaceful settlement with the Kurdish minority and reform of the military induced constitution from 1982, a solution of the “Cyprus problem” and the Armenian genocide.

A similar conclusion can be reached regarding economic modernization. While Turkey has established in the years since the Republic where there was no industry to speak of at all, a quite developed industrial structure, and the economy has been seen as one of the emerging markets to be watched out for, especially in the last 6 years, where for the first time in the history of the Republic foreign direct investment has reached incredible proportions. Nevertheless, GDP per capita remains low, inequality is very high and some areas are characterized by massive underdevelopment. The structure of exports is dominated by manufactured goods easily to be replaced by Chinese exports (Amsden 2001: 14), and attempts to modernize the industrial complex by pushing for a military industrial complex similar to the United States have not yet resulted in the necessary technological innovations that would feed back into the economy and change the export structure to set up a self-feeding industrialization process. For example, South Korea which had in the fifties a GNP per capita similar to Turkey now boasts a GNP per capita (based on PPP, U.S. dollars) of 17 930 in 2003 whereas that of Turkey was 6690. Despite its status as the 20<sup>th</sup> largest economy it is still lagging dramatically behind if compared to other late developers.

This is not to say that Turkey is not modern. One way to simply bypass this question is to conclude that Turkey took its own way towards modernity and that any questioning simply is a reflection of one's Eurocentric bias. This has led some to the conclusion that one needs to recognize "multiple modernities", since the European modernization model was in a sense replicated but also adjusted to local context (Eisenstadt 2000) and there is now no longer one single road to modernization. Instead, "variable constellations of political context are brought together by transnational contacts between global-local and international-regional sites of politics" (Katzenstein 2006: 4-5). Or as Lee (2008: 66) has argued:

"Multiple modernities are not just simulations of European modernity but are dynamic interactions between cultural traditions and modern innovations. These interactions are instances of hybridity, where outcomes of experimentation are not totally predictable and new boundaries are always created.

But this discussion seems to overlook Barrington Moore's conclusion that there were three routes to the modern world in the first place: the route of the bourgeois revolution (taken by England, France and the US), fascism and characterized by a revolution from above (Japan, Germany) and communism (Russia and China) (Moore 1966: 413). He saw these variations as an outcome of the fact that English industrialization had transformed all other countries into underdeveloped countries and the history of the modern international political constellation has to be seen as a way to deal with this and to catch up sooner (France) or later (e.g. former colonial possessions in Africa). What has not happened to the same extent is to extend his discussion and look at transformations within these three different routes to modernization.<sup>1</sup>

Turkey has taken the road of a revolution from above (Trimberger 1978), and, depending on one's point of view, developed into a modern capitalist democracy in 1945 with the establishment of a multiple party system that required brief adjustment through minor military coups or degenerated into a state/society still under military tutelage. In each case, it is clear that traces of the revolution from above are still present in this late modernizing country and there is a need to discuss whether they are here to stay or whether Turkey will follow the example of Greece, Portugal and Spain. Since it seems to have been the membership in the EU that had anchored the transformations in Greece, Portugal and Spain and one might expect a similar process to happen in Turkey, if the resistance in Europe to Turkish membership can be overcome.

How do we account for this hesitant modernization process? This question that I characterized as old-fashioned in the beginning, has regained impetus in the 21<sup>st</sup> century with the publication of a number of studies on the development experience that question the arguments of the international financial institutions and associated economists (e.g. Lal 1983) that - from the 1980s onwards - emphasized the need for market, an emphasis that is now being re-evaluated. These studies by comparative political economists instead highlight the role of the developmental state in bringing about successful industrialization (Kohli 2004, Amsden 2001, Chibbers 2003, Woo-Cumings 1999) while continuing a theoretical argument in comparative political economy that carried out empirical research on the role of the state as opposed to abstract theorizing (Wade 1990, Evans 1995 and others). Yet, the focus of this research is too narrow for a country like Turkey where geopolitics has always had an important role. Yet, geopolitical or international considerations and how they are

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<sup>1</sup> The debate about "varieties of capitalism" is one such effort but it is focused on advanced industrial countries.

taken into account by domestic social forces and in turn, influence state policies, are largely absent in this literature. Its merit lies in the fact that it highlighted the role of the state in development despite a near unanimous consensus in the opposite direction in the international financial institutions since the onset of the debt crisis in the 1980s.

In this paper I am going to introduce and critically evaluate and “apply” Kees van der Pijls historical sociological account of modernization that posits the spread of a specific state form – the Lockean state - starting from England and its settler colonies to include former challengers such as Germany, a group of states that now forms the Lockean heartland who are confronted by another set of states that he calls contender states or Hobbesian states. I will argue that this conceptualization of the “modernization process” allows for a historically specific account of modernization that takes into consideration the geopolitical context as well.

The explanation I will put forward therefore will operate on two levels. I will argue that the stalled Turkish modernization process is an outcome of the inability within the Turkish elite to settle on the meaning and role of westernization or modernization (until recently, the two were conflated). There is no hegemonic understanding of these terms; instead they are contested. This contestation has led to the hesitant and very conflictual process of modernization in which the degree of westernization is now seriously questioned that we are witnessing today. The question for Turkey's elite, which required new and innovative answers at numerous historical turning points, was always whether the westernization of Turkey was to serve the purpose of joining the West, or whether it was to enable Turkey to withstand the pressures from western (and other) great powers, and eventually to enable Turkey to reassert its traditional role of a great power in its own right. However submerged the second perspective became, especially as Turkey joined NATO, the second perspective remained a powerful antidote to any attempts to fully integrate Turkey with the West. While this question needs to be investigated historically (a project currently underway) the focus of this paper is the current government in power since 2002 whose commitment to westernization and modernization is not in doubt. If it can be shown that even within this government the hesitant westernization and modernization process is ongoing then the argument advanced below deserves a closer investigation. In a sense, this paper is a trial run for a larger, historically based investigation of trying to understand Turkey's hesitant modernization and westernization process. This is all the more necessary because researchers on Turkey adopt either the position that the AKP is a force of westernization (Insel 2003) or that it will lead the country directly into an Islamic republic (for the latter position see for example Tibi 2009, Baran 2008).

Instead, I am going to argue that Turkey's hesitant modernization process is a result of uneven development in the global economy that requires strong state structures in order to catch-up. This does not absolve politicians and parties from their responsibility of how they respond to this situation, yet, the stalled or hesitant modernization process in Turkey is a result of contending struggles at the elite level that operate under global circumstances not of their own choosing. The key problem of Turkish democracy is that it is situated in between two, in part, opposing modernization or westernization projects, that of the European Union offering a vision of democratic peace and that of the US, a global, imperial power that does not refrain from tolerating or even supporting authoritarian regimes in order to guarantee its agenda. It is this global power struggle in which each of the parties supports different elite fractions and projects within the country that make a clear cut modernization/westernization difficult. We may however also witness a decoupling of modernization from westernization. The US support for Turkey as a role model for

the Middle East has pushed for the increasing integration into the Middle Eastern region over the last 7 years, visible in increased trade and cultural relations. This middleasternization of Turkey has not stopped Turkey's modernization in the economic sense; it has however led to a more conservative culture.

### *Hobbesian contender states vs Lockean Heartland: modernization theory reconsidered*

The central theme of this paper is find a way to understand national struggles for hegemony in their global, geo-political and geo-economic context. It is part of the "new political economy of development" (Phillips 2005: 113) whose key argument is that the state in the south is neither totally determined by outside forces nor completely autonomous (Phillips 2005: 113). Yet, how to implement this in practice has remained elusive. The literature on comparative development largely ignores the geo-political context while providing an immense wealth of structural analysis on the state-society relationship in late industrializers.<sup>2</sup>

In this section I am going to introduce Kees van der Pijl framework as an alternative way of dealing with the relationship between state-society complexes and the international political economy. He suggests historicizing the issue and introduces the idea of a developing core of 'modern societies', the "Lockean heartland" characterized by a specific state formation and transnational civil society and its project of expansion. This international society, reminiscent of Cooper's post-modern world (2002) encounters opposition (that it has incompletely overcome) by "Hobbesian contender states". Indeed, van der Pijl's key contention is that the fault line between Hobbesian and Lockean states still explains the dividing line between the Anglo-Saxon world on the one hand, and the rest of the world, specifically in its relationship to Europe (2006: 138). "In the end, most contender states have been incorporated into the expanding heartland without entirely overcoming the prior fault lines. Indeed, with the world economy today apparently more integrated than ever, the West itself seems to be drifting from its post-war Atlantic moorings before our eyes." (2006: xii, check xxx emphasis in original).

This theory has to be embedded into current discussions within Marxism where Hardt and Negri have recently postulated major tendencies towards unification (see also Robinson 2004). Van der Pijl cautions against this optimism and argues that this tendency towards unification "hides a more profound drift to social crisis and conflagration" (2006: x). Following Lenin, van der Pijl basically argues that a stable, collectively managed capitalist world order is not achievable. Political instabilities, global inequality, precarious life situations, ethnicity and environmental degradation, all these factors make for instability and break up not for stability and unification. As has already been outlined, his central argument is that the rivalries and conflicts occur along a specific cleavage: the Anglo-Saxon world where the transformation to a modern capitalist system occurred first and its project of expansion against challenger states.

At the heart of the transformation is the idea that the Lockean state in England is the result of a bourgeois revolution that is followed by the development of a Hobbesian state. In other words, a

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<sup>2</sup> For example Amsden (2001: 14) argues that Turkey did not develop a knowledge-based economy and thus does not have the internal resources necessary for stable growth. Likewise Kohli's argument about the cohesive versus fragmented states offers pointers, especially since he seems to assume that this is an unstable structure. Turkey, in part has been a cohesive state in his view (Kohli 2004: 383) but, following Amsden, did not develop into an advanced economy.

Hobbesian state is also seen as a necessary precondition for the transformation to a Lockean state. At the same time, a Hobbesian state may not undergo this second transformation in a very long time (van der Pijl 2006: 7).

The Lockean transformation of society is characterized by increasing individualism, the formation of a national economy with the enclosure movement and a specific form of state. "The Lockean state, governed by a constitutional monarch controlled by a parliament, is the true bourgeois political formation; a state that 'serves' a largely self-regulating, 'civil' society by protecting private property at home and abroad (2006: 8). On a formal level, the Lockean state is autonomous to capital but recognizes at the same time the principle of property and the sovereignty of decision making of capital on the basis of property rights. There is thus an autonomous sphere of "civil society" in which capital is free from undue state interference. This is indeed the key characteristic of the Lockean state, a state with a formal authority and at the same time a wider space for capital. This "empire of civil society" to use Justin Rosenberg's phrase (1994) should be understood "not as some massive central island but as a networked social and geo-economic structure comprising a number of (originally English-speaking) states and a regulatory infrastructure" (van der Pijl 2006: 13). The Lockean heartland was consolidated in its political (centralized, constitutional state) and economic (agrarian capitalism) form with the Glorious Revolution in 1688 in England.

Van der Pijl postulates three mechanisms of expansion: First, there was a development of a *transnational civil society* initiated by the settler colonies, making sure the English model was transposed abroad. This is best expressed by the autonomous sphere of financial capital the globalization of which is only possible under a Lockean state formation that leaves an autonomous economic sphere independent of state control. This financial sphere ultimately acts as a mechanism of control and integration (van der Pijl 2006: 24). Secondly, *transnational elite networks* developed a common form of consciousness, and thirdly, *contender states were integrated* into the Lockean Heartland (starting with France, followed by Prussia, Austria, Germany, Japan, Italy). This allows van der Pijl to rewrite the history of international relations as the more or less successful integration of contender states into the Lockean heartland.

### *Hobbesian State*

The Hobbesian state is characterized by "a) concentric development driven from above, using the state as a lever; b) a 'revolutionary' ideology mobilizing its social base; and c) a foreign policy backing up the claim of sovereign equality by a powerful military" (van der Pijl 2006: 12). The political economy of the contender states is thus different and rather ambiguous. They are no longer traditional forms of state/society complexes but display distinctly modern forms with the recognition of some degree of private property and a somewhat autonomous civil society but on the whole both stay rather limited. Overall, the state plays a more important role, it is an active presence in the economy; corporations are important to the extent that they have favorable connections to the state and often are granted privileges and monopolies because of this (van der Pijl 2006: 94). In such an economy private capital can expand in construction, trade, agriculture, services and transport but it is the state that undertakes the main investments. This is accompanied by an ongoing transfer of resources from the state to capital via orders and commissions, a process that leads slowly to the development of a national bourgeoisie. Van der Pijl uses but does not explain the concept of a state class that is dominant and regulates political

and economic affairs.<sup>3</sup> The challenge by the Lockean heartland forces the contender states to build up a system of domestic wealth creation, insulated from the wider world. In this process, a form of modernization may occur but ultimately, the contender state will maintain its hold on power, its sovereignty despite the interest of domestic forces for a transformation.

“The result will be a crisis in which the virtual ‘war economy’ by which the contender state has attempted to match the heartland’s achievements must either enter the test of an actual confrontation or undergo a civilian transformation, discarding the structural separation from the West” (van der Pijl 2006: 14).

This structural transformation occurs because of the increasing transnationalization of the contender economy. The latter may lead to the rise of an elite segment that is directed more towards integration into the Lockean heartland and a passive revolution may occur by which modernization and western integration is imposed from above by this alternative class that may have ties with the transnational civil society (van der Pijl 2006: 20).<sup>4</sup>

For this reason, one key way to understand the degree of the transformation of Hobbesian states is to look at the integration of local elites into the transnational civil society of the Lockean heartland to assess the degree of internationalization of the contender state/society complex. This would require an analysis of transnational elite organizations (Gill 1990; van der Pijl 1998; Carroll and Fennema 2002) such as Pinay, the Trilateral Commission, and the World Economic Forum in Davos, the International Chamber of Commerce and the Bilderberg Conferences and establish whether there are any Turkish participants. This type of analysis could also be expanded to Middle Eastern organizations to see whether the internationalization process is indeed geared towards the West or the East (relevant institutions still need to be identified).

Other key components of the transnational network analysis is to look at the degree of internationalization of directorates of firms, capital flight, and indigenous transnational corporations; their increasing importance can also be seen as tentative indicators that within the Hobbesian

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<sup>3</sup> The concept of a state class was developed by Hartmut Elsenhans who sees its development as a result of limited development of business opportunities in many countries of the South and it leads to an increase in a class of officials, politicians, managers in state sector and leaders of state controlled organizations that appropriates economic surplus not through competing on the market but through instruments of state control. Decisions to invest are not the result of profit expectations but the result of a political process within this class. This class is a state class because it is able, via its control of the state apparatus to appropriate the economic surplus whose use is decided through political conflict. As a result of their political control of economic surplus they are able to integrate the rest of the population through clientilistic structures. This leads potentially to a waste of resources and increasingly the state class may be faced with a legitimacy deficit that allows another state class segment to rise within the ranks (Elsenhans 1984: 63-66; see also Elsenhans (1996).

<sup>4</sup> The term passive revolution was used by Gramsci to denote the ruling class-driven revolutionary changes in particular national contexts, realised without any mass participation and under the influence of outside forces (Gramsci, 1971: 114-19. The key point to note is that it refers to the spread of capitalism on the continent once it had developed in England where it was brought about by a bourgeois revolution. In most other countries, the capitalist transformation was brought about by stealth or “passive revolution” and not by a bourgeois revolution; the term thus refers to the problem of trying to understand the transition from an agricultural society to a capitalist society from within the Marxist perspective. There is thus, within Marxism not one way of transition but several.

contender state an alternative elite has emerged that is tied to global capital, a restructuring of state along Lockean heartland terms. In addition to that list presented by van der Pijl, one might also have to take into account, based on Robinson's definition of the transnational state.

Robinson assumes that US hegemony is declining and that we are experiencing "the early stages of the creation of a transnational hegemony" (2001: 167). This transnational hegemony is built on the transnational class and on the transnational state. The transnational class comes into being because "class fractions from different countries are fusing together into new capitalist groups within transnational space" (ibid.: 165). They are involved in global production and manage the global circuits of accumulation. These activities have led to the development of an "objective class existence and identity", according to Robinson (ibid.). In order to govern the global circuits of accumulation, these groups are in the process of developing a transnational state.

At the moment, this state is more of a network of governance processes than a state in the traditional sense with a real power centre. The transnational state "comprises those institutions and practices in global society that maintain, defend and advance the emergent hegemony of a global bourgeoisie and its project of constructing a new global capitalist historical bloc" (ibid. 166-7). This network is made up of two different institutional structures: the transformed nation states which "serve as transmission belts and filtering devices for the imposition of the transnational agenda" (ibid. 188), and the international forums and institutions such as the International Monetary Fund, the Bank for International Settlements, and the World Trade Organisation. The transnational state within Turkey would be those state structures that and policies that reflect the interests of the

In other words, according to van der Pijl, the growth of transnational connections within the contender states among a specific elite segment in combination with an analysis of their international orientation can be used to understand the direction of transformation (whether a country will join the heartland or remain within the contender sphere). At the same time, the degree of state involvement in the economy, a limited degree of economic internationalization through trade and investment (both inward and outward) and the strength of the state class and its role in the economy denote the absence, lack or limited reach of such a transformation;

Heartland states have a specific interest in contender states. They need to ensure that key resources (such as oil) located in contender states remain accessible. Heartland states therefore have pursued various strategies regarding contender states: Domination, penetration, integration, including waging wars of dispossession against entrenched state classes. The objective of these 'strategies' are to restructure the state/society configuration and promote a liberal democracy and to privatize state owned assets; the latter in a bid to reduce the power of the state classes (van der Pijl 2006: 394).

There is thus a twofold strategy of spreading the heartland: on a civil society level the extension of the democratic liberal democratic heartland occurs through trade, investment, migration and civil society initiatives such as the Trilateral Commission, Chambers of Businesses and other business organizations/associations such as the World Economic Forum in Davos. On a political level, foreign policy initiatives of individual heartland states and a common policy, especially since the beginning of the eighties, through international institutions such as the IMF, the World Bank and the World Trade organization led to an increased emphasis at contender state structure dismantlement. One can also make the claim that the so-called Washington Consensus was formed with this goal in mind as it specifically targeted key contender state structures (state enterprises, protectionist barriers allowing for rent income etc.).



In the fight against major contender states, *vassal states* are needed who will side with the heartland in fighting off the contender such as Japan and South Korea but who in exchange are allowed to retain their Hobbesian state/society complex. In a similar vein, *secondary contender states* exist such as Brazil and Turkey that do not challenge the heartland politically and that are therefore able to retain their contender formation as well (van der Pijl 2006: 15). Van der Pijl thus sees the Turkey that emerged under Mustafa Kemal as a contender state but of a secondary nature to be "*coveted and manipulated in the rivalries that would unfold*" (van der Pijl 2006: 43, emphasis mine).

In a similar vein, Parag Khanna, from a realist perspective, argues that Turkey is a part of what he calls the second world, a state that neither belongs to the Third World but is also not really part of the heartland, an in between state, a bridge, as Turkey is often described and increasingly sees itself in that way (see further below). States such as these are, according to Khanna, a key object of struggle for influence of the larger power centers (Khanna 2009). In the next section I am going to sketch Turkey's role as a contender state based largely on Kees van der Pijl's analysis to provide some historical background before turning to the AKP period (2002 onwards).

### *Turkey as a secondary contender state in world politics*

The Ataturk revolution from above resulted in the formation of a state class and it expelled and persecuted non-Turkish business elements in its drive towards unification of the state (Akcem 2006). This position of contender state was transformed into a vassal state in 1947 when Turkey had to abandon its neutrality and to join the western alliance in NATO in 1952 while the state led development policy was continued. The US saw Turkey as a part of the defensive perimeter against the USSR whose role was to project Western power in the region and to suppress the domestic left. The fact that Turkey initiated its own version of state led development was due to the weakness of the national bourgeoisie and in order to pursue economic development successfully the Turkish ruling elite had to go through the state and various military interventions to develop the country (van der Pijl 2006: 45-46).

According to Ahmad, the geopolitical orientation of Turkey after the end of the Second World War was directed towards the United States until the sixties. However, in 1964 President Johnson wrote in a letter that Turkey was not to use the arms provided by Washington against its consent in Cyprus nor should Turkey expect the US to come to its aid in case the Greek Cypriots were supported by Moscow. This letter proved to be a turning point for segments of the political elite and since then, according to Ahmad, Turkey has aimed at diversifying its foreign relationship beginning with a closer relationship towards Europe (Ahmad 2004: 32-33).

By the seventies this bloc of social forces centered on a strong state backed by the military unraveled and support for state led import substitution declined. This threatened the state class that van der Pijl sees centered on OYAK, the military run pension fund that has developed into the largest concentration of power in the country.

*Side note on OYAK*

According to Parla (1998: 37) Oyak has created an organic structure that unites the armed forces, the upper civilian bureaucracy, and the peak organizations of big business. It is an early case of public private networking to the benefit of members, not to the benefit of the country. The reason for this is that its investments are profit oriented not necessarily what is best for economic development; nor are the profits geared towards the establishment of a national war industry to increase military self-sufficiency (Parla 1998: 31). The official role of OYAK is to provide economic benefits for military officers who had been severely dissatisfied with their economic conditions and wanted to have a "great transformation" to change this situation. It is an institution, as was stated in the discussions then, "which we are founding to organize our own affairs" (as reported by Parla 1998: 38).

Oyak had been established in 1961 and was joined by a sister organization, the Foundation for Strengthening the Turkish Armed Forces in 1985 whose purpose was to establish self-sufficiency in military equipment. All of this means that the commitment of the military to existing power relations increased (Ahmad 1994: 130). According to Ahmad, OYAK has to be seen as a third sector of the economy, alongside the state and the private sector. It has controlling interests in the automotive industry, trucks, insurance, food, cement, petroleum, hotels, and a tire factory. The breadth of holdings is vast and increasing, especially with privatisations in the 1990s. According to Ahmad (1994: 131-2), with this development of military business the High Command became more interested in stability and especially opposed to ideas from the left who were opposed to this increased role for the military.

According to Demir (2005), it is now a powerful economic conglomerate among the top three in Turkey employing 17,000 people. OYAK is exempted from all taxes. Its members pay fees from their monthly salaries with a 10 per cent compulsory levy being taken directly from the net salary of around 10,000 serving officers. OYAK can transfer any loss making or bankrupt companies to the state as a state economic enterprise. OYAK's profitability has increased dramatically since the late 1980s, alongside the increased financial liberalisation of the economy (Demir 2005). Its average profitability jumped from around US \$15.74 m in the twenty years 1961-1980 to US \$99 m in the period 1981-2001. Especially after capital account liberalisation, profits went up. Financial profits have taken a larger share of the overall profits in both institutions and so OYAK reflects the general trend of (not just the Turkish economy) towards financialisation and its problems (Demir 2005: 682). Even though it is in part set up as a private company, in Article 37 it is stated: "The entire property as well as the revenues of and credits due to the Foundation shall enjoy the same rights and privileges as State property. Offences against the Foundation shall be subject to the same legal action as offences against State property." This means that any public criticism of OYAK may result in lawsuits and is probably one explanation for the absence of any critical public discussion of OYAK in Turkey.

A second holding company is the Foundation for Strengthening the Turkish Armed Forces that was established in 1987. It has major shares in thirty defence related companies, employs 20,000 people and its revenues in 2000 were US 32 million in current dollars. Like OYAK, it is exempt from foundations tax, income and inheritance tax and stamp duty.

The transformation of the military into a political-military- and industrial complex means that in terms of economic development policies it will make sure that its holding companies remain profitable and it will defend its holding companies and their special status (e.g. tax exemption, losses being taken over by the state etc.). It also means that is very much a status quo oriented actor and thus it is not surprising that the military has been at the forefront of the opposition against European integration from the late 1990s onwards as European integration brings into question both the political and economic role of the military (Keyder 2004).

Apart from these public-private companies the military role in policy making has ensured that its share in the central budget is higher than that for health, investment and education together and it has maintained its share over the years, despite an increasing public deficit and IMF structural adjustment programs (Demir 2005). There is negligible civilian oversight over military expenditure. The military receives in addition to the normal budget income for one extra budgetary fund, the Defence Industries Fund that was established in 1985 is one of these and its aim is to set up a Turkish defence industry. This goal is now in reach 20 years later, with the manufacturing of helicopters in Turkey in cooperation with an Italian manufacturer. The military thus is one of the factors that explain the increase in public debt since the 1980s and the continuous need for foreign exchange. The IMF has not pressured Turkey to include the extra-budgetary funds within the general budget and to increase transparency. The IMF and the World Bank have in no way critically commented upon these large market distortions in Turkey (Demir 2005).

Parla concludes in 1998 that OYAK and its sister foundation have

“offered private capital, including themselves, a new mode of capital accumulation, one which is state-backed financially, and state-protected legally; one which minimizes entrepreneurial risks, one which lowers many costs and guarantees monopoly profits, one which provide secure investments with maximum profits in the shortest term, one which checks market fluctuations and the tendency of the rate of profit to fall, one which has clout in many crucial economic and political decisions. *All this is something more than just another version of the military-industrial complex or an entente-cordiale between the army and monopoly capital or some new manifestation of neo-mercantilism.* It is a structural transformation in late capitalism taking place in a late-capitalizing country, perhaps revealing better, in this semi-peripheral context, the militaristic propensities inherent in capitalism in general” (Parla 1998: 49, emphasis mine).

It is this “something more” that presents one of the riddles of the Turkish state/society complex that needs to be explored further but the exploration of which is made difficult by existing limits on freedom of opinion.

*Continue with main story*

The sixties were a time of political turmoil in Turkey and the military intervened in politics in 1971 because the state-driven modernization had alienated large sections of the population, notably in Anatolia. As a result the bloc supporting the import substitution policy unraveled. The state class organized around OYAK felt threatened and the military intervened in 1971 to stabilize the situation. That military coup occurred in a general climate of a larger bloc of Third World countries transforming itself into a contender formation with their demands for a New International Economic Order under which prices for raw materials were to be stabilized through international cartels and the share of the Third World in industrial production was supposed to reach 25 percent in 2000 (from 7 in 1975). This rise of a contender formation against the US centered economic order also impacted in Turkey to the extent that it led to a drift away from the west during the seventies. When the pro-NIEO government in Cyprus was replaced by a Greek-oriented military dictatorship that threatened the Turkish minority on the island it led to the military occupation of part of the island through Turkey in 1974. And it resulted in the reorientation of Turkey towards the Arab world and India (a key power in the NIEO coalition). An oil pipeline from Iraq to Turkey's Mediterranean coast was built (van der Pijl 2006: 125). The Cyprus conflict had led to an arms embargo by the US

(between 1974-1978) and as a result, the US was less trusted by Turkish policy makers and as a result, Turkish Foreign policy under Ecevit re-oriented itself in these years towards the USSR, the nonaligned countries and Middle Eastern countries. It recognized the PLO in 1976 and it sided with the Arab states in the 1973 war it tolerated Soviet overflights of Turkish airspace and refused the US refueling and reconnaissance facilities.

According to Eralp, "It could very well be said that the Cyprus issue drove Turkey for the first time towards a more Third-Worldist position both in terms of domestic rhetoric and in foreign-policy decisions (Eralp 1994: 215-6). The process towards EU integration halted because the additional protocols from 1971 demanded the lifting of import restrictions and customs duties, impossible under the current crisis of the developmental state and in the absence of a determined reform government. Industrialists were also opposed to some of the measures within the protocol. Specifically, the Anatolian capitalists opposed the additional protocol. There was then a general understanding in the Turkish elite as a whole that relations with the West, either in the form of the EU or in the form of the US were not always in the interest of the country.

The 1979 revolution in Iran changed all that and it was the military who stepped in first by concluding the Turkish Defense and Economic cooperation Agreement with the US that gave permission to the US to modernize the airfields in Eastern Turkey and to help Turkey to modernize its air defenses. According to Eralp (1994: 218) US assistance to Turkey increased fourfold between 1978 and 1981. Turkey's debts were rescheduled and new loans became available. The return to the west was thus orchestrated on several levels through international economic agencies, and military aid by the US. This reorientation was cemented with another military coup in 1980 to secure the western and especially pro-American orientation of Turkey alongside the neoliberal restructuring of the state. One major instrument in this process was the debt crisis and the structural adjustment policies that imposed privatization, deregulation, liberalization on country after country, Turkey among them, right before and after the military coup from 1980 (van der Pijl 2006: 193). Furthermore, OYAK, the military investment fund that was reformed in 1974 into a investment and holding corporation also became interested in the new opportunities promised by the IMF reforms (Zeller-Mohrlok 1992: 45). There were thus internal and external interests for a change of direction.

According to Insel (2003: 293) the military coup from September 1980 created a new authoritarian regime that "made the concept of the state sacred. It systematized the authoritarianism that was one of the innate characteristics of the Turkish Republic, and institutionalized the transfer of the administrative center of this authoritarianism from the civil to the military bureaucracy to achieve a politically and socially stable but economically dynamic new regime". It established a *new phase* in the historical development of the Turkish Republic because in reducing civil society to its economic aspect and by instrumentalising religion as a bulwark against communism in the Second Cold War, the regime also created a space for the growth of a counter-bloc. In a similar vein, Birtek and Toprak (1993: 194) have also come to the conclusion that the military coup in 1982 and the changes it brought (new constitution that is still in place, export and market oriented development model) have to be seen as a new phase in Turkish development. They describe the ideology of this new regime as *neo-republicanism* that replaced radical secularism on which the Turkish Republic had been based. In contrast to the secular values of the earlier regimes, this neo-republicanism was based on Islamic values and thus created the space for a revival of political Islam in Turkey that had already been declared as defunct by the end of the 1970s (Ahmed 1985: 195) xxx check

name because of the substantive losses in the 1977 and 1979 elections. The military coup of 1982 thus has to be seen as major effort of realignment with the West, but, and this is key, specifically with the United States. At the same time, Turkey has continued with its more open foreign policy by applying formally to the European Union in 1987.

For van der Pijl, Turkey regained again in importance after the end of the Cold War and the discovery of oil in the Caspian Sea as an energy corridor. The US used Turkey to deal with the post-cold war situation by setting up GUUAM that ensures the safe flow of energy from the Caspian sea. The end of the cold war thus strengthened the geopolitical importance of the country (van der Pijl 2006: 281). But Turkey had its own ambitions in the post-Soviet area that contained a host of Turkish peoples, a form of pan-Turanism developed that led to a program of cultural and political rapprochement and it increased its energy imports from Russia at the same time. With the road to the EU in deep trouble in 1997 when candidacy was rejected these new links will only be strengthened (van der Pijl 2006: 347). At the same time, the links with the US involved Turkey in the new Great Game in Central Asia against Russia to secure the flow of oil. A new pipeline was constructed from Baku to Ceyhan in Turkey to break Russia's grip on Central Asia's oil exports.

In a similar vein the New Silk Route, an EU initiative aimed to establish a transportation network, outside the control of Russia from China to Europe (at the same time the European states, especially France and Germany but not Britain cultivated links with Russia to prevent complete alienation (van der Pijl 2006: 351). Another pipeline project was developed against the US and the UK by Italy's ENI and Russian's Gazprom, the Blue Stream project linking the Russian coast across the Black Sea to Samsun in Turkey. As a result, van der Pijl concludes that "Turkey's relations with the US have weakened further because of the Iraq war; the value of its trade with the EU 12 in 200 was already 4.5 times that with the United States" (van der Pijl 2006: 352).

Turkey in the 1990s is in the middle of the rivalry between the US and the EU. The Euro-Mediterranean Partnership project was initiated from 1995 (the Barcelona Process) onwards. The partnership offers a framework of political, economic and social relations between EU Member States and the southern neighbors. In 2004 with the latest enlargement, the partnership now encompasses 25 EU countries and 10 Mediterranean countries among the latter Turkey, Israel and the Palestinian Authority. After 2004 these 'Association Agreements' became the building blocks for integrating the existing partnership into the new European Neighborhood Policy (ENP). The ENP was initiated in 2004. It encompasses all neighbors of the EU and thus brings the Mediterranean, Eastern and Caucasian neighbors under one common policy roof. The United States countered this initiative with its own Greater Middle East Initiative in 2004 and plans to create a comprehensive free trade area that would link the US with the Middle East by 2013. The US plan was met with much opposition from Turkey, the Arab world and the European Union. Yet, in the end, Turkey has been transformed again, according to van der Pijl, to a vassal state to act as a buffer state against the failed states in its region (van der Pijl 2006: 386).

With the military coup in 1980, the Turkish state underwent a second massive transformation since the 1930s. In political terms, Turkey's democracy came under strict supervision of state structures: universities are regulated by a state authority and professors have to be recognized through it in order to be appointed to universities and to move through the ranks, the National Security Council, despite reforms in the 21<sup>st</sup> century plays an important role in politics. In 1992 The Chief of the General Staff, Dogan Gures insisted that "the office he assumed had been given by the nation",

that "Turkey is a military state" and in 1999, General Dogu Aktulga pointed out that "The Turkish Armed Forces are the backbone of the state" (quoted in Oczan 2001: 16).

There were, according to Freely (2007a) and Insel (2003) hopes that after the candidacy of Turkey for the European Union had been accepted in 1999, when Turkey finally became an official candidate for membership in the EU (for the first time after being in discussion since the 1950s)<sup>5</sup> and after the coming to power of the new government, the Justice and Development Party in 2002 there would be a serious effort at democratic reforms. Insel (2003: 293) had argued that the elections in 2002 had "created an unexpected possibility of exit from the authoritarian regime established after the military coup of September 12, 1980." In the next section I will discuss the AKP, its social base and its impact along some of the lines developed in the preceding two sections.

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[http://news.bbc.co.uk/2/shared/spl/hi/pop\\_ups/05/europe\\_turkey/html/4.stm](http://news.bbc.co.uk/2/shared/spl/hi/pop_ups/05/europe_turkey/html/4.stm)



*Turkey's economy has been transformed since the 2000-1 economic crisis. Inflation has fallen from 70% in 2001 to less than 10% and the unemployment rate is less than 9%. Government earnings have risen, debts have fallen. But per capita GDP is less than a third of the EU average, tourism earnings have slipped and the lira has weakened.*

## ***The Islamic Bloc in Turkey and its modernization credentials***

To some extent, the Justice and Development Party currently in power in Turkey since 2002 with two very successful elections is the outcome of a more or less successful late bourgeois revolution. One of its key base is an alternative business elite that has developed outside the main business

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<sup>5</sup> In "1959 Turkey applies for associate membership of EEC; 1963 - Association agreement with EEC is signed; 1987 - Application for full EEC membership; 1995 - Final agreement on EU-Turkey customs union 1999 - Turkey officially becomes EU candidate; 2005 - Formal opening of accession negotiations"  
<http://news.bbc.co.uk/2/hi/europe/4107919.stm>;

elite and that is independent from the state structures that uphold the large “secular oriented” businesses organized in TUSIAD, the key business organization in Turkey whereas the alternative elite is organized in MUSIAD and a host of other business organizations.

While there certainly have been changes introduced from above (passive revolution) there is a consensus in the literature that these reforms- while far reaching – did not really reduce the tutelary state, including the military. According to Mine Eder (2001), neoliberal restructuring in Turkey until the late 1990s has not brought about a fundamental transformation of the patronage politics characteristic of the Turkish state as public sector reform was not implemented. The state is still a significant actor in the economy (Onis 1997).

It is only with the AKP and its alternative power base that things have been changing. This is in contrast to Kees van der Pijls expectation of how a transformation of a contender state is supposed to occur and it is for this reason that this aspect is discussed in some detail in the first subsection below. At the same time, the geopolitical orientation of this *late bourgeois revolution* is uncoupling modernization from westernization, a fact that is visible in its foreign policy orientation (see *foreign policy section*). The biggest impact in terms of modernization of this revolution is going to come from the so-called *Ergenekon* investigation (see section *Ergenekon*). In many other respects (see section on *continuity*) the AKP will maintain key aspects of the contender state, now that the road to Europe is effectively blocked.

### *Late Bourgeois revolution?*

The Turkish economy has been dominated by big holding companies. This is seen by analysing the composition of the 500 largest companies in Turkey. In 1988, 314 of these 500 firms were part of one or more holding companies or groups. Five large holding companies (Koc, Sabanci, Yasar, Anadolu Endustri, Cukurova Holding) control 85 or one fifth of the five hundred firms. None of the independent firms is under the first 250 firms. Ten Turkish banks hold about 80 percent of total assets of deposit banks, five of these were group own and four were state owned (Bugra 1994: 244). They were also instrumental in increasing the importance of Foreign Direct Investment in the economy in the 1980s, as most foreign firms partnered with one of these holding companies (Bugra 1994: 245). They have also privileged access to the state, necessary in Turkey as the state controls the economy to an unprecedented degree, e.g. through credits and other subsidies even after the turn towards export orientation (Eder 2001). According to Cokgezen the majority share of 95 of the largest industrial companies are held by 12 holding companies: Koc, Sabanci, Yasar, Eczabasi, Is Bank, Cukurova, Nergis, AEH, Akkoek, Rumeli, Borusan and Soenmez. Furthermore, 59 of these 95 industrial companies are held by four holding companies: Koc, Sbanco, Is Bank and Yasar and their market dominance, especially in the 1970s was secure:

“In the past there was no competition; we were selling whatever we produced and making good profits. Investment was negligible because we were selling whatever we produced. After 1980, it was necessary to consider investment decisions carefully” (Chairman of the board of Koc Holding, quoted in Cokgezen 2000: 529).

According to Barkey (1990: 124f), the holding companies are a response in the seventies to the credit scarcity and the banking law which outlawed large loans to a single concern (banks could not lend more than 10 percent of their capital to a single firm). However, if a bank had a stake in a firm (more than 25 percent) it was able to lend unlimited sums. In order to raise capital therefore, industrial companies started to structure themselves into holding corporations which included one or more banks. As a result, access to credit for smaller and medium sized companies became even more difficult and at the same time it created an enormous advantage for the firms in the holding companies. In 1980 there were 24 private banks, of which 19 were controlled by holding corporations or families. The concentration of capital available for investment through these banks is staggering: in 1982 10 banks accounted for 90 percent of savings deposits. Access to credit for investment was therefore a matter of having access to a bank but with the banking sector effectively under control of TUSIAD members that proved to be difficult for everybody else, especially small scale firms from the provinces (the economic power base of the "Islamists"). TUSIAD comprised 391 members in 1996 coming from about thirty different holding companies. The number of companies represented by these members is about 1300 and they produce about 43 percent of Turkey's value added in the industry, financial institutions and the construction sector.

But, and this is, according to some observers, the real change in Turkey, the structure of the Turkish economy has changed. The share in added value of companies with more than 500 workers has decreased from 66.1 per cent in 1985 to 49 percent in 2004 according to Erol Katircioglu (Bilgi University, quoted in Zaman, 26th June 2008). From these and other indicators (regional patterns of electricity consumption and regional distribution of bank loans) he concludes that the economic power of the so called Anatolian capitalists has been increasing between 1985 and 2004 and in consequence, the power of the TUSIAD member firms has been decreasing as a result.

What has happening according to some observers is the rise of an alternative business class centered on MUSIAD, a different business organization. MUSIAD is supposedly organizing the so-called Anatolian business class or Anatolian Tigers, and there is a general assumption that Anatolian capital is less inclined to rely on the state and that it is more market oriented. For Ihsan Dagi, the Anatolian bourgeoisie is the first state-independent bourgeoisie and it thus represents a major force of transformation towards western style capitalism in Turkey. For Dagi, TUSIAD and its members are not beyond using the state to fight this new bourgeoisie such as the so-called 1997 coup (Dagi, in Zaman 13.06 2008, internet edition). Others seem to come to a similar conclusion, the rise of this new alternative bourgeoisie represents a new hope for Turkey:

"one should view the rise of the Anatolian capital in Turkey as a hope the Turkish nation needs, and a necessary foundation for social consensus. This rising bourgeoisie represent the dynamic productive force that has the potential to bring the nation into economic parity with contemporary civilization. They have the psychological, religious, socio-logical and financial prerequisites for such a transformation. Any attempts to block Anatolian capital will prevent Turkey from realizing its potential as a modern country. Such attempts would in fact reinforce its undesirable position as an isolated Third World country. Furthermore, an ever-shrinking national wealth and deteriorating distribution of income will do equal harm to the existing power elite" Demir, Acar and Toprak: 2004: 180).



In other words, political Islam that has come to power with the AKP, the Justice and Development Party needs to be seen as a potential for a revolution from below; a late bourgeois revolution in a late industrializer. This is confirmed by Ziya Onis one of the keenest observers of Turkey's ascent to economic and political power. According to Onis (1997: 757ff), there has been an explicit rise of commercial activities among the Islamic community in Turkey, especially from the 1980s onwards. One factor was the increasing availability of finance made possible through Islamic banking allowed by the Ozal government and the savings from the German immigrant community. In 1990, the increase in Islamic businessmen has led to the formation of a challenger to TUSIAD in the form of MUSIAD, an organisation comprising both very big firms (e.g. Ulker and Kombassan) but to a larger extent many small firms with a broad geographical distribution. The membership of Ulker and Kombassan shows that it also unifies different models of business firms. Ulker represents the traditional holding company controlled by a family that is active across many sectors ranging from food to banking while Kombassan consists of 30 000 shareholders investing their money in return for profit share, instead of receiving interests on bank investments.

MUSIAD rejected the Customs Union with the European Union in 1995 and it supports a foreign policy that moves Turkey away from integration with the West in favour of closer cooperation with the Islamic world. MUSIAD has proposed a so-called Cotton Union with Turkey, Pakistan, Uzbekistan and Turkmenistan to strengthen international competitiveness of these countries in cotton textiles and related fields. Their main model of economic development is not the European Union but East Asian capitalism and MUSIAD emphasises the need to integrate Islam in the public life of the Turkish republic while it downplays themes of individual liberty and human rights (Onis 1997: 759). According to Onis, the new and growing Islamic bourgeoisie aspires to obtain a larger share of power and state resources which brings it in conflict to other actors on the scene. MUSIAD tried to obtain former state firms in the privatisation process by pooling resources.

MUSIAD in its publication shows that it is committed to flexible accumulation while TUISAD promotes democracy EU style. Both criticize the state in the 1990s from different backgrounds and with different aims. TUSIAD was opposed to Erbakan's populist discourse and in the general climate against the "threat of Islam" sided with the military and the bureaucracy in 1997. When the military published a list with companies that it saw as being associated with political Islam MUSIAD made a stark turnaround in its rhetoric regarding religion. Islam had become an obstacle to business and all of a sudden MUSIAD and others emphasized that "money has no religion, no faith, and no ideology" (quoted in Bugra 1998: 535).

This, it is important to note that the Islamic bourgeoisie has changed.

The military intervention of 1997 was instrumental in persuading MUSIAD that more radical Islamic rhetoric is damaging for business after the military called for a boycott and published a list of 100 Islamic firms that it would no longer consider as suppliers. Given the huge importance of government contracts this might have come as quite a blow and consequently much of its rhetoric cooled down (Bugra 1998). Furthermore, the military intervention persuaded the pragmatic representants in the former welfare party to split after 2000 and to form a new party with a decidedly pro-European stance (the Justice and Development Party, AKP). Therefore, the military interventions and the ongoing closure of by now three Islamic parties have to be seen as one factor pushing political Islam more to the centre. A fact that makes it difficult for observers to accept the

increasing stranglehold on the role of secularist forces in Turkey since their actions seem to have had an impact in normalizing political Islam.

MUSIAD was founded in 1990 because small and medium sized enterprises perceived that they had received unfair treatment from the state regarding access to investment funds among other things (Bugra 1998: 525). In the 1980s the Turkish economy has become more diversified and the dominance of the large holding companies has decreased. This has resulted in a fragmentation of business representation as well. MUSIAD represents mostly small and medium firms from outside the main centers of capital accumulation in Turkey, even though there are big holding companies present as well. Over fifty percent of its members are from outside the main centers of accumulation. They also claim that they are more export oriented and less dependent on the state as the old business elite (Cokgezen 2000: 538).

#### *Late bourgeois revolution and foreign direct investment*

According to Grigoriadis and Karaman (2008), it was only under the AKP government that the final pillar of Kemalist economic policy fell because the AKP managed to attract, for the first time in the history of the Turkish Republic, a substantial amount of foreign direct investment. Earlier efforts from the 1980s had centered first on trade exports, followed by capital account liberalization in 1989 and the Customs Union with the European Union. For the first time, foreign capital in Turkey is also private and not just credit from the US or from the IMF. Under Kemalist, foreign capital had been associated with the chronic financial crisis of the late Ottoman Empire and Kemalists were therefore highly distrustful. For example, the constitutional court has objected to several privatization undertaken by the government (Grigoriadis and Karaman 2008: 58). This environment has also allowed to increase the inflow of investment flows from the Middle East and Erdogan has started to criticize opponents of Middle East investment as "capital racists". For the AKP, the increase in FDI is one of the key anchors of the outward orientation of the government, one reason being it that it increases its independence from the IMF as private capital makes it possible to finance the Turkish deficit. Grigoriadis and Karaman aver that there is now an alliance for globalization that is difficult to unseat and that has even impacted on one of the more intractable obstacles to further Turkish globalization: OYAK. The army pension fund has had to sell its bank to a foreign investor, no less, much to the astonishment of its domestic constituency. But this is something that still needs to be investigated, as OYAK has increased its power over the Turkish economy by buying up many of the firms put up for privatization.

#### *Late bourgeois revolution and gender*

The late bourgeois revolution also has a gender dimension in both economic, political and cultural terms. The economic dimension is described by Yasemin Congar (Knaus 2008:

I was in Kayseri, they invited me to this meeting at the Kayseri Chamber of Industry. It was the meeting of the women entrepreneurs of Kayseri and their board had nineteen woman on it. All in sectors like metal, tourism, banking, textile, construction, you name it. They were CEOs or highranking officers at different companies, all women. Some of them were very religious and covered, and some of them weren't. But they all wanted to basically make money. Their problem was about business, about how they could trade with Europe, how they could trade with the

Middle-East.( ...) . And that's what they want. They don't want to become Iran, they want to become Germany!

What Congar describes is that the economic transformation in Anatolia also has had an impact on women, even though progress is slower there (Economic Stability Initiative 2005). In cultural terms, the AKP government has embarked on a reform of the hadiths that would remove many of the really misogynist ideas expressed in them (see Akyol 2006) and the government has started to employ female imams, especially in the eastern part of the country. If it had not been for the women activists in the Islamic parties, they would not have been able to mobilize that many voters. At the same time, Erdogan urges women to have three children at least and it is clear that this is Islamic Feminism whereby a strict division of labour is upheld, despite their economic activities, women are still responsible for children and the house.

### *Ergenekon*

The investigation into what has come to be known as "Ergenekon" has been characterized as a revolution by Yasemin Congar, who is deputy editor in chief of one of the few independent newspaper in Turkey (Taraf). According to her, it is the first time that a general is being tried for trying to stage a military coup.

"It's Turkey coming to terms of its own Stasi-type inner-state organisation, which has really gone out of control. There was a government within the government. There was a state within the state. And now we are trying to cleanse that out off the system and while we are doing it we are realizing that it's not possible to do it if you don't go after the military. Because the military was actually the institution that started Ergenekon and that very much controlled Ergenekon. Now, that step the prosecutor has taken by arresting those former 4-star generals I think is very courageous but also, very necessary if he wants to achieve any results." (Knaus 2009).

Ergenekon is the name given to a network within the Turkish state class that tried to undermine the AKP government in order to prevent further westernization of Turkey. Over a hundred people have been arrested, including military generals, party officials, a secretary general of the National Security Council since the investigation began in 2007 with the discovery of grenades and other weapons in Umranyie. Since then, the judiciary has been investigating a network of highly prominent people with the charge of trying to topple the current government by creating civil disturbances that would create a pretext for another military intervention. For the first time in the history of the Turkish republic these plans did not work out, instead the people involved are now on trial. A first for the Turkish Republic. The case is growing in complexity on a daily basis since it got first underway in 2007 and the indictment is about 2500 pages long.

One of the arguments why the judiciary was able to arrests military generals is that this is a reflection of the power struggle within the army between the "Eurasianists" who prefer closer cooperation with Russia and Iran against the Europeanists who prefer a closer relationship between Turkey, the EU and the US. The latter includes the current chief of staff. The Ergenekon network seems to be a part of the Eurasianists who are now being removed from key areas of influence. There are those who fear that a closer cooperation between the AKP and the Euroepanist faction may close the opportunity once and for all to really gain serious civilian control over the army. It may be that the army allows this investigation in order to prevent more civilian control. If indeed there are going to be convictions and the activities of the deep state (such as the

murder of the Armenian democracy activist Hrant Dink, and other unresolved murders) it would be a historic moment in Turkey that is difficult to underestimate in its importance.

### *Foreign Policy*

According to Keyder (2004), the role of the European Union in Turkish politics has changed during the 1980s and 1990s. It is also a reflection of the changing attitude towards Turkey by the EU. While in 1997, Turkey's candidacy was frozen by the Luxemburg summit this stance was reversed two years later in Helsinki in November 1999 and Turkey became an official candidate for membership into the European Union. This change of attitude transformed the domestic scene. The traditional state elite supported the EU project, as long as EU membership was unreachable and the EU itself more ambivalent about it. At the same time, the opposition to the traditional state elite was able to use EU calls for more democracy as a safe way to express their opposition to state policies and institutions. In 1999, two thirds of the Turkish population supported EU membership. Yet, now, with candidate status, key elements of the Turkish state had to be restructured in order to meet the Copenhagen requirements and this sent shockwaves to fractions within the elite. All of a sudden, prominent voices from the bureaucracy, the judiciary and the military rose in opposition to the European Union. They feared first, a dismemberment of Turkey owing to the demands of the EU to grant minority rights to Alevis and Kurds. Secondly, they feared a rise of radical Islam that was so far suppressed by actions from the military. In other words, as Keyder points out, initially, the EU had been a 'state project' for the governing elite but now it had been turned into a platform for those opposed to the authoritarian state tradition in Turkey such as the Kurds, the Alevis, and the various groups of political Islam.

The reluctance of the EU has led to a reorientation in Turkey and with the appointment of Ahmet Davutoglu as the new foreign minister this reorientation has been made official. His vision for Turkey is laid down in his book "Strategic Depth" in which he argues that Turkey has to see itself as a stabilizing force in the region because of its democratic nature and its respect for human rights and thus can take initiatives for solving regional crisis. In other words, Turkish foreign policy is no longer restricted towards an orientation towards the European Union but it sees itself as a regional power center of its own. As a result, since 2002, the AKP has improved ties with Russia, Syria, Iran and Greece and even Armenia. Trade patterns are shifting alongside this changing foreign policy orientation as exports and imports since 2002 towards these regions have increased. Turkey, under the AKP, has also signed Free Trade Agreements (FTAs) with Morocco, Palestine, Tunisia, Syria, Egypt, Albania and Montenegro. Increasingly Turkey sees itself as a regional power broker in Libanon, between India and Pakistan, between Syria and Israel.<sup>6</sup>

According to Graham Fuller, there is a reorientation going on towards the Islamic and the Arab world under the AKP government. But the AKP does not have the same misgivings about the ottoman heritage and thus soften or even change the western orientation of their country. He goes even so far to say that "The Turkey that the West has grown comfortable with over the past half century actually represents a transient geopolitical aberration from a long term norm to which it is now returning (Fuller 2009: 9)." As a result, Turkey can no longer be taken for granted.

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<sup>6</sup> [http://www.esiweb.org/index.php?lang=en&id=281&story\\_ID=25&slide\\_ID=5](http://www.esiweb.org/index.php?lang=en&id=281&story_ID=25&slide_ID=5)

### *Continuities - Article 301*

It is impossible to publicly discuss the role of the military in a critical way because of article 301<sup>7</sup> in the reformed penal code that sees such discussion as an insult against Turkishness (formerly article 159 that had been adopted from Mussolini's Italy). The penal code was reformed in 2005 and in 2006 1533 individuals stood trial, in the first quarter of 2007 1,189 were prosecuted. There are other laws that restrict freedom of speech such as the anti-terror law, the law on crimes against Atatürk, among others.<sup>8</sup> The most prominent cases to be tried under article 301 were Orhan Pamuk, the Nobel laureate and Hrant Dink, a Turkish Armenian journalist, who was assassinated by a militant nationalist in 2007. Many individuals prosecuted under 301 have received death threats (Freely 2007a: 3 see also Freely 2007b). Many of those targeted are pro-European and Freely sees these prosecutions as one way of the "deep state" to silence them (Freely 2007a: 8). The AKP enjoys a majority in parliament and could have reformed this article to a much larger extent than it did. One key element of the authoritarian state remains in place.

### **Conclusion**

Turkey is "divided" to quote Zeyno Baran (2008). It is divided between two elites that struggle for power. On the one hand the Kemalist elite that clings to its privileges centered on the state, and the so called Islamic bloc. Both sides have universities, schools, parties, business associations, newspapers and television stations at their disposal. Given the foreign policy vision of the AKP it is however to be suspected that the extent of democratization and a further normalization of the role of the military, now that the EU card is looking increasingly difficult, will not be pushed further since the AKP will need military back-up for its new foreign policy vision. Key aspects of the contender state will therefore have to remain in place in order to deal with the new geopolitical environment. This continuity will act as an ongoing drain on economic prosperity and democratization. Economic modernization will remain on the agenda but it is now uncoupled from westernization. A preliminary answer to the question posed at the outset is thus that the politics of uneven development and its resulting geopolitical competition have pushed Turkey into the role of a bridge state that the AKP is willingly to take up as it allows the country to draw on Ottoman examples. This will necessitate the maintenance of "contender state structures" that will restrict political modernization.

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<sup>7</sup> 1. *Public denigration of Turkishness, the Republic or the Grand National Assembly of Turkey shall be punishable by imprisonment of between six months and three years.*

2. *Public denigration of the Government of the Republic of Turkey, the judicial institutions of the State, the military or security structures shall be punishable by imprisonment of between six months and two years.*

3. *In cases where denigration of Turkishness is committed by a Turkish citizen in another country the punishment shall be increased by one third.*

4. *Expressions of thought intended to criticize shall not constitute a crime.*

<sup>8</sup> Human Rights Watch, *Turkey: Government Amendments Will Not Protect Free Speech - Article 301 Should Be Abolished*, 17 April 2008. Online. UNHCR Refworld, available at: <http://www.unhcr.org/refworld/docid/480db4a02.html> [accessed 10 May 2009]

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<sup>9</sup> The European Stability Initiative is a network of researchers on the Balkans and Turkey that have grown in influence in the region over the last 10 years. Several of their reports have been widely discussed in the press in Turkey, and their description of the Anatolian business class as "Islamic Calvinists" is still widely in use. See <http://news.bbc.co.uk/2/hi/business/4788712.stm> (see European Stability Initiative 2005).

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