

PACKAGING NEOLIBERALISM:  
NEOPOPULISM AND THE CASE OF JUSTICE AND DEVELOPMENT PARTY

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Packaging Neoliberalism:  
Neopopulism and the Case of the Justice and Development Party

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## Thesis Abstract

### Alper Yağcı, “Packaging Neoliberalism: Neopopulism and the Case of the Justice and Development Party”

Justice and Development Party’s continuous popularity among the lower classes despite its neoliberal economic policies has puzzled political analysts. This study attempts to sketch party’s strategies toward ‘packaging’ neoliberalism and rendering it acceptable to a conservative constituency. It argues that the Justice and Development Party has developed a new kind of populism departing from classical populist examples with a commitment to free market economy yet proving to be equally enthusiastic and appealing in its pro-people credentials. Convincingly inheriting the populist discourse of popular-peripheral empowerment, without confronting the *raison d’etat*, and staying within a patrimonial-paternalistic universe of meanings and symbols, the party merged that discourse with the “help yourself” ideology of the markets. As such, the party tried to complete Özal’s effort in revolutionizing the common sense about the market, and how public interest relates to it. The study locates the discussion in the wider context of neoliberal globalization and points to the similarities with the Latin American experience of 1990s. It analyzes the transformation of the Turkish economy under the rule of Justice and Development Party and attempts to identify winner and loser groups. Then, it invites attention to certain policy fields (education, health, anti-poverty aid and public housing) that were effectively made use of in order to court the lower classes, while at the same time contributing to the wider marketization agenda – both by keeping popular dissent at bay and with the marketized ways in which they are served. Lastly, it explores how market capitalism was constructed in the party’s discourse. It puts forward the view that contrary to what is often assumed, the party did not so much use its ideational battle on behalf of the “people” with a culturally distant “elite establishment” in an instrumental fashion to pass its economic policies unnoticed, but it tried to construct a new understanding of the economy to turn it into a very front in that battle.

## Tez Özeti

Alper Yağcı, “Neo-liberalizmi Pazarlamak: Neo-popülizm ve Adalet ve Kalkınma Partisi

Vakası”

Adalet ve Kalkınma Partisi'nin neo-liberal ekonomik politikalarına rağmen alt sınıflar nezdinde süregiden popüleritesi, siyaset analizlerinde tartışma konusu olmuştur. Bu çalışma, partinin neo-liberalizmi “pazarlama” ve onu muhafazakar bir kitle için makbul kılma doğrultusundaki stratejilerini ortaya koymaya çalışmaktadır. Adalet ve Kalkınma Partisi'nin, klasik populist örneklerden serbest piyasa ekonomisine bağlılığıyla ayrılan, fakat halkçılık iddiasında aynı derecede coşkulu ve cezbedici yeni bir popülizm geliştirdiğini savunmaktadır. Parti, halkı/“çevreyi” güçlendirme iddiasındaki populist söylemi ikna edici biçimde tevarüs etmiş; hikmet-i hükümet fikrini karşısına almadan ve patrimonyal-pederane bir anlamlar ve simgeler evreninde kalarak söz konusu söylemi piyasalarda hakim “kendini kurtar” ideolojisi ile birleştirmiştir. Bu şekilde Özal'ın, piyasanın kamu çıkarıyla ilişkisi hakkındaki algıyı bir devrime uğratma yönündeki çabalarını tamamlamayı denemiştir. Çalışmamız, konuyu geniş bir neo-liberal küreselleşme bağlamına oturtmakta ve 1990'lardaki Latin Amerika deneyimiyle arasındaki benzerliklere işaret etmektedir. Adalet ve Kalkınma Partisi yönetiminde Türk ekonomisinin geçirdiği dönüşüm çözümlenerek kazanan ve kaybeden gruplar belirlenmeye çalışılmıştır. Alt sınıflara hitap etmek için etkili biçimde kullanılan birtakım politika alanlarına (eğitim, sağlık, yoksulluk yardımı ve toplu konut) dikkat çekilerek bu alanlardaki politikaların aynı zamanda genelde yürütülen piyasalaşma gündemine de – hem oluşabilecek toplumsal tepkiyi önlemek dolayısıyla, hem de bizzat piyasalaşmış sunuluş biçimleri üzerinden – hizmet ettikleri belirtilmiştir. Son olarak piyasa kapitalizminin parti söyleminde hangi biçimlerde inşa edildiği incelenmiştir. İncelemeye göre, sıklıkla varsayıldığının aksine, parti kültürel bir uzaklıkta konumlandığı “seçkinler düzeniyle” “halk adına” girdiği fikirsel mücadeleyi araçsal biçimde kullanıp ekonomi politikalarını gözlerden kaçırmaktan ziyade, ekonomi konusunda yeni bir anlayış inşa ederek onu mücadelenin cephelerinden birisi haline bilhassa getirmeye çabalamıştır.

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I cannot exaggerate the support I received from my family for my efforts at pursuing a walk of life independent from their liking. I have been so immensely cherished with their love, respect and care that I doubt if this work can stand up to count as their fruit.

I am bedazzled by the generosity, kindness and grace with which Caterina touched my life. This work owes to her an author with belief in himself and in what he is doing. I wish I knew a language in which words do not sound miserably poor when it comes to thank her for her contribution.

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## PREFACE

*Peki kim bu (uyuşturucu madde bağımlıları gibi) bağımlılar? AKP için dini kendilerine referans yapmış, şeyhler ve hocalar tarafından yönlendirilen, köleleşmiş müminler, “gaza (gazve)” ve “cihad” sonucu ele geçen ganimetten pay isteyen avantacılar!*<sup>1</sup>

Özdemir İnce<sup>2</sup>

If in all ideology men and their circumstances appear upside-down as in a *camera obscura*, this phenomenon arises just as much from their historical life-process as the inversion of objects on the retina does from their physical life-process.

Karl Marx<sup>3</sup>

The first inspiration for this study comes from a certain *dolmuş* (minibus) journey I had at a night few years ago. I was traveling to my house in Sarıyer, a neighborhood in the outskirts of Istanbul, heavily populated by migrants from all over of the Black Sea coast of Turkey. The traffic had become stuck and I was looking around for some amusement as I witnessed a mild political quarrel between the driver and the passenger sitting next to him. The driver, certainly a local, i.e. a migrant from the Black Sea, was advocating the government party while the passenger was an opponent. It started as a friendly discussion, or rather, one between brothers of different ages; not only because the passenger was older but possibly also because he had a more urbane look and accent. Both sides seemed to recognize a certain asymmetry arising thereof, though the driver was not hesitant to assert his views against opposition.

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<sup>1</sup> Translation from Turkish: “Who are these addicts (for they are just like drug addicts)? Enslaved believers driven by sheikhs and hocas with religion as their reference, and free riders who want a share in the booty obtained with gaza (gazve) and cihad.”

<sup>2</sup> Özdemir İnce, “CHP ve MHP Doğu ve Güneydoğu’da Niye Yok?,” *Hürriyet*, March 6, 2009.

<sup>3</sup> Karl Marx, “The German Ideology,” in *Karl Marx: Selected Writings*, ed. David McLellan (New York: Oxford University Press, 2006), p.180.

The driver was arguing that no other political leader knew the people better than Recep Tayyip Erdoğan did, and no other party could represent their values more credibly than the Justice and Development Party (*Adalet ve Kalkınma Partisi*, herein AKP). He reminded that it was what democracy is all about. The passenger agreed with the democratic reference, but he did not think that AKP was actually doing much for the people. Arguing that its economic policy was not pro-people; he asked the driver: “Do you, as a citizen, feel that you are becoming better off because of AKP? What are they doing for you?” The reply was: “They want to do many things; however, there is such a thing as *the bureaucracy* which impedes their power to do so. The bureaucracy is always there even if the governments change.” The conversation continued for a little while, until the passenger felt offended by the fact that the driver was resisting to be convinced and he concluded with some shouting.

The conversation made me think about the relationship between the governing party and its electorate, and about the identification engendered in between. I found it interesting that the humble *dolmuş* driver was echoing the discourse of ‘big, inefficient’ bureaucracy, that discourse which we are used to hear more often from well-to-do champions of neoliberalism. It is true that the driver’s job does not involve bureaucratic procedures much and he needs not to feel any special sympathy for the bureaucrats. But the fact that he sees *the bureaucracy as such* as an agent that infringes on his prosperity seemed to me remarkable, considering that it is also somewhat conventional to see state bureaucracies as providers of popular welfare, as guardians against predatory strongmen.

I observed many opponents of the AKP, especially those who consider themselves in the left of the political spectrum, being caught in surprise when they are faced with situations like this. They are at pains in understanding how come poorer people might enthusiastically support a party that has been undertaking neoliberal reforms – which they believe to be simply a curtailment of ordinary citizens’ economic entitlements. It also puzzles political

analysts that Turkey has recently had a political map whereby the poor vote for the neoliberal party, and the relatively well-off vote for the ‘leftist’ party. One way to solve the puzzle has been to explain the paradox with a “false consciousness through religion” argument: The poor actually vote *qua* Muslims for what they consider to be the Muslim party, and they are not fully aware of the (social and economic) consequences of their decision, probably because they are ignorant. This argument can be recognized in many a discussion about AKP, sometimes slightly disguised under a decorum of political correctness and a courtesy for the values of the ‘people’ – that misused word. I do not think that this argumentation makes enough sense in explaining the motivations involved in AKP’s success. Explaining things simply with a lack of intelligence does not work well in social science; most of the time, it rather reveals a lack of intellectual effort on behalf of the one who sets out to explain. Subjectivities are multi-dimensional, interests are subjectively constructed through various levels of social interaction; and most of what most people think most of the time should be expected to make sense in terms of their interests. Given this, the challenge is not to assume an irrational motivation guiding people’s political choices but to understand what makes them think that this (‘false’) choice would be more rational than another one. It requires one to look at the practices involved in producing and exporting rationalities; and making them guidelines for the casual way of thinking of a *dolmuş* driver.

The challenge also requires one to see that neoliberalism might be meaningful to people in different ways than the concept itself seems to promise. While neoliberalism is generally sold by its advocates as something beyond politics, or something that belongs to a level of existence more profound than politics – that of beautiful mathematical calculations; in order to become a reality neoliberalism also needs to *become politics* in one way or the other. You need politics to govern any collectivity, and even if you are trying to carry a society to a post-political utopia whereby the market happily rules, you have to do it through some sort of

politicking. The political forms in which neoliberal market reforms have been carried worldwide are diverse, so that it might lead one to think it in terms of a world-system change occurring through (and somewhat regardless of) various political ideologies. However, one can also observe a certain prioritization of particular forms of political discourse-construction and coalition-building under neoliberalization.

The concept of populism, for instance, has regained popularity in such a context, and there are many references to an engagement between neoliberalism and what is called ‘neopopulism’ prevailing especially in the developing world. Neopopulism is a logic whereby a political movement can craft popular societal alliances against an institutional establishment. It is populist in the sense that it relies on an exaltation of the values of the ‘people;’ targets an alienated ‘elite;’ boosts the autocratic position of a charismatic plebiscitary leader; and works through direct, unmediated channels of policy-making – just as ‘classical’ populism once did. What marks a break with classical instances of populism, however, is a reorientation toward neoliberal forms of governance and market-formation instead of Import Substitution Industrialization (ISI). Weyland argues that “unexpected affinities” between neoliberalism and neopopulism makes this reorientation particularly fruitful in rendering neoliberal reforms digestible for popular masses, while at the same time securing the popularity of the leader in charge.

I think the concept of neopopulism indeed helps to better understand the *politics of neoliberalism*. It does so in two ways. First, it reminds that neoliberal technocracy is not only perfectly political in terms of its societal outcomes (which is more evident) but also in the moment of its enactment. As such, neoliberal reforms cease to look as a zeitgeist unfolding through the market and emerge as a policy choice. Secondly and more specifically, the concept of neopopulism enables us to ask to what extent patron-client relations survive in the micro level of everyday exchange as well as in discursive arrays of representation despite a

vilification of populism and a commitment to orthodoxy, austerity and ‘rationality’ in macroeconomic management and democratic governance.

Inspired by a *dolmuş* driver, driven by a public debate, and guided by an academic concept; this study examines AKP as a case of neopopulism. It attempts to locate AKP’s strategies towards engendering popular consent for a neoliberal program. It aims to show that AKP tried to orchestrate a public demand for reform by framing the bureaucracy as an establishment which represents the interests of an elite alienated from the values of the common people, and by associating the bureaucracy as such with economic inefficiency. It tries to make sense of the popular support for the party not in terms of apathy or parochialism on part of its electoral constituency, but by paying attention to (perceived) psychic and material benefits accruing to them from AKP’s carefully designed policies. It spends an effort to demonstrate that these policies echo neopopulist techniques of government experienced in 1990s’ Latin America (Peru under Fujimori, Argentina under Menem, Brazil under Collor, and Salinas under Mexico) as well as in Turkey under Özal.

I discuss the theoretical background of my argument in Chapter I. I argue that, by pointing attention to the many sisters AKP has in non-Islamic contexts, the perspective I present enables one to move away from the limited focus of the growing scholarship about the party’s success. This scholarship takes the question of AKP as one of the transformation of political Islam, and tries to discern the ways in which the former Islamists could accommodate themselves into a more or less democratic polity. In such an account, the market emerges as the place for a solution to the ‘Muslim question’: The coming of age of the market and the concomitant burgeoning of civil society were what exposed the former Islamists to globalizing forces that helped them to restructure the identity they were struggling to gain recognition for, thus making it more easily acceptable to a cautious secular establishment – we learn. Hence, the market as a solution is studied and recognized but the

market as a problem is by-passed and explained away. Yet, the solution itself needs to be problematized. If we frame the question as “how does capitalist formation regenerates itself and how does state power relates to it?” the reformation of Islamic political identity in Turkey itself becomes an intervening variable – instrumental in bringing a new dynamism to the capitalist market, by mobilizing new social actors, encouraging their participation in the market, and using the state power more efficiently to facilitate the political change necessary for this restructuration. Of course, all this new dynamism means new inter-class and intra-class configurations, new struggles of recognition (which may involve questions of status rather than identity) and a bid for hegemonic power. The social inequalities and resentments generated from within this process of change, together with the reformed Islamic actors’ ability to address them and to cope with the tensions arising thereby, still awaits more critical studies.

In launching this study, my motivation is to contribute to such a critical perspective, by inviting attention to the ways in which AKP’s neopopulist discourse and techniques of government take their own part in market dynamics, in order to explore their potential in readjusting the expectations of social actors to a new equilibrium defined by the market. In Chapter II, I start doing this with a brief analysis of the conditions under which an urgent call for reform of the Turkish economy emerged in late 1990s. I show that the delimitation by market experts of a problem of ‘populism’ made the de-installation of the public sector an objective of governmental policy. I go on to demonstrate how AKP assumed the mantle of reform and undertook a neoliberal transformation of the Turkish economy. Using official data provided by Turkish Statistical Institute (herein TURKSTAT), State Planning Organization (SPO), and Undersecretary of Treasury (Treasury); and relying on secondary sources – most notably analyses by OECD, I demonstrate the basic policy choices AKP governments made with regard to the economy. Then I analyze what kind of class reconfiguration these policies

helped set into motion and try to understand the winner and loser groups of the period. From this analysis it appears that despite the aim of fighting back populism, AKP's neoliberal agenda sacrificed longer-term developmental goals for a speculative-led, consumption-ridden boom. This pattern, while contributing to the supremacy of transnational finance capital and hastening proletarianization, nonetheless saved the day for a cross-class coalition and helped the party to keep up popularity.

In Chapter III, I ask what kind of mechanisms of public provisioning survive the ongoing shrinking of the public sector; and explore their potential to serve as instruments of patronage on behalf of the governing party. Rather than providing an exhaustive analysis, I try to contribute to a mapping of patronage with brief looks at a selected number of fields. Partly relying on my professional experience in education policy analysis, I show that certain policies on education and health helped the government to court the lower classes and contributed to the commodification of these services, at the same time. Then I look at the more direct ways in which AKP catered material favors to the lower classes. Scholars have already pointed attention to the changing character of social policy in this context, and I join the discussion by drawing on some secondary sources and examining the Annual Activity Reports for the social solidarity fund (*Sosyal Dayanışma ve Yardımlaşmayı Teşvik Fonu*, herein SDYTF): With anti-poverty aids directed from the centrally allocated social solidarity fund and the AKP-run municipalities, the new urban poor is contained in a web directly connoted to the government party itself rather than located as the subject of a constitutional right to social welfare. A number of private charity brokers contribute to the financing of this web and help the government to render a highly visible effect of 'care for the poor' with disproportionately little pressure on the state budget. Lastly, I invite attention to urban governance as an equally striking field, where we can observe AKP's innovative solutions in facilitating a public-private cooperation to cater to popular social segments while

commodifying urban land at the same time. These innovations mostly materialize in the activities of Prime Ministry Public Housing Administration (*TC Başbakanlık Toplu Konut İdaresi*, TOKİ). Examining a number of official and independent reports I show that TOKİ has become an effective multi-purpose instrument of patronage. By giving a bonanza to the construction sector and relocating value within the city TOKİ emerges as a tool to feed and drive economic growth, by granting contracts it becomes instrumental in allocating favors to a business clientele, and by complementing an under-supplied housing market it courts popular class segments. At the same time, by dispossessing the *gecekondu* dwellers from their homes and livelihood, it paves ways to new forms of class differentiation.

Material exchange alone can not determine the party's reception by its constituency. The terms of material exchange as it effects political orientation is constructed by shared idioms, symbols, myths. And the gist of successful populism has been to go beyond mere material clientelism by structuring these into an inspiring ideological narrative. I find in Chapter IV that this was what AKP has done indeed. By examining official party and government documents and an archive of speeches made by the party leadership (including those selected from among the more than 4000 ones found in the party's official website), I try to determine the parameters of AKP's populist discourse: The party equates democracy to popular will, translates popular will to individual choice and welfare, links them to efficiency in service delivery, and locate it, in turn, in free markets. It does so by isolating the bureaucracy in an imagined distance (cultural, practical, ideational) to the people and their will; and framing it as an anachronistic, inefficient, incompetent political body that has to be got rid of if Turkey is to be great.

What emerges from my research is a party that is somewhat different from what most of its critics may imagine it to be. In this imagination, it is presumed that the neoliberal economics AKP is implicated with should remain superfluous, behind, even contrary to other



features of the party's ideational appeal. It is expected that the electorate supports the party for other reasons than its vision about the economy, and accepts the economic program solely as part of a wider ideological deal – as if the voter buys a socio-cultural object and finds the economy as a promotional item (not really useful, he would discover) arriving with the shipment. It is alluded that the party cheats the electorate into a neoliberal economy by using its ideational battle with a culturally distant institutional establishment in an instrumental fashion.

Diverging from explanations in this vein, this study puts forward the view that AKP's ideational addresses have been more intricately and coherently integrated with its economic agenda than it is supposed to be. I argue that even if the effect of the ideational formation AKP has suggested is instrumental for a certain economic outcome, the logic of the process itself is constructive rather than instrumental. Instead of passing them under other banners or disguising behind an ideational battle, AKP has invited attention to its economic policies so that the economic vision itself became an important front in the battle. In this way, AKP spent an effort to construct a shared understanding of what market capitalism is. It did so with a new discursive construction of the market, and by crafting mechanisms of public patronage in new ways that buttress, complement, justify the process of marketization and commodification. Foucault, inviting attention to the productive side of disciplinary power, once wrote “We must cease once and for all to describe the effects of power in negative terms: it ‘excludes,’ it ‘represses,’ it ‘censors,’ it ‘abstracts,’ it ‘masks,’ it ‘conceals.’ In fact, power produces; it produces reality; it produces domains of object and rituals of truth.”<sup>4</sup> Indeed, AKP did not so much conceal the market under questions of culture and belief; rather, it sought to create a localized culture of the capitalist market so that the people would now

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<sup>4</sup> Michel Foucault, *Discipline and Punish: The Birth of the Prison*, (New York: Vintage, 1979), p. 194.

believe in its virtues. It wanted the *dolmuş* driver to know and care about the economy, in a certain way.

In this study, I sought to justify this argument by a research on the party itself, rather than the electorate. It should be noted, then, that I am in no position to comment directly on the motivations of the electorate in voting for AKP and whatever allusions to such motivations remain in the text should be taken as deductions inspired by indirect suggestive evidence. What I try to do is to locate the party's strategies toward transforming the economy and making this transformation acceptable to the people. I invite attention to certain fields of policy that might be particularly fruitful in understanding the party's popularity, since they seem to be effectively used by the party to cater to certain needs of a wide selection of middle and lower classes. I suggest that future research on the motivations of the electorate should be focusing on these fields to see if they are as effective in engendering support as expected. I should also add that suggestive evidence (for example opinion surveys, cited in the text) leads me to think that the results of such a study could surprise those who imagine AKP voters solely as uninformed, parochial political subjects<sup>5</sup> without much interest in 'economic voting.' This is not to say that the electorate's consciousness about AKP's policies would be found to be 'correct.' This is to say that whatever 'false' consciousness one can attribute to this relationship would not be stemming solely from an identification with AKP's religiously inspired socio-cultural identity, but be strongly related to the material exchange offered (and narrated) by the party – which, in turn, takes its part in making of the construction of the identity in question.

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<sup>5</sup> This is notwithstanding the fact that AKP voters are disproportionately uneducated. Level of education is related to but a different thing than political awareness. While it is not a surprise that the predominantly working class AKP constituency has a relatively low level of education, it is interesting how much this has turned into an issue of debate lately in Turkey and ignorance has become an object of critique. Did anybody rule out socialism because it was popular among working, i.e. uneducated classes?

Lastly: a clarification about the author's position. The reader might think that the object of study is approached with too much empathy or AKP's tactics at producing an effect of efficient service delivery is bought too easily by the analyst himself. I can say that while I am indeed trying to establish AKP as a more sophisticated analytical object than it is sometimes thought by its 'secular' critics, my personal judgment is in no ways to the positive. It is a sad reality that an emancipatory political promise, enveloped in a populist discourse, is grasped and articulated by a cadre in the service of neoliberalism. Under certain historical and geopolitical conditions, neoliberal market reforms can function in a way to make an economy more efficient in producing services and goods, compared to previous crisis-ridden periods, at least for some time. But the question 'efficiency for whom?' remains; and ultimately in the global scale the answer points to the restoration of class power – that of transnational finance capital. What neoliberalism forces nations to 'achieve' is a move toward social organizations with greater class hierarchy, and a reduction of human and natural assets into commodified exchange values. This kind of achievement, even though it may be admired in its sophistication and its *virtu* in the Machiavellian sense, can not be desirable for a political vision that seeks sustainable human development with reasonable equality. The neopopulist politics with which the project has been carried on in parts of the semiperiphery of the capitalist world system has pretended to give the lower classes a proxy control over what is happening, but in most cases the emerging form of political engagement was a far cry from genuine civic empowerment. The situation in Turkey is not so much different. In most issues, AKP's democratic credentials have been impressive only when compared to the other mainstream parties running for the office. Reforms made marked a progress over the pathetic level of democracy Turkey had had before – nothing less and nothing more. Out of these convictions of mine I deem it necessary to warn that this work should not be at any rate taken as a plea for the hegemony-building project it sets out to describe and analyze.

I got the idea of writing a thesis on AKP's neopopulism two years ago and started to develop my arguments through illuminating discussions with my advisor Professor Mine Eder, who had been a chief source of inspiration for my engagement with the question of populism. With the recent publication of Deniz Yıldırım's article on the very same topic with a similar theoretical approach (see reference in the main text), the present work is now less original in its conceptual framework. However, this pleases me in demonstrating that the argument, although yet independently from my contribution, is already finding its way into the literature and helping us to understand the AKP case better. I hope the reader finds this work as helpful.

## CHAPTER I

### A PARTY IN RISE: RECEPTION, TRANSFORMATION, EXPLANATION

In this chapter, I first introduce my subject topic in greater length, and remind the main axes of the debate that surrounds the ‘peculiar case’ of AKP. I argue that both the immediate reception of the party by the political community and the institutional establishment; and its subsequent treatment by intellectual circles have been rather lopsided, limited in focus to the compatibility of a religiously inspired ideology to universal standards of democracy. I try to show how the yardsticks used to evaluate AKP in this debate reflect a default consensus on market capitalism, and a triumph of the question of identity recognition over questions of class conflict and social exclusion. I argue that attempts of explanation around the ‘center-periphery’ axis have yet failed to transcend this position. I offer a relocation of the case of AKP within the context of worldwide transformation of capitalism and emphasize its resonance with some other parties of the underdeveloped world, especially of Latin America; in its style of government. I will do this by using the concept of neoliberal populism (i.e. neopopulism) to provide a theoretical framework to understand the significance of this; and put it into the context of Turkey’s populist past.

#### Democracy by Surprise, Market by Default

On 3 November 2002 people of Turkey went to the ballot to punish their representatives in the parliament: 90 % of the house would be removed and replaced by fresh candidates. Especially striking was the utter defeat of the three parties in the incumbent government coalition. They saw their votes falling from a previous 53,4 % to 14,7 %, none receiving enough to take any seats in the next parliament. Election turnout rate was 79 %, though high

in Western standards, the lowest in Turkey since 1979. All of this evidenced a significant resentment on behalf of the electorate towards the performance of the whole political community. 90's could be called a lost decade in any respect. The misfortunes befallen on the country at the dawn of the century had been multifold; natural disaster (the great earthquake of 1999) combined with economic crisis (erupted twice in October 2000 and February 2001) to make life more difficult, and political instability further contributed to the sense of an apocalyptic punishment.

The government, in endorsing a very controversial IMF program, was seen responsible for the collapse of the economy in the way it did. The predicament of the coalition parties, though, could be less dramatic even under these conditions, had it not been for certain political decisions they made. In the summer of 2001, what was probably the lowest point of the crisis; they declared the coalition unable to work and decided to hold early elections in a year. The following year saw some positive stabilization of the economic figures; as the bitter medicine of macroeconomic austerity and currency adjustment was bringing the inflation rate down. The same year was also marked by successive legislative initiatives towards harmonizing the Turkish law with a standard of democracy espoused by the EU, in an effort at fulfilling the membership requirements enacted at the Helsinki summit of 1999. These developments could contribute to an improvement of the government's popularity, but the coalition partners had already decided to dissolve just at a time when they passed the direst strait; and prepared the public for a change of government – a big mistake, considering that the effects of any improvement would not be able to be felt effectively in the short term. The public was indeed prepared to remove the incumbents, however, it did not know who could provide a more credible alternative. In a survey conducted “during the chaotic weeks of the second economic crisis of February 2001”, 33 % of the respondents said that they would not

vote for any one of the existing parties.<sup>6</sup> They had been trying central-right, social democratic, nationalist, Islamist parties for a decade in vain; and none seemed credible, efficient and inspiring any more.

The polls also showed that a neophyte outside the existing political community was the most popular leader-would-be: This was Recep Tayyip Erdoğan, who, once being the mayor of Istanbul from the Welfare Party, had become known to the public as an efficient service provider and a vigorous young leader. Although being banned from politics on the ground that he had provoked public conflict with a poem he recited, he was seen as the leader of the new movement that broke away from the ranks of the Islamist stream. After the closing down of the mother party of the stream in June and having received in July the signal for the early election, the new movement institutionalized itself in August 2001 as AKP. The party received 34 % of the vote in the following election and formed the government.

Starting even before the party's formal foundation, strong doubts against the rising leader and his movement were harbored not only by the military and the bureaucratic establishment, but also by a considerable segment of the business community.<sup>7</sup> The strongest doubt was about the former affiliation of the party members to anti-secularist ideas despite their continuous attempts at breaking the link with their Islamist past. Many believed that the movement was not genuine in its attempt to refashion itself according to the requirements of secular and democratic politics. In an effort to cast off this accusation, Erdoğan evaded from any ideologically distinguishable commitments and, as I will later elaborate in more detail, adopted a discourse with vague notions of democratic popular will. This, however, provided ground for criticism about the movement's ideational hollowness, and its cadres' incapacity in

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<sup>6</sup> Ali Çarkoğlu and Melvin J. Hinich, "A Spatial Analysis of Turkish Party Preferences," *Electoral Studies* 25 (2006): 369-392.

<sup>7</sup> Particularly significant was Rahmi Koç's controversial remark on 3 August 2002 alluding to the claims of corruption alleged to Erdoğan. See Kader Gür, *Esaretten Zirveye*, (Istanbul: MDS Yayınları, 2003), pp. 62-64. Also Doğan media group withdrew its previous support after Erdoğan's meeting on 8 October 2002 with rival business groups. Taner Korkmaz, "Manşetteki Haberin Bilinçaltını Okumak, *Zaman*, October 11, 2002.

addressing the problems of the country. Combining with the fact that the party incorporated many neophytes, it made AKP look like a Pandora's box potentially pregnant to bad surprises. The unpredictability contributed to the third major doubt expressed particularly by the big business and a certain segment of the military: Nobody could make sure that an AKP government would not mean a move away from the IMF program; from sound relations with US, EU and Israel; and even from the Western military alliance.

The ensuing record of the party in government, nonetheless, surprised all. The situation seemed to be "wrong men doing the right things." To summarize what is now a well known story; AKP remained committed to the IMF program and furthered the structural reformation of the economy; effectively ending chronic hyperinflation and providing an average annual GDP growth of 6,8 % between 2002-2007.<sup>8</sup> It displayed high profile for a solution for the Cyprus issue and enacted 6 legislative 'harmonization packages' with an effort to start the membership negotiations with EU: The negotiations indeed started on 3 October 2005, with euphoria on the Turkish side. Relations with the US and Israel followed a more fluctuating graph but without any major break in the orientation of the foreign policy. On the issue of secularism, the most skeptic observers have never really been convinced, but their views still continue to be informed by prophecies on what is yet to be done by AKP, rather than evaluations of what has been done. The brinkmanship displayed in criminalizing adultery, empowering imam hatip school graduates and allowing headscarf in universities, remain as rather isolated examples. So much so that, in the trial of 2008, in order to prove the party is the focus of anti-secular activities, the Constitutional Court had to draw on speeches made in mid 1990s as evidence. All in all, despite criticisms that it lost its initial dynamism

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<sup>8</sup> TURKSTAT changed its calculation method of national income from the UN system (SNA-68) to the EU system (ESA-95) on March 8, 2008. In this study, figures calculated on GNP are those relying on the new statistical series, unless otherwise noted.



and zeal for change; the party managed to increase its vote after a term in the office and Erdoğan himself as a leader kept up his popularity, as well.

AKP has provided as such a case for political analysts and social scientists in two regards. One is to explain its impressive electoral success against a background of fragmented and unstable party politics in Turkey. The other one is to understand the parameters of reconciliation between a religiously inspired ideology and a staunchly secular regime, and to explain the ability of a group of former political Islamists in translating both their aspirations and their followers' expectations into a new horizon defined by democracy and human rights. The questions have indeed inaugurated an exciting period of soul-searching among intellectual circles. Critical reviews of the state-centered understanding of modernization started to be read under a different light. Leading among these was Şerif Mardin's seminal article that suggested the center-periphery axis as the most important social cleavage underlying Turkish politics, subsuming class contradiction and ideological divides.<sup>9</sup> Summarized in a nutshell, the center-periphery divide meant that the bureaucratic class and its allies constituted the center of the Turkish society, while the masses mostly remained peripheral to their culture; religion providing the sole significant institutional link between the two until being replaced with the less successful Kemalist nationalist/statist culture. The idea had already been made use of extensively in order to understand the limited success of the bureaucratic establishment in driving Turkish modernization as it envisioned.<sup>10</sup> However, it gained a greater circulation with the rise of Islamist parties in 1990s and later provided the backbone of an emerging 'theory of AKP.' It seemed that Mardin's foresight had come true: "[T]he most viable 'modern' structures produced by [an integration of individuals to central

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<sup>9</sup> Şerif Mardin, "Center-Periphery Relations: A Key to Turkish Politics?", *Daedalus* 102, no.1 (1973): 169-190.

<sup>10</sup> Sabri Sayarı, "The Turkish Party System in Transition," *Government and Opposition* 13 (1978): 39-57; Ergun Özbudun, "Turkey", in *Electoral Politics in the Middle East: Issues, Voters and Elites*, ed. J.M. Landau, E. Özbudun, and F. Tachau (London: Croom Helm, 1980), 107-143; Metin Heper, *The State Tradition in Turkey* (Walkington: Eothen, 1985).

institutions that may come] will not be products that can simply be predicted from a paradigm of modernization but institutions which also embody in some form or other aspects of ‘traditional’ culture’.<sup>11</sup>

Attempts at reading the history of political Islam in Turkey under this light reassert Mardin’s argument that the Kemalist attempt at revolutionizing the culture of the periphery from top-down has actually increased the distance between the center and the periphery by removing the major communicative link between the ‘high’ and ‘low’ cultures. The culture of the periphery, once characterized by localism, regionalism and religious heterodoxy (‘volk Islam’), has been increasingly subsumed by religion as the latter was ousted from the central cultural system.<sup>12</sup> Starting with the transition to democracy, and increasingly with the wider penetration of capitalism; the center’s ability to contain peripheral actors’ aspirations and counter their religiously inspired imaginary have been eroded. Sharing this common assumption, explanations then diverge in their evaluation of the recent history and in their tone of sympathy toward the peripheral actors in ascendance. However, most concur in seeing in this process an emancipatory dynamic. Many would argue that “while the periphery has become [the] leading force of economic improvement, political liberalization, and democratization, the center, once the revolutionary modernizing actor, has turned into an opposing force at the front of the liberalization of Turkey”.<sup>13</sup>

The transition to market capitalism with Özal’s reforms is seen as the key turning point in this process, as it widened the legitimate channels of inclusion into the central value

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<sup>11</sup> Mardin, p. 190.

<sup>12</sup> Mardin makes a more elaborated treatment of this point in *Din ve İdeoloji: Türkiye’de Halk Katındaki Dinsel İnançların Siyasal Eylemi Etkilendirmesine İlişkin Bir Kavramlaştırma Modeli*, (Ankara: Ankara Üniversitesi, 1969).

<sup>13</sup> Ramin Ahmadov, “Counter Transformations in the Center and Periphery of Turkish Society and the Rise of the Justice and Development Party”, *Alternatives: Turkish Journal of International Relations* 7, no. 2 & 3 (2008).

system, facilitating greater franchise for peripheral groups,<sup>14</sup> especially for Muslim conservatives, including political Islamists. Economic liberalization, by increasing Islamists' participation into business, media and education enterprises; reshuffled their interests from confronting the state and changing its regime to constructing a network of micro transformations operating through the civil society. In due course, Islamism loses its revolutionary fervor and infiltrates social and cultural everyday practices, argues Göle.<sup>15</sup> According to Yavuz, Islam in Turkey reemerges in this context as a source of social stability and as a motivational force rather than as a radical political project.<sup>16</sup> Narlı shows how this motivational force buttresses the rise of a counter business elite in the periphery.<sup>17</sup> Contributors to Demir explore in Islamic practices a potential for building the moral capital that would facilitate a more efficient market economy.<sup>18</sup> Turam examines the transformation of an Islamic movement (Fethullah Gülen community) into a moderation force "between the religion and the state" through a politics of engagement in an enlarging civil society that is increasingly exposed to globalization dynamics.<sup>19</sup> Yavuz and Esposito, in the context of the same movement, evaluate the process as having laid down the conditions for faith to become a source of social capital and empower society.<sup>20</sup> Yavuz, in what remains as the most significant articulation of this thesis, argues that new fields of opportunity provided by

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<sup>14</sup> Binnaz Toprak, "Islam and the Secular State in Turkey" in, *Turkey: Political, Social and Economic Challenges in the 1990s*, ed. Ç. Balım (Leiden: Brill, 1995); Fuat, E. Keyman and Ergun Özbudun, "Cultural Globalization in Turkey: Actors, Discourses and Strategies" in *Many Globalizations: Cultural Diversity in the Contemporary World*, ed. P.L. Berger, and S.P. Huntington (New York: Oxford University Press, 2002).

<sup>15</sup> Nilüfer Göle, "Snapshots of Islamic Modernities," *Daedalus* 129 (2000): 91-117, p. 92.

<sup>16</sup> Hakan Yavuz, "Islam in the Public Sphere" in *Turkish Islam and the Secular State: the Gülen Movement*, ed. Hakan Yavuz and John L. Esposito, (Syracuse, N.Y. : Syracuse University Press, 2003).

<sup>17</sup> Nilüfer Narlı, "The Tension between the Centre and Peripheral Economy and the Rise of a Counter Business Elite in Turkey," *Islam en Turquie. Les Annales de L'Autre Islam* 6 (1999): 5072.

<sup>18</sup> Ömer Demir (ed.), *İslâm, Sivil Toplum ve Piyasa Ekonomisi*, (Ankara: Liberte, 1999).

<sup>19</sup> Berna Turam, *Between Islam and the State: The Politics of Engagement*, (Stanford, Calif. : Stanford University Press, 2007).

<sup>20</sup> Hakan Yavuz and John L. Esposito, Introduction to *Turkish Islam and the Secular State*, p. xxviii.

economic and political liberalization enabled Islamist movements to mobilize new actors and constitute new spaces of sociality; from which emerges a new Muslim constituency with its own middle class morality and compatibility with modernity.<sup>21</sup> This argument gained enough recognition to induce Yılmaz to conduct a survey “in search of a [emerging] Turkish middle class”.<sup>22</sup>

The train of thought also informs interpretations of AKP’s rise to power. Although varying in degree of sophistication and tone of enthusiasm, many analysts concurred in seeing AKP’s success as a victory for the periphery. According to these accounts, AKP is carrying the aspirations of the aforementioned peripheral actors to the center, commencing a redefinition of the very meaning of the latter.<sup>23</sup> It represents an alliance between the globalist forces and the religious constituency in an effort to overcome the “[r]esistance to globalization ... com[ing] from the bourgeois elite and ideologically committed Kemalists, who create obstacles to the economic and political demands of the peripheral forces”.<sup>24</sup> For most euphoric observers, this victory of the periphery means a finale to the heroic struggle waged by Menderes and Özal against the authoritarian center<sup>25</sup> and equals to a “victory for

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<sup>21</sup> Hakan M. Yavuz, *Islamic Political Identity in Turkey*, (London: Oxford University Press, 2003).

<sup>22</sup> Hakan Yılmaz, “In Search of a Turkish Middle Class: Economic Occupations, Political Orientations, Social Life-Styles, Moral Values,” Research project supported by a grant from the Open Society Institute Assistance Fund (Grant No:20018998) and Bogazici University Research Fund (Grant No:07M103), date of completion: December 2007, [http://hakanyilmaz.info/yahoo\\_site\\_admin/assets/docs/HakanYilmaz-2007-MiddleClassInTurkey-Summary.28470755.pdf](http://hakanyilmaz.info/yahoo_site_admin/assets/docs/HakanYilmaz-2007-MiddleClassInTurkey-Summary.28470755.pdf).

<sup>23</sup> Binnaz Toprak and İlkey Sunar, “Islam in Politics: The Case of Turkey” in *State, Society and Democracy in Turkey*, ed. İlkey Sunar, (İstanbul: Bahçeşehir University, 2004), 155-173; Ali Çarkoğlu, “A New Electoral Victory for the 'Pro-Islamists' or the 'New Centre-Right'? The Justice and Development Party Phenomenon in the July 2007 Parliamentary Elections in Turkey,” *South European Society and Politics* 12, no.4 (2007): 501-519; Joakim Parslow “Turkish Political Parties and the European Union: How Turkish MPs Frame the Issue of Adapting to EU Conditionality,” *ARENA Report*, June 2007, <http://www.arena.uio.no/publications/reports/2007/707.pdf>; Ahmadov.

<sup>24</sup> İhsan Dağı, “Ideology, Politics and Human Rights Discourse in the Search for Security and Legitimacy,” in *The Emergence of a New Turkey: Democracy and the AK Parti*, ed. Hakan Yavuz (Salt Lake City: University of Utah Press, c2006), 93.

<sup>25</sup> Dimitris Maziotis and Ali Osman Egilmez, “Turk Polls: Bringing The Periphery into the Center”, *The Bridge: A Quarterly Review of European Integration* 6 (2007); İbrahim Kalın, “The Ideological Fault-lines of Turkish Politics”, Today’s Zaman, May 13 2007.

Turkey” itself.<sup>26</sup> For others, it means a “normalization of democracy”<sup>27</sup> and evidence for the conditions of a more mature political playing field in Turkey. The ensuing success of AKP in office was also seen as evidence for the maturing of former Islamists and for their ability to learn the rules of democracy through participating in it.<sup>28</sup> For one analyst, in orienting its policies toward the fundamental principles of democracy and the rule of law, AKP’s performance “signifies an important milestone not only for the democratization of the Islamist movement, but also for that of Turkey”.<sup>29</sup>

The first three years of AKP’s term in the office seems to have created this optimism. This period saw the curtailment of the powers of the National Security Council (NSC) to the effect that dual [military-civilian] government came to an end; the effective establishment of the right to retrial in the European Court of Human Rights, an end to the rule of emergency in the Southeast and the activities of State Security Courts, and securing of broadcasting in languages other than Turkish – among other improvements toward a more liberal democracy in Turkey. Öniş, in his evaluation of this period, saw a ‘virtuous cycle’ in these developments which led him to conclude his assessment of the party as “favorable with some reservations”.<sup>30</sup> Arguably, this was the general mood among that part of the intelligentsia whose primary concern was the removal of the military tutelage over democratic politics and the de-installation of the state’s authoritarian and ‘praetorian’ character.<sup>31</sup> Indeed, AKP era

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<sup>26</sup> Kalın, “22 Temmuz’un Galibi Türkiye”, *Yeni Şafak*, July 24, 2007.

<sup>27</sup> Ahmet İnsel, “The AKP and Normalizing Democracy in Turkey,” *The South Atlantic Quarterly* 102, no. 2/3 (2003): 293-308.

<sup>28</sup> Ziya Öniş, “Globalization and Party Transformation. Turkey’s Justice and Development Party in Perspective,” in *Globalizing Democracy. Party Politics in Emerging Democracies*, London, ed. Peter Burnell, (London: Routledge, 2006).

<sup>29</sup> Cemal Karakas, “Turkey: Islam and Laicism Between the Interests of State, Politics, and Society”, trans. Kersten Horn, *Peace Research Institute Frankfurt (PRIF) PRIF Reports* no. 78 (2007), pp. III.

<sup>30</sup> Öniş, “Political Economy of Turkey’s Justice and Development Party,” in Yavuz (ed.).

<sup>31</sup> Savran criticizes this ‘liberal left’ stance with his Marxist outlook and argues that a liberal democratic perspective fails to capture AKP’s primarily neo-liberal character, which displays authoritarian leanings when it

coincided with a time when the *literati* of Turkey expressed an unprecedented interest in revisiting the state fetishism, nationalist essentialism and militarism that underlie the official doctrines of Turkish modernization; as well as in deconstructing the self-orientalism that informs the Kemalist view about the place of Islam in Turkish society. It is probable that in no previous period had intellectual legitimization of the state-centered character of Turkish politics come under such strong attack – not only within the confines of academic debate, but also in more vulgarized and publicized modes of articulation.

After 2005, when negotiation status with EU was already secured, AKP's performance seemed to retreat to the more traditional parameters of Turkish party politics; and the emergent autocracy and pragmatism (if not opportunism) disappointed optimists. The limits of a democracy driven by windows of opportunity offered by the international context (the EU anchor and US backing) were increasingly pronounced – especially as Cyprus issue came to a stalemate again. The lack of a genuine will among AKP's base constituency toward substantial democratization, and AKP's reluctance to confront their expectations were becoming more visible. Yavuz, in his previous evaluation of AKP, had already hinted at the reasons of a retreat: "JDP's [i.e. AKP's] dream is to shape politics along the interests and needs of the civil society. But the party's dream ... has not been fully materialized because of authoritarian temptations of the leaders of JDP and the political culture of modern Turkey<sup>32</sup> ... By reducing politics into 'rendering services,' JDP has not developed a necessary framework for public debate".<sup>33</sup> Published later, Cizre's edited volume reflects the disillusionment more strongly.<sup>34</sup> The contributors see in "the retreat from democratic reform

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comes to the labor question. He also points out to the limited capacity of the idea of a center-periphery divide in analyzing the political economy of Turkey's recent transformation. Sungur Savran, "Marksizmlle Tartışma Çağrısı", *Radikal*, May 11, 2008.

<sup>32</sup> Yavuz, "Introduction" in *The Emergence of Modern Turkey*, 7.

<sup>33</sup> Yavuz, 17.

... elements that represent JDP's fear and insecurity emanating from a sense of being under siege by court decisions, public speeches and behavior of the high command, the heads of the high administrative courts and a significant body of the secularist citizenry",<sup>35</sup> they characterize AKP's Kurdish policy as "swinging between a nationalist/conservative mood and a transformative/democratic intention";<sup>36</sup> and see a scramble for power in the party's tactics, moved by a need to enlarge domains of control and influence, especially after the fading out of the flagship project of EU.<sup>37</sup> Needless to say, the mainstream media and most public opinion leaders have also shifted to a much more skeptic stance against the party. Nonetheless, the important thing to see is that the paradigm underlying explanations of AKP's success was not left behind, but continued to inform an understanding of this shift of ground: Democratization was arrested because AKP started to play to the center and establish its own independent basis of power; betraying the mandate for peripheral empowerment and civic participation.

In summary, it can be said that AKP surprised the political and intellectual community by its democratic record. However, its commitment to free markets remained as a default expectation at least except a brief period after its incipience. Actually, such a commitment seemed to many to be a blessing that moved AKP toward liberalism and thus spared to Turkey what democratization the party has achieved. Now, as of mid 2009, the party is lukewarm for the first time to a new IMF stand-by agreement, and this contributes to the image of arrested democratization and a retreat to good old days of politicking: The essence of the wrong men resurged and they are no longer doing the right thing.

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<sup>34</sup> Ümit Cizre, *Secular and Islamic Politics in Turkey: The Making of the Justice and Development Party*, (New York: Routledge, 2008).

<sup>35</sup> Cizre, "Justice and Development Party and the Military," in Cizre (ed.), p. 157.

<sup>36</sup> Bedrettin Duran, "The Justice and Development Party's 'New Politics': Steering toward Conservative Democracy, a Revised Islamic Agenda or Management of New Crises?," in Cizre (ed.), p. 96.

<sup>37</sup> Menderes Çınar, "The Justice and Development Party and the Kemalist Establishment," in Cizre (ed.).

Here is an important deficiency of the ‘theory of AKP’. It goes without a critical discussion of the democratization-cum-neoliberalization trajectory that the party followed – or, at times, ‘failed’ to follow. One can observe a subtle reflection of the worldwide hegemonic ideational agenda: bringing forth democratization as the sole progressive question, leaving economy to default solutions provided by orthodox expertise. For this agenda, AKP is a model of reconciliation between Islam and democracy, and the dominant question is about the limits of its applicability to other Muslim contexts. The model poses democracy as *the* crucial output and attaches to it market economics by default. In its crudest treatment, it reflects a market triumphalism and a simplistic expectation of liberal convergence, whereby political and economic liberalism hold onto each other and together serve for the cause of democracy. In its more nuanced articulations, it overemphasizes the identity transformation involved in the case of AKP, so that, hypnotized by the religious halo that surrounds the question, one cannot see the more ‘secular’ meanings of AKP’s policies, like the implications of its economic policy choices on class reconfigurations.

This also reflects a tendency to buy too easily AKP’s own framing of its story. As I will also try to show in more detail, AKP puts forward in his discourse a bureaucratic establishment intolerant against the economic and religious freedom of individuals as the predominant question of Turkish politics, and suggests that “[t]he answer to providing the best welfare for the population is to reduce the state’s involvement in normal processes of everyday space and allow for God and the market to work their respective magics” as observed by West II.<sup>38</sup> The less critical students of the case of AKP resonate with this discourse in formulating the question as one of a state regime which crystallizes a particular type of identity as the sole legitimate one for the citizenry on the one hand, and an Islamic identity engendered by the dynamism of rising peripheral actors operating within the civil

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<sup>38</sup> W. Jefferson West II, “‘We are Obligated to Think that the State is Just:’ The AKP’s Geographies of Islam and the State in Turkey” (Master’s diss., University of Kentucky, 2008) p. 81. Available at <https://archive.uky.edu/bitstream/10225/791/WJeffersonWestII.pdf>.



society on the other. Thus framing the problem as one of emancipation of an identity from the straightjacket of official politics; any intervening variable that is helpful in redressing this problem can emerge only as a solution. In this manner, insofar as capitalist market forces required Turkish Islamists to quit their isolated puritanism, facilitated their incorporation into the functioning of a wider realm sanctioned by the secular regime, and forced the state establishment to endorse (albeit not very enthusiastically) their participation in this realm as well; they were indeed, more or less, a solution to the identity problem as such. The market was where the former Islamists were exposed to globalizing forces that helped them to restructure the identity they were struggling to gain recognition for, thus making it more easily acceptable to a cautious secular establishment. The market was where the secular establishment, in turn, was most reluctant (or least able) to keep under tight control the centrifugal elements that redefined state's relationship with its citizens. So, if we had a "Muslim question," the market was the place for a solution, we learn from these accounts – and even when the ability of the market to provide a solution is questioned, it is because of a recognition of its limited capacity to provide a solution to the identity problem.

Hence, the market as a solution is studied and recognized but the market as a problem is by-passed or explained away. Yet, the solution itself needs to be problematized. If we frame the question as "how does capitalist formation regenerates itself and how does state power relates to it," the rise and reformation of Islamic political identity in Turkey itself becomes an intervening variable – instrumental in bringing a new dynamism to the capitalist market, by mobilizing new social actors, encouraging their participation in the market, and using the state power more efficiently to facilitate the political change necessary for this restructuring process. Of course, all this new dynamism means new inter-class and intra-class configurations, new struggles of recognition (which may involve questions of status rather than identity) and a bid for power. The social inequalities and resentments generated from

within this process of change, together with the Islamic actors' ability to address them and to cope with the tensions arising thereby, still await more critical studies (exceptions will be cited and discussed in their respective contexts).

Let me clarify my case: Much of the works cited above contain valuable and inspiring scholarship; and the idea of a center-periphery divide, though not always used in the most appropriate manner, has certainly contributed to our understanding of the Turkish society. The transformation of political Islam is indeed an important question, but singling it out as the defining moment of AKP is misleading – it would be like trying to understand an elephant just by focusing on the fact that it has a trunk. Trunk may be the most discernable characteristic of the elephant but there are other phenomena more essential for the organism to survive. What the discussion about the religiously-inspired identity of the party members tend to ignore and overshadow is the fact that this is a party that reconfigured whole sectors of economy, and it did so following techniques of government quite similar to those that can be found in distant, unfamiliar geographies.

### Neoliberal Transformations and Populism

In order to escape this lopsided agenda, I offer to relocate AKP within the context of a neoliberal transformation of the capitalist world system and the concomitant changes in techniques of government. This would enable us to reach a broader outlook whereby we can see AKP within a certain trend of neopopulist parties emerging in the developing world, and realize that it actually has many sisters in non-Islamic geographies like Latin America. The case as such would certainly lose its 'uniqueness'. I put forward this wider structural transformation only to make a more historically grounded, comparative sense of what is

happening in Turkey now; and I do not offer it as a root cause that determines everything AKP does.

What usually goes as neoliberalism is multi-fold; ranging from monetarist economics to an elevation of choice theory above any social considerations. “Emerg[ing] from its ultra-minoritarian ghetto to become the dominant doctrine in the world”<sup>39</sup> neoliberalism engendered a restructuring of the capitalist system; and there seems to be little doubt that it has a profound and usually unwelcome effect on nearly all societies. There is also a widespread identification of this process with the interests of finance sector of global capital as opposed to the more territorially bounded industrial sectors.<sup>40</sup>

The slogans of neoliberalism have revolved around policy prescriptions like privatization, deregulation and cutting down of unbalanced public expenditures. However (especially when it comes to developed countries) the empirical evidence of such policies are mixed, and efforts to define a neoliberal turn in history are sometimes upset by finding a rather de-synchronized pattern from 1960s onwards rather than a definite break after 1973 or 1982 or any such date.<sup>41</sup> It is doubtful, for instance, whether regulation has become less of a reality. Actually, after neoliberalism graduated from its initial ‘shock’ phase, the market reform it inspired received much guidance from more institutionalist approaches, since it had been realized that markets do not just emerge as worms emerge in cheese; they should be constituted where they do not exist, and this requires a good deal of institutional infrastructure and policy input, which in turn generates regulation. Taking these into account, I would

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<sup>39</sup> Susan George, “A Short History of Neoliberalism: Twenty Years of Elite Economics and Emerging Opportunities for Structural Change,” Conference on Economic Sovereignty in a Globalising World Bangkok, 24-26 March 1999, <http://www.globalexchange.org/campaigns/econ101/neoliberalism.html>.

<sup>40</sup> Gerard Duménil and Dominique Lévy, *Capital Resurgent: Roots of the Neoliberal Revolution* (Harvard University, 2004); David Harvey, *A Brief History of Neoliberalism* (Oxford University, 2005).

<sup>41</sup> See Chris Harman, “Theorizing Neoliberalism,” *International Socialism: A Quarterly Journal of Socialist Theory* 117 (2007). <http://www.isj.org.uk/?s=contents&issue=117>; posted on 18 December 2007, retrieved on 12 April 2009.

emphasize two key processes as regards to what I mean by neoliberalism: *marketization* and *commodification*. Marketization means a reconfiguration of (virtual or actual) spaces of social interaction into fields of action for economic actors guided in their behavior by the principle of efficiency. Defined like this, it is closely related to privatization but it goes beyond: It would also allow state-owned enterprises to act like market-oriented firms,<sup>42</sup> for example. Commodification means a redefinition of social livelihood into goods and services sold at marketized spaces, so that market values replace other social values. This is also closely related to privatization in a slightly different sense: convergence of communal, informal, or indefinite forms of ownership to an exclusively private form. A need to attract greater investment has pushed many developing countries to espouse, in varying forms and degrees, mechanisms that ensure greater marketization and commodification of their assets; in order to enlist among ‘emerging markets.’ It has been true despite many differences in regime or political tradition of the countries in question. This might be the most striking aspect of the process and justifies calling it a systemic shift, which would signify a new stage in the regime of accumulation, as Harvey discusses.<sup>43</sup>

There is disagreement over whether neoliberalism’s root cell primarily emanated from Thatcherism and ‘Reagonomics’ to the rest of the world; or the discredit of the previously established doctrines of development in the semi-periphery caused the adoption of a new orthodoxy. However, we know that structural reformation of whole countries’ economies after a neoliberal image was first advocated and experimented in Latin America, as a way to ensure effective and timely debt servicing. It was in the context of Latin America’s debt crisis did international agencies like the IMF and the WB develop a *modus operandi* of the reform conditionality, and turned market reform into a necessity of economic development - although

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<sup>42</sup> John E. Dixon, Mark Hyde, *The Marketization of Social Security*, (Quorum/Greenwood, 2001).

<sup>43</sup> David Harvey, *The New Imperialism*, (Oxford; New York: Oxford University Press, 2003).

the WB later distanced itself from this vein, somewhat apologetically. Actually, the infamous Washington Consensus was a reform prescription for Latin America, at the first place.<sup>44</sup>

The reform that the ‘consensus’ was aiming incorporated a moral discourse to its justification: A need to fight back the irrational, short-sighted, imprudent attitudes salient in the political culture of Latin America and frequently displaying themselves in the behavior of *populist* politicians. Accordingly, these politicians’ attempts at redistribution had assumed a “global apartheid which claimed that developing countries came from a different universe which enabled them to benefit from (a) inflation (so as to reap the inflation tax and boost investment); (b) a leading role for the state in initiating industrialization; and (c) import substitution. The Washington Consensus said that this era of apartheid was over”<sup>45</sup> and it was time to bring back the peoples of Latin America, or any developing country for that regard, to a universe where the rules of macroeconomic orthodoxy ruled. The discourse was moral in the sense that it condemned such populism as ultimately harmful to the society in general as well as the poorer segments of it: Populism, defined as overly expansive budgetary spending, would not only beget corruption and inefficient services but also cause high inflation and severe balance of payments crises; and most of the time end up, unfortunately, with the installation of repressive military regimes and austerity programs.<sup>46</sup> The recurrent populist cycles were not due to an inability to learn from past experiences or to simple ignorance, but stemming from the incompetence of politicians who lacked the courage or honesty to

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<sup>44</sup> See the original article that preached the consensus: John Williamson, “What Washington Means by Policy Reform,” *Latin American Readjustment: How Much Has Happened*, ed. John Williamson (Washington: Institute for International Economics, 1989).

<sup>45</sup> Williamson “Did the Washington Consensus Fail?” Peterson Institute for International Economics (outline of speech at the Center for Strategic and International Studies, Washington, DC, USA November 6, 2002, <http://www.iie.com/publications/papers/paper.cfm?ResearchID=488>).

<sup>46</sup> Jeffrey Sachs, *Social Conflict and Populist Policies in Latin America* (Cambridge, Mass.: National Bureau of Economic Research, 1989); Rudiger Dornbusch and Sebastian Edwards, eds., *The Macroeconomics of Populism in Latin America* (Chicago: University of Chicago Press, 1991).

overcome the interests entrenched in such an established system. The answer had to come in the form of effective, risk-taking leadership, resolute in the need for a reform and ready to face opposition. But, thank God, populism was coming to an end. In an increasingly global world economy individual populist adventures would most probably become more and more rare;<sup>47</sup> “the heyday of populism [was] past” and it was “unlikely to sweep the Americas anytime soon”.<sup>48</sup>

However, the resurgence in 1990s of a talk of populism among political scientists leads one to think that the expectation was mistaken.<sup>49</sup> A new breed of politicians, widely regarded as populists, dominated the political scene in various Latin American countries: Carlos Salinas de Gortari (Mexico 1988-1994), Carlos Menem (Argentina 1989-1999), Fernando Collor de Mello (Brazil 1990-1992), Alberto Fujimori (Peru 1990-2000). Even though they mostly enacted IMF-led (or inspired) market reforms; the personalistic, cavalier leadership they displayed; the cross-class coalitions they relied, the mass following they commanded; and the anti-establishment discourse they articulated were reminding to many observers the political style that was prevalent in populist times: “[They] used political strategies reminiscent of classical populism to reach and maintain power but enacted neoliberal policies that diverged starkly from the programs of classical populists and sought to

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<sup>47</sup> Robert Kaufman and Barbara Stallings. ‘The Political Economy of Latin American Populism’ in *Macroeconomics of Populism in Latin America* ed. R. Dornbusch and S. Edwards, *Macroeconomics of Populism in Latin America* (Chicago: University of Chicago Press, 1991).

<sup>48</sup> Paul Drake, “Comment” in Dornbusch and Edwards (eds.), p. 35, p. 40.

<sup>49</sup> Important examples are Denise Dresser, *Neopopulist Solutions to Neoliberal Problems* (San Diego: Center for U.S.-Mexican Studies, University of California San Diego, 1991); Kenneth M. Roberts, “Neoliberalism and the Transformation of Populism in Latin America: The Peruvian Case,” *World Politics* 48, no. 1 (1995); Kurt Weyland, “Neopopulism and Neoliberalism in Latin America: Unexpected Affinities,” *Studies in Comparative International Development* 31 (1996): 3-31; Edward Gibson, “The Populist Road to Market Reform,” *World Politics* 49 (1997): 339-70, Alan Knight, “Populism and Neo-populism in Latin America, Especially Mexico,” *Journal of Latin American Studies* 30 (1998): 223-48. Philip Oxhorn, “The Social Foundations of Latin America’s Recurrent Populism,” *Journal of Historical Sociology* 11 (1998): 212-46; George Philip, “The New Populism. Presidentialism and Market-Orientated Reform in Spanish South America,” *Government and Opposition* 33 (1998): 81-97; Victor Armony, “Is There an Ideological Link between Neopopulism and Neoliberalism?,” *Brazilian Journal of Political Economy* 21, no. 2 (2001): 62-77; J. Demmers, A. Fernández Jilberto, and B. Hogenboom (eds.), *Miraculous Metamorphoses: The Neoliberalization of Latin American Populism*, (London and New York: Zed Books, Palgrave, 2001).

eliminate the socioeconomic legacies of classical populism”.<sup>50</sup> Commenting on this Roberts argued that “populist tendencies could arise *within* – rather than *against* – a neoliberal project”.<sup>51</sup> How come so? In order to make sense of this we have to probe more deeply into the meaning of populism, because there appears a confusion about its use.

Weyland’s<sup>52</sup> succinct summary of the controversy over populism is extremely useful and I am quoting it in length:

Most authors noted a personalistic, plebiscitarian style of political leadership as a defining characteristic of populism. A charismatic individual wins and exercises power by maintaining direct, unmediated contact to a largely unorganized mass of followers. But this political attribute was widely seen as part of a package of equally central social and economic characteristics. Accordingly, authors commonly stressed the heterogeneous social base of populism, defined as an amorphous mass, an urban multiclass movement, or a broad alliance of urban classes. They also emphasized the provision of material incentives – the pursuit of expansionary, developmentalist economic policies and the extension of social benefits – as crucial instruments in maintaining mass support. Finally, many authors situated populism historically in certain developmental stages, such as the transition from traditional to modern society, the rise of mass society after the fall of oligarchic rule, or the early, ‘easy’ phase of import-substitution industrialization.

Populism, then, is not purely economical. Actually, even though there is a political economy of populism, it is a predominantly political phenomenon which involves discourse, style, mobilization and organization – apart from economic promises. Let us amplify these features, reaching a consensual redefinition:

1. Discourse and style: Populism always speaks on behalf of a majority, which has a claim in embodying the ‘people.’<sup>53</sup> The members of this majority is addressed as anonymous individuals and altogether distinguished all from a power block lying on the other side of an

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<sup>50</sup> Kurt Weyland, “Clarifying a Contested Concept: Populism in the Study of Latin American Politics,” *Comparative Politics* 34, no. 1 (2001):1-22, p. 7.

<sup>51</sup> Kenneth M. Roberts, pp. 82-116, p. 83. Also quoted in Mine Eder, “Populism as a Barrier to Integration with EU,” in *Turkey and European Union: Accession Prospects and Issues*, ed. Nergis Canefe and Mehmet Uğur (London; New York: Routledge, 2004), p. 53.

<sup>52</sup> Weyland, p. 5.

<sup>53</sup> Ernesto Laclau, *Politics and Ideology in Marxist Theory: Capitalism, Fascism, Populism*, (London: NLB, 1977); Margaret Canovan, *Populism*, (New York: Harcourt Brace Jovanovich, c1981).

antagonistic internal frontier within the society.<sup>54</sup> The power block is staffed by an elite that is meant to represent the interests of the ‘people’ but (since they fail to concur with the attributed majority) they actually do not. Hence, the representation no longer works and there emerges a need to express the will of the people in new, more direct ways.<sup>55</sup> Populism emerges when the masses form a charismatic relationship with a leader, who is thereby given the mandate to act in autarkic manner to express the will of the people. The leader is usually perceived as an outsider to the established political community; and he is thenceforth exempt from the vices that characterize the power elites. This image of the leader may serve as an analogical image for the new subjects of social change that populism brings into the political arena, since they also act out of a sense of previous negligence and persisting moral cleanliness as against the corruption of established elites. Apart from such images and analogies, the ideology of a populist movement is generally amorphous or eclectic.<sup>56</sup>

2. Mobilization and organization: The organizational fluidity engendered by the charismatic bond between the leadership and the following is an essential feature of populism. The leadership can create organizational structures from above and by-pass them at will.<sup>57</sup> Idea of representation is received with doubt in intra-movement organization as well as in the organization of the society. The charismatic bond also ensures that the loyalty of the following is primarily toward the leader, rather than clientelist intermediaries.<sup>58</sup> Hence, even

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<sup>54</sup> Laclau, *On Populist Reason*, (London: Verso, 2005).

<sup>55</sup> See Francisco Panizza, “Introduction: Populism and the Mirror of Democracy,” *Populism and the Mirror of Democracy*, (London; New York: Verso, 2005).

<sup>56</sup> Roberts.

<sup>57</sup> David L. Raby, *Populism: A Marxist Analysis*, (Montréal: Centre for Developing-Area Studies, McGill University, 1983).

<sup>58</sup> Nicos Mouzelis, “On the Concept of Populism: Populist and Clientelistic Modes of Incorporation in Semiperipheral Politics,” *Politics and Society* 14, no. 3 (1985): 329-48.



though populism may involve patronage benefits, it also relies on a strong psychic affiliation unfound in simply clientelist networks.<sup>59</sup>

3. An economic project: A promise of economic change that would make the economic system more responsive to the true needs of the masses, and create a 'just' social order, is essential to populism. The intended change is not defined in terms of a revolution.<sup>60</sup> Although populist economic agenda might disproportionately express the interests of a certain class, its subjects are presented in their extra-class determinations,<sup>61</sup> and in terms connoting to a cultural heartland (like the "Anatolian tigers" for instance).<sup>62</sup> The content of the populist program of economic change is not determinate beforehand but it is not a matter of free choice on behalf of the populist leader, either: the populist options available would be dependent on the particularities of a given social formation.

Judged by these definitional criteria, it makes sense to call certain politicians of the previous periods ('classical populists') and the neoliberal era ('neopopulist') as populist alike. Note that we included neither a specific stage of development nor a specific support base in the definition, because neopopulists do not appeal to the traditional populist sectors such as urban workers, but rather, to the informal sector and the unorganized poor. Populism can cross-cut a variety of ideological agendas, and can be employed in the service of different economic policies.

The convergence of populist politics and neoliberal economics observed in 1990s become understandable under this light; and the 'neopopulism' that emerges from their merger is crucial to appreciate the political side to neoliberalization. So far, there has been a

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<sup>59</sup> Michael L. Conniff, "Introduction," *Populism in Latin America*, ed. Conniff (Tuscaloosa : University of Alabama Press, 1999).

<sup>60</sup> Drake, "Requiem for Populism?," in *Latin American Populism in Comparative Perspective*, ed. Michael Conniff (Albuquerque: University of New Mexico Press, 1982).

<sup>61</sup> Laclau, *Politics and Ideology*.

<sup>62</sup> Paul A. Taggart, *Populism*, (Buckingham; Philadelphia: Open University Press, 2000).

tendency to read the market reforms undertaken in the semiperiphery of the capitalist world system as the work of a handful of technocratic experts more or less detached from the political dynamics of the country in question. Connoted to this kind of accounts is an image of the orthodox monoeconomics unfolding itself and diffusing through the social fabric in a secular fashion, as an ‘idea whose time has come’ – just like the way it came when heliocentric models of universe superseded Ptolemaic ones. It is true that advocates of market reform generally underemphasized the social effects of their proposals, and saw their work more as an adjustment (to the ideal benchmark of orthodoxy) than a policy choice – epitomized by Thatcher’s infamous slogan TINA (“there is no alternative”). However, the work of the ‘disembedded’ expertise was actually facilitated through certain political coalitions and class backing. Serdar, in her comparative study of Mexico, Venezuela, Argentina, Brazil and Chile; argues that the rise of market technocracy was itself an articulation of a class struggle, demonstrating that it achieved an easier hegemony where the capitalist class was particularly strong and institutionalized, like in Chile or Mexico.<sup>63</sup>

In other cases, though, cross-class coalitions were more pronounced to get the marketization into work and usually the political form that achieved such coalitions was a new populism. Weyland notes that “[p]opulist tactics were crucial in guaranteeing the necessary popular support for painful, risky neoliberal reforms”.<sup>64</sup> He points to the three unexpected affinities between neoliberalism and neopopulism: They converge in their adversarial relationship to much of the organized society; they both rely on a strong top-down approach and on strengthening the apex of the state in order to affect profound economic reform and boost the position of the leader respectively; and neopopulists rely on neoliberal

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<sup>63</sup> Ayşe Serdar, “Latin Amerika’nın Neoliberalizm Deneyimi,” *Toplum ve Bilim* 107, (2006): 231-258.

<sup>64</sup> Weyland, “Clarifying the Concept,” p. 17.

anti-inflation and anti-poverty programs to court the poorer sectors<sup>65</sup> – notwithstanding the effects of their wider economic agenda on these sectors. Armony goes further in arguing that “[n]eoliberalism itself tends to stir up populist tendencies in society” and it “is inherently populist”:

Neoliberalism is *both individualistic and majoritarian*. While promoting ‘a fragmentation of civil society, a destructuring of institutional linkages, and an erosion of collective identities’ [he quotes from Roberts, 1995, p. 113], neoliberalism also promotes the faith in a spontaneous, empiric, non-mediated, emphatic connection between the grassroots as a whole (the ‘real’ and ‘profound’ backbone of the nation) and leaders who praise the values of simplicity, directness, and common sense.<sup>66</sup>

In a similar vein, Bresser Pereira, Maravall and Przeworski see neoliberalism as

having a natural inclination toward such autocratic and technocratic forms of rule, given the need to evade or override the political opposition of organized interests that would be hurt by structural adjustments. Furthermore, ... autocratic neoliberalism encourages rather than suppresses populist behavior understood as the immediate pursuit of particularistic interests by weakening the social and political institutions that can mediate and contain particularistic demands.<sup>67</sup>

Lastly, “structural adjustments could provide unexpected economic instruments and political space for populist leadership, despite the macrolevel constraints of economic austerity”.<sup>68</sup>

The setting in which the generation of neoliberal populists rose to power in Latin America can be grounded upon two dynamics. Firstly, it followed a prolonged period of economic hardship, marked by foreign debt obligations and austerity programs introduced to end hyperinflation. During this preceding period; ISI period arrangements had been de-installed to some extent and the working class had been already weakened both economically and politically. Petras and Veltmeyer demonstrate that shares of wage labor in GNP fell from 41% (1970) to 25% (1989) in Argentina; from 37% (1970) to 27% (1989) in Mexico;

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<sup>65</sup> Weyland, “Neopopulism and Neoliberalism.”

<sup>66</sup> Armony, p. 76.

<sup>67</sup> Luiz Carlos Bresser Pereira, Jose Maria Maravall, and Adam Przeworski, *Economic Reforms in New Democracies: A Social Democratic Approach*, (Cambridge: Cambridge University Press, 1993), p. 10; as paraphrased by Roberts, p. 101.

<sup>68</sup> Roberts, p. 102.

from 40% (1970) to 17% (1986) in Peru.<sup>69</sup> Hence, most neopopulists actually came not during but after a head start was given to the destructive ‘shock’ phase of neoliberalization, and they found the more constructive job of restructuring the economy ahead.<sup>70</sup>

Secondly, the established political community had lost popularity as a result of the hard time given by debt servicing and austerity obligations; and ISI period political coalitions of the corporatist kind were suffering a crisis. Roberts comments “Populist cycles typically occur during periods of political and economic transition that shift or loosen the social moorings of party systems. Populist leadership thrives when working and lower class groups are detached from existing parties and available for electoral mobilization by political newcomers.”<sup>71</sup> This meant that insofar as the populist leader could portrait himself as an outsider to the established political community, he would have a chance to free ride on the public resentment toward the incompetence of his predecessors; and build up his personal charisma on a myth of his struggle with the ‘establishment’s vested interests.’ Also, he was going to find, among the losers of neoliberalization, sections looking for new political patrons to recover their previous losses even though it would require them to settle for a lower level equilibrium. This may explain part of the popularity neopopulists enjoyed among the informal, unorganized poor. Lastly, in such a setting, a ‘concertationist’ rhetoric that evaded

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<sup>69</sup> James Petras and Henry Veltmeyer, *Globalization Unmasked: Imperialism in the 21<sup>st</sup> Century*, (London and New York: Zed Books, 2001); cited in Erinç Yeldan, “Patterns of Adjustment under the Age of Finance: The Case of Turkey as a Peripheral Agent of Neoliberal Globalization,” University of Massachusetts Amherst Political Economy Research Institute, Working Paper Series 126, February 2007; p. 19. Available at [http://www.peri.umass.edu/fileadmin/pdf/working\\_papers/working\\_papers\\_101-150/WP126.pdf](http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_101-150/WP126.pdf).

<sup>70</sup> For an account of how the austerity programs implemented in Latin American countries caused riots and political instability in the early 1980s, see James Walton, “Debt, Protest, State” in *Power and Popular Protest*, ed. Susan E. Eckstein (Berkeley: University of California Press, c2001). The later emergence of a succesful neopopulism coincided with a certain change of attitude on how to restructure the region’s economies, as captured by US Secretary of Treasury’s remark in the WB-IMF meeting of 1985: “Washington now accepted the Latin American argument that growth-oriented policies would enable the region to meet its huge debt obligations more effectively than the austerity programs demanded until now by the IMF.” Quoted by Walton, p. 323.

<sup>71</sup> Roberts, “Populism, Political Conflict, and Grass-Roots Organization in Latin America,” *Comparative Politics* 38, no. 2 (2006), p. 133.

from ideological definition (as Roberts<sup>72</sup> notes for Fujimori; also observed by Armony<sup>73</sup> for Menem) would be more than tolerated for its vagueness and become particularly appealing for detached voters.

Following such a setting, neopopulist discourse packed the ‘incompetent political community’, ‘inefficient state bureaucracy’ and ‘organized private interests vested in the old order’ into the same ideological object and made it its significant other. Roberts comments on Fujimori:

He thus portrayed Peru's political establishment as a privileged, self-reproducing dominant class that threatened to block the implementation of economic reforms while placing partisan interests above the public good. This ‘politics of antipolitics’ is a classic populist technique, by which a leader poses as the embodiment of national unity and the public interest against the dispiriting divisiveness of partisan or particular interests ... Popular struggle, therefore, was redefined by Fujimori: no longer ‘the people’ versus the oligarchy,’ it became instead ‘the people’ represented by their elected president versus the ‘political class.’ For Fujimori, this political class comprised not only professional politicians and political parties, but virtually any organized interest group in the public domain, including those spawned by previous waves of populist mobilization.<sup>74</sup>

Triumphing over such interests, populist leader’s concertationist agenda is supposed to focus on (what Armony thinks to demonstrate the fatalism of neoliberal ideology):

achieving the superior goal of the success of the country – measured in terms of total utility (e.g. the GNP) – as a contender in the globalized marketplace. That is to say, the richer the country gets, the better, regardless of distribution issues and procedural concerns. This discourse encompasses a moralistic call to all citizens: they ought to perform their duties to the country.<sup>75</sup>

Indeed, neopopulist economic agenda justifies itself with aggregate figures, most prominently with rising GNP and/or falling inflation.

Neopopulist offer to the lower classes, then, takes the form of individual ‘projects’, following the language of WB, that aim to alleviate poverty and help people in their

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<sup>72</sup> Roberts, “Neoliberalism and the Transformation.”

<sup>73</sup> Armony.

<sup>74</sup> Roberts, “Populism, Political Conflict,” pp. 98-99.

<sup>75</sup> Armony.

immediate everyday life problems. With this kind of projects, neopopulist parties try to form their clientelistic network among the poor, while at the same time distributing benefits to their favored capitalists by selectively contracting them the right to run or finance such projects. Though their effects are often controversial, not only from the perspective of a cause for more genuine and radical redistribution but also from the perspective of their very success in earning the gratitude of the poor; it is a fact that neopopulists tried to use these as tools to keep dissent at bay, at least; and incite further support under more favorable conditions. Examples vary in form and extent: With a Plan Trabajar, Menem offered to the unemployed of Argentina temporary jobs in municipal infrastructure works with a federal fund.<sup>76</sup> Salinas tried to cushion Mexico's transition to an open economy with an extensive National Solidarity Program (PRONASOL). After his shock therapy to the Peruvian economy, Fujimori started a 'war on poverty' through projects of FONCODES, PRONAA, FONAVI (the latter being a residential infrastructure program foreshadowing AKP's TOKİ). The timing and manner of these projects are crucial: They often intensify just before elections, and their sustainability is in no ways guaranteed, since, reflecting a concern to avoid inflationary deficit financing, they rely heavily upon temporary funds made available by international financing and the sale of state assets.<sup>77</sup> Hence "the proceeds from the sale of Mexicana de Aviacion were earmarked for the Solidarity showpiece of Chalco" and Fujimori allocated the windfall from privatizations of Peru's telecommunications to social spending, mostly house and school constructions.<sup>78</sup>

All in all, the new generation of populist leaders in 1990s, made neoliberalism work, at least for some time, in unexpected ways. They devised strategies that brought the winners and losers under the same banner and managed to keep popularity during successive terms.

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<sup>76</sup> Candelaria Garay, "Social Policy and Collective Action: Unemployed Movements, Community Associations, and Protest in Argentina," *Politics and Society* 35, no.2 (2007): 301-328; reminded by Mert Arslanalp, "Bir Toplumsal Mücadele Deneyimi: Arjantin İşsizler Hareketi," *Birikim* 241 (2009): 59-69, p. 62.

<sup>77</sup> Roberts, p. 105.

<sup>78</sup> Knight, p. 245.

According to Treisman “[t]hese strategies consisted of a combination of two types of tactics – co-optation and expropriation – which were used selectively to neutralize coalitions of opposition ‘stakeholders,’ actors who had the power and motive to block either the enactment or implementation of reform” (p. 94).<sup>79</sup> They either convinced the popular classes that economic reforms were in their benefit, or they eliminated channels of institutional and organized resistance to such reforms that these classes could rely on. Treisman thinks that “[w]hether or not they were familiar with his writings, their actions on these occasions revealed a little of what Machiavelli called *virtu*”.<sup>80</sup> Indeed, “Machiavelli’s Prince could have taken some pointers from them.”<sup>81</sup>

### Populism in Turkey, Classical and New

There has been a well-established tradition to link Turkish studies comparatively to what is happening in Latin America – that distant and historically unconnected part of the world, at least to its highly-populated and mid-income nations. The temptation has been provoked by the observed similarity between their (under)development patterns and their political habits, including recurrent cycles of populism interrupted by authoritarian military regimes. With a gross generalization (and brutal abstraction) we can suggest that their predicaments would together justify that some social settings are more prone to nourish populism: those in which intra-societal cleavages run so deep as to seem not easily reconcilable through established institutional channels – which would signify in Shils’ terms a low level of ‘integration of

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<sup>79</sup> Daniel Treisman, “Cardoso, Menem, and Machiavelli: Political Tactics and Privatization in Latin America,” *Studies in Comparative International Development* 38, no. 3 (2003): 93-109, p. 94.

<sup>80</sup> *Ibid.*

<sup>81</sup> Weyland, “Populism in the Age of Neoliberalism,” in Conniff (ed.), *Populism*, p.179.

society,<sup>82</sup> creating a sense of distance from the centre of power among several classes and promoting an equivalential articulation of their demands in an anti-establishment, extra-class discourse. One story that echoes in the collective memories of Turkish and Argentine societies would symbolize this idea so well: Horowitz, while probing into the making of populism in Argentina, quotes a Spanish journalist's observation on Buenos Aires of the early 30s: "Men not wearing jackets were not permitted on the sidewalks of the fashionable shopping street, Calle Florida, until the Peronist era".<sup>83</sup> Exactly the same story applies, reportedly, to Ankara of the time, under the rule of governor Tandoğan. Needless to say; what is important here is not the factual accuracy of the stories, but their popularity and their resonance with cultural representations that inform people's everyday life practices as well as their political motivations.

Nevertheless, the comparison betrays differences and non-links as well. While epitomic cases of classical Latin American populism confronted an 'oligarchy' of landed classes who prospered on agricultural exports from their *latifundias* (or *pampas*, for Peron's Argentina); the age of Turkish populism came in Democrat Party (*Demokrat Parti*, DP) period with an ascendance of the countryside and hailing of agriculture. The main reason behind this was the fact that contrary to most Latin American cases, Turkish countryside lacked big landowners and an export-oriented, internationally-penetrated capitalist agriculture; instead it remained dominated by small peasant producers,<sup>84</sup> which in turn constituted the bulk of the overall population. In such a setting, it was hardly possible that any political movement without a positive interest in the peasantry could be convincingly populist. Hence the populist leader would find its oligarchy in the bureaucratic elite of Ankara, leaving

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<sup>82</sup> Edward Shils, "Center and Periphery," in *Center and Periphery: Essays in Macrosociology*, (Chicago: University of Chicago Press, 1975).

<sup>83</sup> Joel Horowitz, "Populism and its Legacies in Argentina," in Conniff (ed.), p. 28.

<sup>84</sup> Çağlar Keyder, *State and Class in Turkey: A Study in Capitalist Development*, (London; New York: Verso, 1987).



a legacy that survives to this day. Accordingly, Ankara was guilty for two reasons; firstly because it subordinated agricultural interests to its industrial development plans and made the peasantry to pay the price;<sup>85</sup> and secondly because it imposed an alien culture onto the countryside without giving it a true say in decision. The equation of the peasant to the underdog would increasingly lose its material basis after DP, as peasantry moved to the cities partly as a result of the very mechanization it introduced to the countryside and an urban proletariat started to materialize. However, the immigrant masses would replicate the ‘peasant culture’ – as it is called by the urban republican *litterati* in a much disdainful way – in the cities, carrying the tension of recognition into the urban theatre, hence keeping the symbolic power of the equation more or less intact.

Another trend DP set was that any populist party that came afterwards was going to take the ballot very seriously and turn it into the sacred symbol of popular mandate, so that not street action but the election would be the showcase of Turkish populism. This often ensured that, in a manner reminiscent of Peron, populists took electoral approval exclusively as democratic accountability and that their carriers were often defined as a struggle with institutions checking electoral power. In the case of DP leader Menderes the struggle reached a most tragic predicament.

The last legacy of DP’s populism has been a naturalization of patronage-clientelism-nepotism complex as a legitimate pattern of service delivery and a proxy system for redistribution, so much so that it has come to occupy in Turkish political repertoire a neighboring place to the idea of a social state. As we argued before populism is something more than patronage – whereas the former is a call to political mobilization the latter is a way to buttress it by material resources. While historically few if any populist movements could

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<sup>85</sup> To qualify the factual accuracy of this myth compare Keyder with Şevket Pamuk, “Intervention during the Great Depression: Another Look at the Turkish Experience” in (eds.), *The Mediterranean Response to Globalization Before 1950*, ed. Şevket Pamuk and Jeffrey Williamson (London and New York: Routledge Press, 2000), pp. 321-339.

resist the temptation of establishing their own clientelistic networks with state patronage, in the case of Turkey it has become impossible to think the two phenomena separately<sup>86</sup> so that they enjoy a conceptual conflation in addition to empirical coexistence. Selective and irresponsible distribution of state resources for political incorporation has been a defining feature of populists.

Menderes' DP established populism as a birthmark of Turkish democracy and implicated it to the inter-party competition as a common denominator.<sup>87</sup> However, the central-right after Menderes, most notably Demirel's Justice Party (*Adalet Partisi*, AP) who claimed his heritage, is marked by a lack of revelation and clamor in its discourse, although it definitely retained the patronage tradition. Apart from a fear to suffer the same catastrophic end with DP, two interrelated developments that came to maturity after the passing of that party can shed light to AP's relative conservatism:<sup>88</sup> One was the institutionalization of an ISI model of development and the concomitant sophistication of urban economic activities. Second was accelerated migration and uncontrolled urbanization as a response to the pull factor from the urban job market. The main political challenge arising in this context was servicing the needs of a growing urban population in a competitive political arena. Thanks to the virtuous cycle that lasted until mid 70s, nonetheless, the challenge remained not so big as to induce the political community to resort to fervent populism to arouse further political

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<sup>86</sup> For patronage-clientelism in Turkey see Sabri Sayarı "Political Patronage in Turkey" in *Patrons and Clients in Mediterranean Society*, (ed.) Ernest Gellner and John Waterbury, (London: Duckworth, 1977); and Ayşe Güneş Ayata, "Roots and Trends of Clientelism in Turkey" in *Democracy, Clientelism, and Civil Society*, ed. Luis Roniger and Ayşe Güneş-Ayata (Boulder, Colo.: Lynne Rienner Publishers, 1994).

<sup>87</sup> For more about DP's legacy see Cem Eroğul, *Demokrat Parti Tarihi ve İdeolojisi*, (Ankara: Ankara Üniversitesi Siyasal Bilgiler Fakültesi, 1970); and Sunar, "Populism and Patronage: The Demokrat Party and Its Legacy in Turkey" in Sunar (ed.).

<sup>88</sup> For a more nuanced analysis of the parameters of AP's double face see Ümit Cizre-Sakallıoğlu, *AP-Ordu İlişkileri: Bir İkilemenin Anatomisi*, (İstanbul: İletişim Yayınları, 1993); and Tanel Demirel, *Adalet Partisi: İdeoloji ve Politika*, (İstanbul: İletişim Yayınları, 2004).

mobilization to secure support:<sup>89</sup> During the easy phase of ISI, thanks to an economic model that read higher income for the workers not as labor cost but as effective demand in the Keynesian sense, domestic bourgeoisie was guaranteed big profit margins and working classes an ever increasing life standard at the same time. In the meanwhile, a continuous need for urban labor power and an undifferentiated, seemingly infinite land market perpetuated a clientelistic relationship through which parties could exchange votes for an official (though often not fully legal) recognition of immigrants' claims to urban land.<sup>90</sup> Although without much of a push toward political mobilization, then, there was an established pattern of a certain parliamentary populism in this period marked more by material exchange. As Boratav reads it, this populism enabled (the organized section of) the working classes to exert pressure on the political community to address their demands<sup>91</sup> and secure for themselves incomes relatively high when compared to countries of similar level of economic development.<sup>92</sup> It is this period when state owned enterprises (SOEs) and agricultural subsidies became the main tools of a populist state paternalism.

Boratav estimates that the virtuous cycle ended in 1973 as the ISI came to a bottleneck, while the politicians tried to maintain the populist *modus operandi*, a discrepancy

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<sup>89</sup> On the contrary, the interest of the mainstream political community at this period was to check the growing political mobilization of the urban proletariat in the form of socialist and/or autonomous worker's activity. In this context, and under the circumstances of a praetorian republic founded after the 1960 coup, the major central parties AP and CHP were oriented more towards functioning as stabilization factors rather than further centrifugal mobilization. Toward the end of 1970s, however, they were going to lose their ability to serve their 'mission.'

<sup>90</sup> For a conceptualization of the terms of this relationship see Ayşe Öncü, "The Politics of the Urban Land Market in Turkey: 1950–1980," *International Journal of Urban and Regional Research* 12 (1988): 38–64; where she develops ideas taken from Yönder's analysis: Ayşe Yönder, "Informal Land and Housing Markets: The Case of Istanbul, Turkey," *Journal of the American Planning Association* 53, no.2 (1987): 213-219.

<sup>91</sup> Korkut Boratav, "Türkiye'de Popülizm: 1962-1976 Dönemi Üzerine Notlar," *Yapıt* 46, no.1 (1983); also see Korkut Boratav, Çağlar Keyder, Şevket Pamuk (eds.), *Krizin Gelişimi ve Türkiye'nin Alternatif Sorunu*, (İstanbul: Kaynak Yayınları, 1984), Haldun Gülalp, "Popülizm Kavramı Üzerine," in *Yapıt* 48, no.3 (1984).

<sup>92</sup> Keyder.

resulting in the political instability of 1970s.<sup>93</sup> This period witnessed in the reformation of CHP the emergence of a new populist party mixing anti-imperialist third worldism (albeit not always consistent) with a third way social reformism, articulated with inspiration and vigor by its idealist young leader Ecevit, standing in sharp contrast to the perfunctory statesmanship that marked Demirel as a man for all seasons. In a context where the gain-gain social equilibrium was increasingly difficult to sustain and AP made its choice in approaching more toward the industrial interests of the big bourgeoisie, CHP succeeded for the first time in appealing convincingly to the proletariat. Observing a shift of votes in squatter areas from AP to CHP, Öncü sees an end to the success of AP's clientelistic establishment that had previously prevailed in the suburban theatre, contributing to (or reflecting) the crisis of the late ISI period.<sup>94</sup> Hence, stronger political mobilization marked this era where material exchange was no longer smoothly working.

The emergence of political Islam with Erbakan's *Milli Görüş* (the national ideal) deserves a word in a discussion of this period, since it started the genealogy of our AKP. *Milli Görüş* joins the CHP of the time in assuming the characteristics of a third worldism<sup>95</sup> and framing world capitalism as it stood that day as a foreign power responsible of the ills of the nation – in this light its coalition with CHP in 1973 does not appear unexpected. Only that its envision of the nation (*millet*), that suffering subject of the narrative, departed fundamentally from not only that of CHP but also from the paradigmatic vocabulary that informed the people's understandings of their collective identity. The narrative suggested by *Milli Görüş* at the time was so radically critical of the prevailing order, so puritan and salvationary, so archaic and in a way so innovative that it was not possible for it to resonate with the popular

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<sup>93</sup> Boratav.

<sup>94</sup> Öncü.

<sup>95</sup> See Çınar and Duran,

culture in an understanding of what constitutes ‘the people’ (*halk*) – the subject of populism. Milli Görüş’s *millet* was not a suggestion to embody the *halk*, it was an utopian attempt to found a new *halk* instead of the current one. Hence, it was revolutionary not populist. When it came to economic matters, though, it was not as revolutionary as it pretended to be. Its envisioned ‘just order’ (*adil düzen*), always remaining somewhat vague, was defined more in terms of a reaction to the center-right party’s increasing embeddedness in business interests, and did not offer more than a petty-bourgeois capitalism with a paternalistic state.<sup>96</sup> In this, it did not depart from the common denominator of populist statism.

To the risk of disrupting the chronology of the narrative let me point attention to the discontinuity AKP represents: The striking feature of AKP is its successful detachment of the populist discourse from the statist economics it had been hitherto connoted to; and translation of it into one that justifies and feeds into the formation of free markets. It is true that populism in Turkey had always had a repressive picture of a particular face of the state but it had ultimately respected the *raison d’etat* of a paternalistic state, and it sought economic solutions to the problems of the populace through various forms of state intervention. Convincingly inheriting the discourse of popular-peripheral empowerment, without confronting the *raison d’etat*, and staying within a patrimonial-paternalistic universe of meanings and symbols, AKP merged that discourse with the ‘help yourself’ ideology of the markets.

Part of the job was already done by Özal’s Motherland Party (*Anavatan Partisi*, ANAP). As Tafolar demonstrates, Özal was another case of neoliberal populism, which dismantled the institutions and traditions of an ISI model of development and orchestrated popular support to a transition to market economy, convincing the public that market reforms were actually for the benefit of the *ortadirek*.<sup>97</sup> Özal combined center-right, nationalist and

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<sup>96</sup> By the center-right party, I mean AP of the 1970s and ANAP of 1980s and 90s, accompanied by DYP in the latter period. Note, however, that a concrete program officially called as “just order” did not appear until early 90s in *Milli Görüş* discourse.

religious conservative symbols into an eclectic ideology, and displayed a flamboyant and cavalier leadership that inspired the masses to become in the eyes of many a “man of the people,” in a way Erdoğan would later try and repeat with his AKP. We will see, however, that there are also differences in their government techniques and in the particular mechanisms with which they promoted marketization and commodification due to the different historical conditions they are set in.

Özal’s push for the market was profound, but he also resorted toward the end of his career to a more classical populism;<sup>98</sup> and his legacy did not prove strong enough to inspire his successors to pursue neoliberalization without important breaks, stop-and-goes, “baits-and-switches” (as Drake calls in the context of Latin America), resulting in “unorthodox neoliberalism.”<sup>99</sup> Also, a social resistance to market reform did endure with relative strength during and after Özal period, expressed in social democratic opposition, various forms of worker and radical left mobilization, or the Islamist call for an *adil düzen*. AKP’s singularity can be seen in its success in readjusting the expectations of almost all social actors to a new equilibrium defined by the market; so much so that the social democratic block relocated itself to a nationalist-reactionary position without an alternative economic program,<sup>100</sup> the radical left is silenced and disintegrated; and Islamism itself turned into a fuel for the popularity of market conservatism, the idea of *adil düzen* losing its meaning. As Tuğal calls it,

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<sup>97</sup> Mine Tafolar, “Neoliberal Populism And The “Özal Decade”: Its Implications For The Democratic Process,” (Master’s diss., Boğaziçi University, 2007).

<sup>98</sup> Tafolar, pp. 129-140.

<sup>99</sup> Ziya Öniş, “The Political Economy of Turkey in the 1980s: The Anatomy of Unorthodox Liberalism,” in *Strong State and Economic Interest Groups: The Post-1980 Turkish Experience*, ed. Metin Heper, (New York and London: Walter de Gruyter, 1991).

<sup>100</sup> This applies more, of course, to CHP; and partly to DSP. SHP, on the other hand, recently displays an even more interesting course with its new leader’s self-declared espousal of free market capitalism and Western imperialism in addition to liberal democracy. See Hüseyin Ergün, “Şimdiki İrkçılık Esnaf İrkçılığı,” interview by Neşe Düzel, *Taraf*, July 15, 2009.

AKP “naturalized capitalism.”<sup>101</sup> The pious business community established a hegemony through AKP, and made its vision the vision of pious popular sectors and activists – hitherto mobilized by Islamist parties in an anti-market platform.<sup>102</sup> This amounts to a “passive revolution” *a la* Gramsci whereby “popular sectors are mobilized with revolutionary discourses and strategies only to reinforce existing patterns of domination.”<sup>103</sup>

Following the same Gramscian logic, Deniz Yıldırım situates AKP within the context of the ‘crisis of accumulation, representation and legitimacy’ Turkey found itself at the turn of the century; and considers its rise to power as the ‘organic solution’ of the bourgeoisie to the crisis.<sup>104</sup> Foreshadowing my current argument, she observes the emergence of a new type of populism instrumental in introducing neoliberalism.

This solution has served for the emergence of a political power under finance capital’s hegemony so long as it allowed those segments of the capitalist sector, who had been on the rise during 1990s and named as Islamic capital, to decisively insert elements of their framework of ideological reference into the [dominant] power block. More specifically, marketization and neoliberalization from above and conservatism mobilized along the lines of Islamic solidarity from below, buttressed with policies addressing various dependent class segments, accompanied to the birth of a populism compatible with neoliberalism.<sup>105</sup>

Yıldırım too, points to the similarities between the transformation of Latin American and Turkish populisms, and draws lessons about the way neoliberal recipes of multilateral international institutions can be translated into domestic policies.

The success of neoliberal populism as a technique of government and a hegemonic project is possible insofar as it can display certain qualities in which the dominated majority can see its own real desires, and so long as the project is localized through

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<sup>101</sup> Cihan Tuğal, “AKP İktidarı: Sermayenin Pasif Devrimi,” *Birikim* 204 (2006).

<sup>102</sup> Cihan Tuğal, *Passive Revolution: Absorbing the Islamic Challenge to Capitalism*, (Stanford University Press, 2009), p. 8.

<sup>103</sup> *Ibid*, p. 4.

<sup>104</sup> Deniz Yıldırım, “AKP ve Neoliberal Popülizm,” in *AKP Kitabı: Bir Dönüşümün Bilançosu*, ed. İlhan Uzgel and Bülent Duru (Ankara: Phoneix, 2009).

<sup>105</sup> *Ibid*, p. 71, translation mine.

an [re]integration of the [dominant] power block into [and with reference to] the ‘common sensuality’ of these masses.<sup>106</sup>

To link to the discussion in the first section of this chapter, then, we should recognize two significant transformations which AKP came to embody and to which it served as the operating agent, one more appreciated while the other remaining underemphasized. First one is the process whereby Islamists start to develop their own capitalist morality inspired by a Muslim merchant ethic, increasingly see legitimate fields of activity for themselves within the capitalist market; raise their own capitalists and; relying on their links of communitarian networking, succeed in establishing paternalist mechanisms for vertical redistribution of the material benefits accruing thereby. Eventually, the plebian and solidarist symbolism they conserve despite their increasing material enrichment overflow the initial confines of its sociality in the form of a more vulgarized religious conservatism and become a hegemonic ‘communicative loop’<sup>107</sup> for a mass of lower-middle classes with aspirations of social mobility. In due course the anti-systemic and protest side to Islamic politics becomes increasingly disconnected from its former anti-monetarist, anti-business connotations and exclusively channeled toward a critique of the secular bureaucratic establishment, with a radicalism shaved and reshaped by the post-28 February period of soul-searching. In this form it lends its energy to a project of liberalization materializing around the EU project, constituting (with its own myths of equality and freedom) the latter’s referential idioms and cultural semiotics; and (with the societal segments it mobilized) its social base. In Laclau’s terms, Muslim conservatives thus become “a *plebs* which claims to be the only legitimate *populus*,”<sup>108</sup> a particularity overflowing its particular content and embodying the

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<sup>106</sup> Ibid, p. 68, translation mine.

<sup>107</sup> I borrow the term from Şerif Mardin, “Projects as Methodology: Some Thoughts on Modern Turkish Social Science,” in *Rethinking Modernity and National Identity in Turkey*, eds. Sibel Bozdoğan and Reşat Kasaba, (Seattle: University of Washington Press, 1997).

<sup>108</sup> Laclau, *On Populist Reason*, p. 81.



non-existent (virtual) totality of the society. The overlooked, unprivileged religious citizen disdained by the Kemalist elites becomes a hegemonic leader – the Machiavellian prince of Gramsci, candidate for opening opportunities of emancipation for all societal segments suppressed by the Kemalist regime. In this way, without burning out populism's protestant fervor, a walk toward the emancipation(s) it promises starts.

The second one is the establishment of a new political-economical equilibrium whereby the transnational finance-capital enlarges its domains of influence in Turkey and the rule of the dependent bourgeoisie is restored in a reformed fashion; while the new religious, in its upward social mobility, establishes a *habitat* for itself within the bourgeoisie and becomes an institutionalized partner to its management. This process entails three definitive aspects: a) The emerging *habitus* of the Islamic bourgeoisie assumes a communicative function in translating the ideational paradigm of global capitalist hegemony to the locality of national conservatism. b) The particular anti-state establishment attitude that the Muslim-led political reform coalition has taken in the special conditions of Turkey serves to eliminate nodes of bureaucratic resistance against the advance of global capital (and its domestic partners and contractors) so that emancipating the people and emancipating the capital can join in the same historical moment. c) The experience Muslim conservatives command in serving the underclasses with communitarian solidarity networks shows its magic in soothing, absorbing and even compensating for the perils brought down by marketization, in ways that could not be imagined and designed by neoliberal experts that guide the marketization effort.

For the present study, the features of neoliberal populism will be examined in three aspects of AKP's record. These are the three different realities of the market, diverging from each other in their meanings but ironically reinforcing each other's operation. One is the increasing autonomy of the economic decision making mechanism from the reach of domestic political discussion and deliberation, and its enactment through a commitment to technocratic

orthodoxy. We will see in the next chapter how such a policy making style has already changed the face of the Turkish economy, restructured its dynamics of (under)development to a considerable extent and had strong implications on class configuration. The second one is the prioritization of a new array of public provisioning schemes, whereby the governing party emerges as the efficient and “charitable” caretaker of an increasingly subjectified clientele. The third one is the increasing politicization of the market economy in the discourse of the party, and its turning into an asset for popular emancipation and empowerment. In other words, the market becomes in the discourse the realization of popular participation, although its making is less and less an outcome of public popular intervention.

## CHAPTER II

### ECONOMY UNDER AKP: TURKEY'S TRANSITION TO A NEW EQUILIBRIUM

In this chapter I try to put down the fundamentals of the neoliberal transformation AKP has facilitated as the governing party. I stress the paradox between the neoliberal imperative to disembed economic management from an emblem of public interventions and the democratic imperative to do this by public sanction. I remind the conditions under which AKP came to power; and analyze its economic policies thereafter. I argue that the new economic equilibrium marked with a supremacy of the transnational finance capital enabled the masses to consume more, and thus probably contributed to the government's popularity despite signs of growing inequality. However, since this pattern was enabled by privatizations, more imports and increased private sector debt; its price was paid in terms of liquidization of public assets and a certain loss of autonomous productive capabilities. AKP's economic record thus appears as some kind of populist in its attempt to save the day with a speculative-led, overboomed economy. Lastly I try to understand the effects of these developments on particular social classes, and see how AKP stood as against them. This account reveals that despite the overall economic growth generated during AKP's term, class-differentiation became more pronounced and did pose potential challenges to the party's popularity.

#### Disembedding the Market

1990s', the background against which AKP rose, reveals the picture of a society in disequilibrium: No social class was able to push its agenda with success, and in the absence of any hegemony over the decision making posts, the steering of the economy was left to various

particular interests competing and canceling out each other, giving unintentional results.<sup>109</sup>

For one thing, political actors found it unfeasible to keep the orthodoxy of the post-coup period after the reopening of the political field to competition in 1987; and the ‘gains’ of the capital achieved previously – such as the squeezing down of the wages of labor and the marginalization of the smallholding agriculture – were reversed in early 1990s to some extent. Such reversal was made possible through public pressure on the political community, which responded by drawing on state resources as instruments of patronage. From the perspective of a market economist, this would mean:

- mismanaging the SOEs with an effort to boost employment, making them ‘inefficient’ bodies with extra-economical rationales,
- deferring to demands for wage increase in a self-defeating cycle that contributes to chronic inflation,
- allowing state banks to operate like functionaries to allocate favors to selected constituencies,
- subsidizing a big and costly agricultural sector,
- ‘over-regulating’ the labor market, i.e. refusing to keep the costs of labor down to the expectations of investors,
- using the state budget and the Central Bank as instruments of expansionary spending, with a demand-side economical reasoning.

Particularly striking during much of the decade was the management of state banks Ziraat and Halk. Assigned the task of giving subsidized credits to farmers and small and medium scale businesses, they were perfect channels to allocate favors to popular classes in exchange of votes.<sup>110</sup> The need to offset the huge duty losses emerging thereby, as well as

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<sup>109</sup> For an extensive review of the decade see Ümit Cizre-Sakallıoğlu and Erineç Yeldan, “Politics, Society and Financial Liberalization: Turkey in 1990s,” *Development and Change* 31, no. 2 (2000): 481-508.

those of other SOEs, was putting heavy pressure on the state budget, and causing unsustainable deficits. This would not only feed inflation but necessitate an increasing public sector borrowing requirement. At the end of the troubled decade, the public budget deficit would be 8,7 % (in 1999) with a debt/GDP ratio of 44,4 % (in 2000); and approximately two thirds of this debt was underwritten by domestic banks.<sup>111</sup> The capital account liberalization of 1989 had opened the way for the domestic financial capital to establish itself as a rentier class financing the public sector debt. At the end of the decade interest payments to domestic debt would sap three quarters of all national tax revenue. The profitability of this business was ensured by chronic inflation and continuous political instability: In such a context, the government had to issue treasury bonds with much higher interest rates than any foreign instruments could offer – the real interest rate for domestic borrowing was 32 % in average during 1992-1999.<sup>112</sup> Hence, domestic banks could borrow in foreign currencies in the international markets and lend to the government in Turkish liras, huge arbitrage profits accruing in due course. However, this was also a very risky activity, since these banks were constantly operating in ‘open positions’ (foreign exchange liabilities outstripping assets), thus, in the event of a currency collapse and capital flight they would be extremely vulnerable.<sup>113</sup> Corruption and maladministration was also rampant in the un(der)-regulated banking sector, partly as a result of the granting of new bank licenses on the basis of political criteria, reportedly: “Six banks were allowed entry into the banking sector during and immediately

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<sup>110</sup> C. Emre Alper and Ziya Öniş, “The Turkish Banking System, Financial Crises and the IMF in the Age of Capital Account Liberalization: A Political Economy Perspective,” *New Perspectives on Turkey* 30, 2004.

<sup>111</sup> Yılmaz Akyüz and Korkut Boratav, “The Making of the Turkish Financial Crisis,” *World Development* 31, no. 9 (2003): 1549-1566; pp. 1551-53. Note that the authors originally report the proportions higher, 12 % and 60 % respectively, since they refer to the old (pre-2008) figures relying on the now obsolete GNP calculations. I give the updated TURKSTAT figures.

<sup>112</sup> *Türkiye'nin Güçlü Ekonomiye Geçiş Programı*, p. 3. This was Turkey's national economic program as declared in 15 May 2001. Available at [http://www.tcmb.gov.tr/yeni/duyuru/eko\\_program/program.pdf](http://www.tcmb.gov.tr/yeni/duyuru/eko_program/program.pdf).

<sup>113</sup> Akyüz and Boratav, pp. 1551-53; Alper and Öniş, *Soft Budget Constraints, Government Ownership of Banks and Regulatory Failure: The Political Economy of the Turkish Banking System in the Post-Capital Account Liberalization Era*, February 2002, Boğaziçi University Economics Working Paper ISS/EC 02-02, p. 11. Available at SSRN: <http://ssrn.com/abstract=303220> or DOI: 10.2139/ssrn.303220.

after the elections of 1991. What is rather disconcerting is that all these six banks have subsequently failed, within a decade of their inception.” Quite expectedly, the collapse of the banking sector pulled the trigger of an ultimate breakdown.

The context of the breakdown was provided by an IMF program adopted by a coalition government, which, without much rapport and grace, found itself in power in 1999. Solely oriented toward bringing an end to chronic inflation, uninterested about the implications on growth and rigidly fixed to a controversial currency peg; the program witnessed the crushdown of several banks and resulted in a crisis in November 2000 before the targeted inflation reduction was achieved. Few months later a political fight between the government and the president would further exacerbate the situation, bringing the economy to utter collapse.

Although it had no more (if it had had any) sympathy for the fund, the disconcerted coalition sat down to the table with the IMF, and adopted a new economic program in early 2001. The program, ambitiously called *Turkey’s Program for Transition to a Strong Economy*, had two major components. First was a macroeconomic policy of austerity and adjustment: Fiscal discipline and tight monetary policy would be pursued; wages and agricultural support prices were going to be determined with reference to targeted, instead of past, inflation figures. This policy would be accompanied by a structural reform of the public sector so that the political basis of economic mismanagement would be removed. In this, the program had a messianic tone. It denounced the previous habits of policy making with contempt and urged the public stakeholders to understand that a new epoch was in making: The way state functioned would be altered fundamentally so that no return to the “previous order” could be possible ever again. Actually, as the program put it, “it [was] not really *possible* to return back”.<sup>114</sup> “Irrational interventions” to the economic sphere would be

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<sup>114</sup> *Türkiye’nin Güçlü Ekonomiye Geçiş Programı*, p. 12, emphasis mine.

irreversibly stopped so that rent sharing interests would be no longer allowed to tap public resources:

The apparent origin of the macroeconomic bottleneck that Turkey faces is unsustainable public debt dynamics ... The underlying source of this is the struggle for rents across politics and economics, the state and the society. The crisis experienced in 2001 demonstrated that this situation is not sustainable. The majority of Turkey's population wants to get rid of this prevailing 'rent sharing' process. No privileges will be granted to special interests, no economic actors should fear unfair competition, and all actors should dedicate their efforts to enhancing production, productivity and employment.<sup>115</sup>

The program's justification and advocacy focused on one assertion: Political instability, nepotism, and *irrational political considerations* that interfered into the mechanics of the economy were the main reasons of the previous state of affairs, and they had to be got rid of. Paradoxically, this prescription was in contrast with the overtly political style in which the urge was made. The interests of the "majority of Turkey's population" necessitated a change and it was their will that justified the upsurge of certain interests. In other words, the *political will* of the people demanded rationality, and rationality necessitated politics to be ousted from the administration of society's resources. As a point of further irony, the coming operation could only succeed with a *firm political commitment* to the reform program, in turn. We can observe that politics appears three times in the discourse of reform, then: First, it is the horizon of general welfare, which is upheld with popular will. Here the populace is expected to share common interests and conjoin in fraternity. Secondly, it is the process whereby private interests colonize the public body. This is whereby welfare becomes the prize of a competitive and dynamic game, a prisoner's dilemma; and the society irrationally fails the game due to an inability to cooperate for optimum solutions. Thirdly, it is the power that is capable of confronting such private interests, and ready to inflict suffering to make way for an optimum solution for the rational general interest. At this final stage, the meaning of politics achieves a dialectical enclosure by restoring *rationality as the will of the people*.

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<sup>115</sup> Preamble to *ibid*, as translated in OECD, *Economic Surveys: Turkey 2006*, (n.p.: OECD Publishing, 2006) pp. 31-32.

However, the cadre undertaking the enterprise was also left with the task of convincing the public that this restoration could only be done by taking economic assets and decisions away from the control of publicly elected bodies: The main pillars of structural reform were the privatization of SOEs, and the formation of autonomous regulatory boards for the management of certain sectors of the economy – major ones being sugar, tobacco, electricity and telecommunication markets. Also, growing autonomy for the Central Bank would accompany the previously formed Banking Regulation and Surveillance Agency (BRSA). The main rationale was to remove these institutions from the reach of ‘irrational political considerations’ and embed them fully in the market logic. This would prevent public assets to serve as instruments to address selected constituencies’ demands for resources; so that industrial enterprises would not create employment for the sake of employment, banks would not provide cheap credits without sound capital adequacy criteria and agricultural boards would not subsidize inefficient producers. Also, a considerable amount of revenue was going to be realized with the sale of big SOEs, notwithstanding the claims that they are generally sold for prices under their real values. But the wider paradigm from which the logic took its justifications is less preoccupied with short-term fiscal gains than a belief in the longer term benefits of marketization. As markets replace governmental presence, private investment will flourish and stimulate growth benefiting all, including the poor.<sup>116</sup> Hence, it is rational for the poor to allow *the government to roll back the government* so that it becomes less responsive to their immediate demands and better equipped to serve the logic of a disembedded economy.

Talking the public into this deal, of course, is the most difficult part of the reform effort. Patterns of patronage-clientelism are upheld not only by entrenched interests – unable to conceal their private nature, but also justified by an ideology of populism which connotes

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<sup>116</sup> To observe the striking recurrence of the expression “all, including the poor,” see a founding text of neoliberal reform, Williamson, “What Washington Means.”



to the very ideal of public interest. Therefore the political cadre set out to fight such practices would face the impossible task of remaining popular while confronting a popular ideology. The situation may lead the political authority to actually avoid a confrontation by resorting to secrecy: “[T]he new letter of intent that the government undersigned as a part of the 18<sup>th</sup> IMF package, which included extensive measures with serious economic consequences particularly on wages, privatization, banking and agricultural reform, was not made public until after IMF signed it”.<sup>117</sup> Despite such measures, however, the coalition government ultimately proved unable to keep up any popularity. Led by an ailing prime minister, divided by internal strife, and ferociously attacked by the mainstream media; no later than two months after the reform program came into effect they decided to break up and hold an early election the following year.

Erdoğan launched AKP in this context, where the whole society, suffering in disequilibrium, craved for a hegemonic restoration, in simplest terms. Turkey’s international partners, including financial institutions, demanded a complementary sequel to the reforms and called for firm political leadership. Various segments of the bourgeoisie were ready to accept new rules for the game even if it would mean sharing a greater part of the national surplus with global capital; and demanding a stable, predictable business environment, called for firm political leadership. A common fear from the imminent “social explosion” of the impoverished masses made sure that a political movement that would embody their desires for recognition and absorb their mobilization by diverting it into the level of institutional party politics would be welcomed even by those without sympathy for the movement in question – they called for firm political leadership. The military, who overthrew just four years ago the last government with a sound economic record, was in no position to offer leadership in any form.

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<sup>117</sup> Mine Eder, “Political Economy Of The Rise Of AKP: Democrats Or Islamist Populists?,” unpublished lecture note, London School of Economics, p. 30.

Erdoğan responded to the calls. His AKP achieved in addressing multiple and conflicting concerns by different parts of the society; and managed Turkey's transition to a new equilibrium under neoliberal guidance. In what follows, I will try to analyze what this new equilibrium means. In the last chapter, I will look at the Erdoğan's discourse to see how he talked the public into that.

### Macroeconomic Policy Design

Compared to the previous period AKP's performance is most striking in public fiscal balances. IMF had targeted a primary surplus of 6,5 % for every year. Against harsh criticism that such a policy would require large cuts from public investments and services; and deprive the government of instruments to fuel the recessed economy, AKP showed an impressive loyalty to the commitment made to IMF. As a result, fiscal balances improved and inflation rate kept falling down. The new economic climate brought a decrease in real interest rates from 35 % in 2002 to around 6 % by the end of 2007; and also enabled the government to borrow in more favorable terms – average maturity of public borrowing rising from 9 months in 2002 to 31 months in 2009. These led to a sharp decline in government interest payments: from the 2002 figure of 14,8 % of GDP to 5,8 % in 2007.<sup>118</sup>

In this way, AKP period brought an end to high public sector debt requirement and heavy domestic borrowing. This is notwithstanding the fact that public resources would be devoted for servicing the accumulated debt stock for some time, however: Interest payments consumed around a third of all central government budget expenditures throughout AKP

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<sup>118</sup> Republic of Turkey Prime Ministry Undersecretary of Treasury, "Turkish Economy," presentation last updated on May 25 2009, [http://www.treasury.gov.tr/irj/go/km/docs/documents/Treasury%20Web/Statistics/Economic%20Indicators/egosterge/Sunumlar/Ekonomi\\_Sunumu\\_ENG.pdf](http://www.treasury.gov.tr/irj/go/km/docs/documents/Treasury%20Web/Statistics/Economic%20Indicators/egosterge/Sunumlar/Ekonomi_Sunumu_ENG.pdf); p. 87.

period, decreasing from 47 % in 2001 to 23,9 % only in 2007.<sup>119</sup> In the end, public sector gross debt stock fell from 73,7 % of GDP in 2002 to 39,5 of GDP in 2008.<sup>120</sup> In the new context, the more favorable conditions of borrowing meant that public debt financing was not as profitable as before for the domestic rentier class. Marking a retreat by domestic investors from debt financing, share of foreign investors in total government debt stock increased steadily from 4,4 % in 2003 to 13,4 % in 2007, only to decrease again with the crisis of 2008.<sup>121</sup>

As we will see in Chapter IV, AKP leadership would draw on the elimination of this pattern of high public sector borrowing, whereby financing government's debt became the chief source of income for an unproductive rentier class, as a major gain for the people.

But there is no free lunch; and such fiscal balance, of course, could be achieved by a decrease in public expenditures and an increase in revenues. With the former, AKP was helped by the previous government's efforts at restructuring the administration of the public sector; and committed itself to the same policy. With privatizations and also the re-regulation of the legal framework about SOEs (which, for instance, put Ziraat and Halk banks out of the status of SOE and turned them into incorporated companies),<sup>122</sup> the number of these institutions kept decreasing as well as the average number of employees in each one of them. As a result, their employment costs took an increasingly smaller proportion of their economic size (see Table 1). This was a deepening of the recently established declining trend in public

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<sup>119</sup> Ahmet İnel, "1994-2007 Arasında Kamu Harcamalarının Gelişimi," in *Kamu Harcamalarının Bileşiminin Büyüme ve Refah Etkileri*, ed. Seyfettin Gürsel et al, (n.p., Bahçeşehir Üniversitesi Ekonomik ve Toplumsal Araştırmalar Merkezi, 2008), p. 31. Available at <http://www.betam.bahcesehir.edu.tr/UserFiles/File/ProjeSon.pdf>.

<sup>120</sup> Republic of Turkey Prime Ministry Undersecretary of Treasury.

<sup>121</sup> Republic of Turkey Prime Ministry Undersecretary of Treasury, "Public Debt Management Report 2009," [http://www.treasury.gov.tr/irj/go/km/docs/documents/Treasury%20Web/Research%26Data/Public%20Debt%20Management%20Report/KBYR\\_2009\\_ENG.pdf](http://www.treasury.gov.tr/irj/go/km/docs/documents/Treasury%20Web/Research%26Data/Public%20Debt%20Management%20Report/KBYR_2009_ENG.pdf), p. 20.

<sup>122</sup> See Law no. 4603.

employment creation. In the most notable field of roll back, manufacturing industry, the number of public sector employees fell from an index of 100 in 1997 to 83,6 in 2000 and 53,9 in 2005.<sup>123</sup> The state no longer gave jobs for the sake of giving.

Table 1: State Owned Enterprises (SOEs)

	2000	2001	2002	2003	2004	2005	2006
<b>Personnel Numbers (Average)</b>							
Civil servant/contracted	100.044	97.415	94.098	90.089	84.446	80.190	79.179
Worker	129.023	126.383	117.146	105.728	98.898	95.987	91.847
<b>Total</b>	<b>229.067</b>	<b>223.798</b>	<b>211.244</b>	<b>195.817</b>	<b>183.344</b>	<b>176.177</b>	<b>171.026</b>
<b>Personnel Costs (Million YTL)</b>							
Civil servant/contracted	580	855	1.266	1.519	1.659	1.763	1.912
Worker	1.393	1.891	2.310	2.830	2.837	3.211	3.260
<b>Total</b>	<b>1.973</b>	<b>2.747</b>	<b>3.576</b>	<b>4.349</b>	<b>4.497</b>	<b>4.974</b>	<b>5.171</b>
<b>Employment Costs (Sales+Operational) (%)</b>							
Civil servant/contracted	10,5	7,5	5,7	6,2	6,2	5,4	4,5
Worker	25,2	16,6	10,4	11,5	10,6	9,8	7,7
<b>Total</b>	<b>35,7</b>	<b>24,1</b>	<b>16</b>	<b>17,7</b>	<b>16,7</b>	<b>15,2</b>	<b>12,3</b>

Source: 2006 Annual Ownership Report – Ministry of Treasury General Directorate of SOEs

On the revenue side, two developments come to fore. Firstly, an unprecedented wave of privatizations accrued huge one-time revenues that helped the state budget to achieve the targeted primary surpluses more easily than it would otherwise be possible. Annual privatization revenues increased from a previous \$ 1-2 billions to over \$ 20 billions in 2007. Some features of AKP's privatization policy are particularly controversial. For one thing, whereas the privatizations found their justification in a market rationale which insisted that enterprises run by the state were inefficient and costly; some of the firms privatized had

<sup>123</sup> Bağımsız Sosyal Bilimciler, "IMF Gözetiminde On Uzun Yıl, 1998-2008: Farklı Hükümetler, Tek Siyaset," 2006, available at [http://www.bagimsizsosyalbilimciler.org/Yazilar\\_BSB/BSB2006\\_Final.pdf](http://www.bagimsizsosyalbilimciler.org/Yazilar_BSB/BSB2006_Final.pdf).

actually been running on remarkable profits.<sup>124</sup> Furthermore, even though there was a claim on behalf of the government to open the public assets to the participation of a wider basis of stakeholders, most of the privatizations were made in block sales of large public shares. For instance in 2005; 62,2 % of the privatization was made in block sales and only 17,8 % was sold by public offering, while 22 % was made in the Istanbul Stock Exchange (ISE), itself dominated mostly by big foreign players.<sup>125</sup> Taking these into account, and also considering that most of the enterprises were operating in what is regarded as ‘strategic’ sectors, many argued that the privatizations served to enable private interests of global capital to capitalize on accumulated public wealth of the Turkish people. The government, on the other hand, dismissed these concerns as narrow-mindedness, as we will later see in more detail.

A heavier tax burden provided the second important source of revenue increase.<sup>126</sup> Actually, it is possible to argue that the fiscal balance was secured more with such an increase in revenues rather than a significant fall in public expenditures as it was feared by critics.<sup>127</sup> However, the most striking feature of AKP’s tax policy was its heavy reliance on indirect taxes like VAT or special consumption tax – they constituted as much as 70 % of all tax revenue in 2003.<sup>128</sup> Obviously, indirect taxes put a disproportionately high pressure on low to middle income households as compared to high income ones, and thus they create a regressive taxation effect. This policy is condemned even by neoliberal economics and it is against the prescriptions by Bretton Woods institutions, which suggest tax policy as an instrument to

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<sup>124</sup> Erdemir for instance, which was sold to OYAK, had been running on 25,4 % gross profit margins. “Erdemir Nereye,” SHP website, <http://www.shp.org.tr/yayinlarimiz/erdemir-nereye/>.

<sup>125</sup> Öztin Akgüç, “AKP Döneminde Ekonomik Gelişmeler,” *İktisat* 483-484 (2007): 14-28, p. 22.

<sup>126</sup> While the share of production and import taxes in GDP, for instance, remained between 10-13 % during the 1990s, it was raised to 15,3 % in 2001 and realized an average of 16,8 between 2002-2006. See “Gelir Yöntemiyle GSYİH” data by TURKSTAT.

<sup>127</sup> Asaf Savaş Akat and Seyfettin Gürsel, “Giriş” in Gürsel (ed.); p. 6.

<sup>128</sup> Bağimsız Sosyal Bilimciler, p. 41.

redress the non-egalitarian outcomes of the market reforms they recommend. Certainly, AKP chose to stick with the easier path of increasing revenues with indirect taxes, since their effects are less discernable to the tax payers, and they are probably the easiest form of taxation in a country where informality enables significant amount of business activities to escape direct taxation in one way or the other. Indirect taxes put aside, the remaining part of the tax burden has also been carried predominantly by the working classes. Income taxes for high income groups received reductions and for the period of 2003-2007, 48 % of all income tax came from wages of labor.<sup>129</sup>

For the greater part of the public, however, such information was not easily accessible, and the single most important aspect of AKP's fiscal policy was that it contributed to the certain death of the 'inflation monster,' which had arguably acquired the status of the greatest public enemy in the collective mind. Inflation rate, which had painstakingly fallen from 68,8 % in 1999 to 29,7 % in 2002 with the previous government's efforts, reached a single digit figure by 2004 and remained there afterwards, something not experienced for the last three decades. The government took this opportunity to repair Turkish lira's much injured reputation, by introducing the new Turkish lira (YTL) stripped off astronomic digits. Such acts at restoring confidence have arguably had a profound effect on the public reception of AKP's performance. Also, beyond mere reception, one has to admit that the remarkable fall in the inflation rate contributed to the prosperity of a wide societal segment of fix-income lower-middle classes, enabling them to assume credits more easily and spend more (on the other hand, the same development might have hurt shopkeepers and certain export sectors that had been making profits by buying in a constantly devaluating currency and selling in dollars).

An independent Central Bank exclusively oriented toward the mission of keeping an anti-inflationary stance on monetary policy (not concerning itself with the question of

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<sup>129</sup> "Verginin Çoğu İşçi ve Memurdan!.." report posted on *Tüm gazetele* databser, May 20, 2009, <http://www.tumgazeteler.com/?a=5098520>.

currency competitiveness, for that regard) was a key variable in achieving this. While Kemalist critiques of AKP assigned a good deal of importance whether the chairman of the Central Bank would be somebody with or without a headscarved wife, the institution itself did not deviate from an anti-inflationary policy of strong currency before and after the appointment of Durmuş Yılmaz to the post. As a result of this, however, real interest rates remained higher than those in most ‘emerging markets;’ even they did fall considerably compared to the previous period as mentioned above. In a context of high global liquidity, where, for instance Fed interest rates in US was as low as 1 % in 2003, such a policy ensured that the new Turkish lira would become a very attractive instrument for foreign investors and made it a valuable currency – as some argue, an over-valued one.

The strong parity against foreign currencies brought several things. First was a swollen aggregate growth expressed in dollars: While national income grew by 32,7 % in fixed prices during the 2003-2006 period, for instance; GNP grew by 122 % in dollars.<sup>130</sup> In addition, when the Turkish Institution of Statistics changed its calculation method on 8 March 2008, national income further increased overnight, enabling the government to boast about unprecedented levels of prosperity (see Table 2).

Secondly, strong Turkish lira meant easier imports and by stimulating trade, this played a part in real growth. AKP period indeed saw an unprecedented consumption boom, as a sense of stability and optimistic belief in continuous future growth joined the strength of the national currency in enabling private households to spend more than they earned. Excessive credit growth to private sector enabled consumption to significantly outstrip real wage growth<sup>131</sup> while private savings remained considerably low<sup>132</sup> (see Figure 1). In this context,

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<sup>130</sup> ANKA, “60. Hükümeti Ekonomide Ciddi Yapısal Sorunlar Bekliyor,” Haberler website, September 2, 2007, <http://www.haberler.com/60-hukumeti-ekonomide-ciddi-yapisal-sorunlar-haberi-yazdir/>. The figures rely on old GNP series, hence cannot be compared to the other figures used in this study. I am using it to give an idea about what role currency appreciation might have played.

imports became the leading engine of growth and, also with the contribution of constructions, the wider services sector thus left industry and agriculture far behind in providing a source of growth throughout AKP period.<sup>133</sup>

Table 2: Main Economic Indicators

Year	GDP change in fixed prices (%)	Change in per capita GDP in fixed (1998) prices (%)	Unemployment rate (%)	Change in consumer prices index (%)	Interest rate (%)
1996	7,0	-	6,6	79,8	-
1997	7,5	-	6,8	99,1	-
1998	3,1	-	6,9	69,7	-
1999	-3,4	-4,7	7,7	68,8	-
2000	6,8	5,3	6,5	39,0	-
2001	-5,7	-7,0	8,4	68,5	-
2002	6,2	4,8	10,3	29,7	51,0
2003	5,3	3,9	10,5	18,4	31,0
2004	9,4	8,0	10,3	9,4	22,0
2005	8,4	7,1	10,3	7,7	17,5
2006	6,9	5,6	9,9	9,7	22,5
2007	4,7	3,4	10,3	8,4	20,0
2008	1,1	-0,1	11,0	10,1	17,5

Source: TURKSTAT

Thirdly, such currency parity caused profit margins for exports falling behind those for domestic sales, creating disincentives for exports. Of course, exports continued to rise significantly in absolute numbers, enabling the government to boast about breaking records in foreign trade performance during its earlier times in office, partly thanks to a successful diversification in export markets beyond European countries. Nonetheless, the availability of cheap imports meant increased reliance on foreign inputs for any domestic production, including those destined to exports. For each unit produced domestically, Turkish industry imported more in the post-2001 period than in the previous era: OECD reports that “[t]he

<sup>131</sup> OECD, pp. 65-66.

<sup>132</sup> Nazif Ekzen, “AKP İktisat Politikaları (2002-2007),” in Uzgel and Duru (eds.), p. 487.

<sup>133</sup> Akgüç, p. 27, Ekzen, p. 479.



share of imported inputs in industrial production increased from an average of 15-20% in the late 1990s, to an average of 35-40% in the mid-2000s”.<sup>134</sup> This ensured that any increase in exports would also require significant increases in imports, and adding this to a growing import of consumption goods, the export/imports ratio remained significantly low compared to the export boom of 1980s and kept falling – although being higher than the level of 1990s<sup>135</sup> (see Table3). It is tragic to see that after all the sacrifices (like the squeezing of wages during all 1980s) made to become an export-oriented country, Turkey finds itself in a situation of import dependency as ever. Employees in export sectors put aside however, this need not bother the greater part of the masses individually, since they can enjoy easier consumption with cheaper imports.

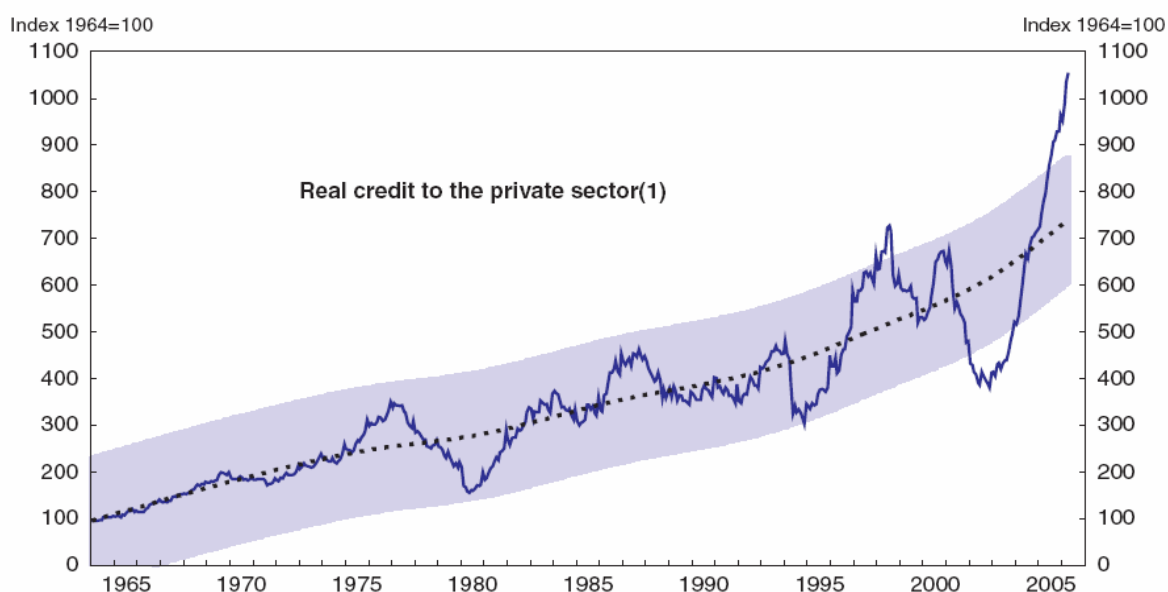


Figure 1: .Credit Boom in Turkey<sup>136</sup>

<sup>134</sup> OECD, *Economic Surveys: Turkey 2008*, (n.p.: OECD Publishing, 2008), p. 140.

<sup>135</sup> Stresing the continuity of policies before and after AKP, Boratav thinks that this emerging structure of foreign trade, which marks an unhealthy (under)development path, can be considered as a late realization of the effects the Customs Union agreement with the EU, in a context of strong currency and high credit availability. See Boratav.

<sup>136</sup> Borrowed from OECD.

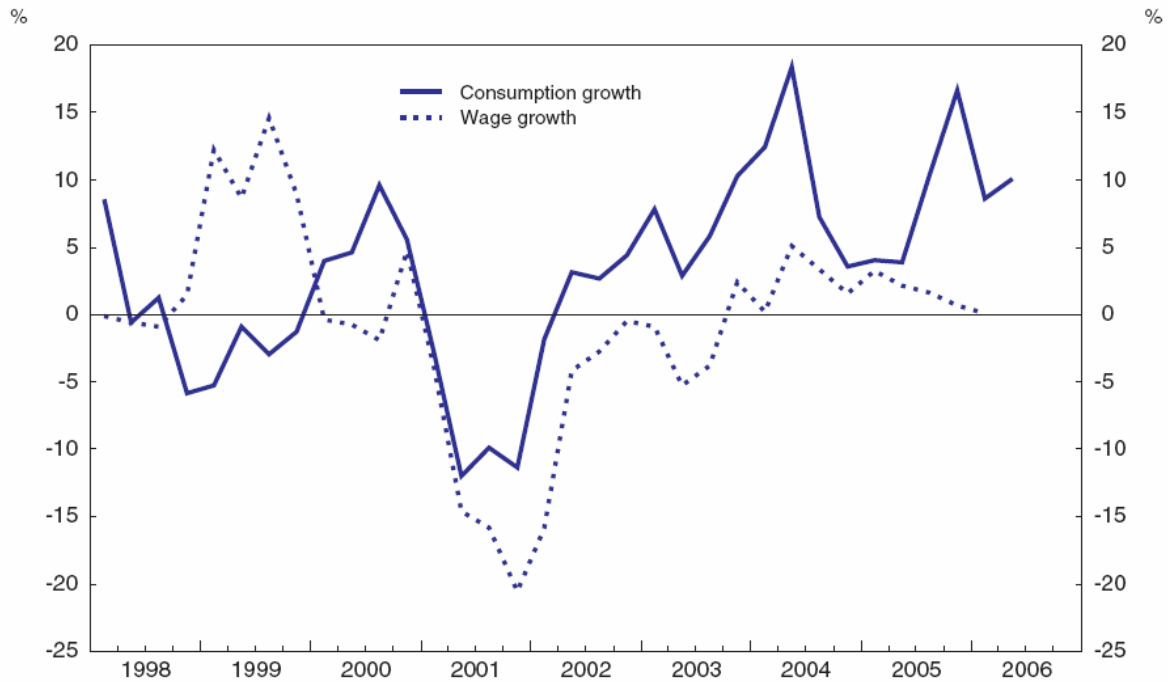


Figure 2: Consumption growth outstripping real wage growth<sup>137</sup>

Table 3: Foreign Trade Performance

Year	Exports / GNP (%)	Imports / GNP (%)	Growth in exports (%)	Growth in imports (%)	Import coverage of exports (%)	Current account (\$ millions)
1996	25,3	29,9	22,0	20,5	53,2	-2.437
1997	28,0	34,0	19,1	22,4	54,1	-2.638
1998	21,3	20,2	12,0	2,3	58,7	1.985
1999	19,7	20,1	-7,0	-3,7	65,4	-1.341
2000	21,4	22,9	19,2	25,4	51,0	-9.822
2001	23,6	18,3	7,4	-24,8	75,7	3.392
2002	23,8	20,8	11,1	15,8	69,9	-1.524
2003	24,1	24,4	16,0	27,1	68,1	-8.036
2004	24,5	27,0	12,5	24,7	64,8	-15.604
2005	24,4	27,9	8,5	11,5	62,9	-23.155
2006	24,4	27,9	8,5	7,1	62,1	-31.316
2007	25,0	29,6	-	-	-	-
2008	25,4	28,3	-	-	-	-

Source: TURKSTAT, SPO

<sup>137</sup> Borrowed from ibid.

Exports being unable to cover trade deficits, and the new Turkish lira emerging as an attractive instrument for foreigners, AKP period witnessed an unprecedented level of current account deficit. It was arguably a natural result of the post-2001 economic policy design. As OECD comments, “[d]espite, and perhaps partly *because of*, good macroeconomic management after the crisis of 2001, Turkey attracted considerable capital inflows, most of which were seeking high yields, and this put upward pressure on the exchange rate and contributed to a significant widening in the current account deficit”.<sup>138</sup> Foreign capital flowed in as an expansionary phase of world economy provided easy liquidity and Turkey’s investment environment improved with her EU candidacy (see Figure 3). It financed the country’s trade deficit and enabled it to consume and invest at the same time without having to raise savings. As such it provided the main engine behind Turkey’s recent boom, making its long-term sustainability both susceptible and undesirable – at least from a perspective of autonomous indigenous development.

Foreign capital came in multiple forms. First, there was an unprecedented amount of foreign direct investment (FDI) from 2004 onwards, reaching 40 % of all foreign capital inflows in 2006-07<sup>139</sup> and fulfilling the positive expectations about Turkey’s EU accession process at first sight. FDI is widely regarded as a contribution to sustainable development, by adding to the country’s capital stock and introducing new technology and know-how, as long as it is undertaking ‘greenfield investment.’ However, most of the FDI Turkey received was either through privatizations, or mergers and acquisitions – itself occurring predominantly in services, mostly banking.<sup>140</sup> Evidently, privatization is not a sustainable source of raising

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<sup>138</sup> OECD, *Turkey 2006*, p. 69, emphasis in original.

<sup>139</sup> Boratav, p. 466.

<sup>140</sup> For the year of 2007, when FDI level saw an unprecedented \$ 22 billions, 60 % were classified under financial intermediations as against to a 22 % under manufacturing. The speculative side to this pattern of FDI flow can also be seen from the fact that % 89 of all FDI went to Istanbul only, and the rest to three cities (Ankara, Kocaeli, Bursa), basically. Republic of Turkey Prime Ministry Undersecretary of Treasury General Directorate of Foreign Investment, “Foreign Direct Investments in Turkey,” June 2008, pp. 11-14. Available at

capital, whereas the acquisitions mentioned are hardly productive and pro-employment activities. Actually, the profit transfers facilitated by this trajectory can bring a net foreign exchange loss in the long-run. Signs of this can be already seen. While profit transfers made from FDI assets to abroad were less than \$ 400 millions in the beginning of 2000s, they were \$ 2 billions for the year of 2007 only; and the overall figure for the 2003-2007 period reached \$ 6 billions approximately.<sup>141</sup>

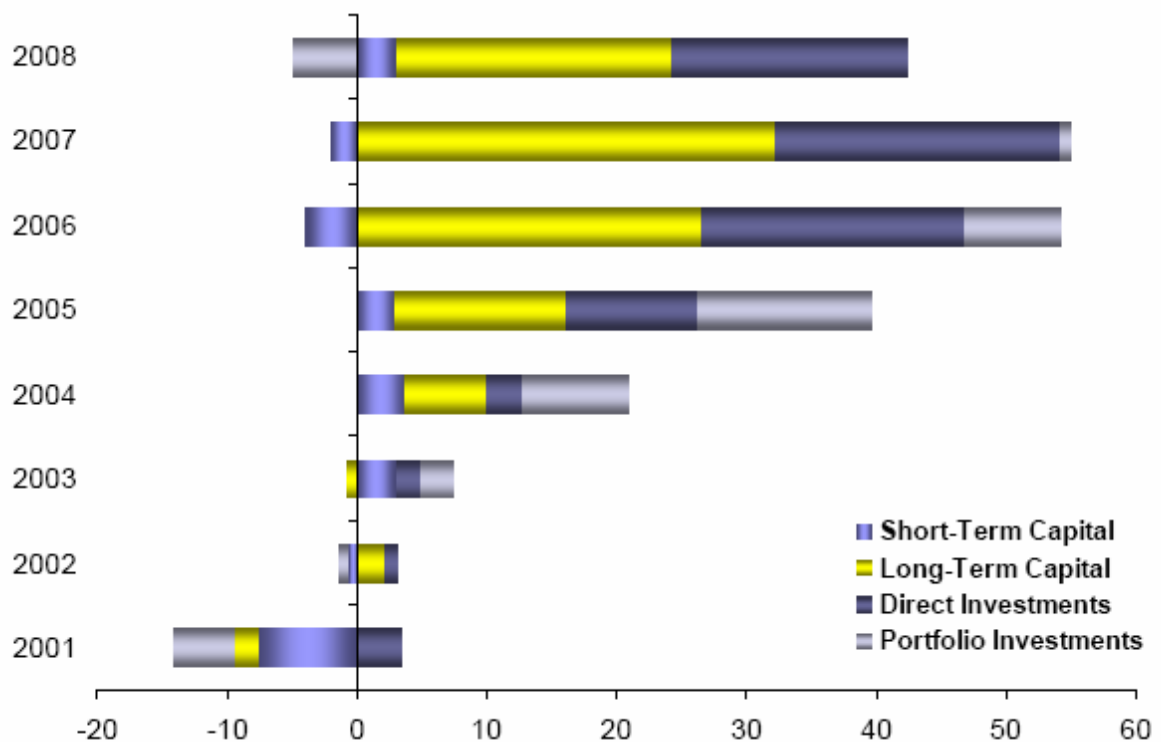


Figure 3: Capital inflows (\$ billions)<sup>142</sup>

In this context, particularly striking has been the circulation of portfolio investments or “hot money,” in the form of (a) foreigners’ holdings of government debt instruments, (b) of

<http://www.treasury.gov.tr/irj/go/km/docs/documents/Treasury%20Web/Research%26Data/Reports/Foreign%20Investment%20Reports/June%202008-%20Foreign%20Direct%20Investments%20in%20Turkey%202007.pdf>.

<sup>141</sup> ANKA, “Yabancı Beş Yılda 23 milyar \$ Götürdü,” Güncelnet website, April 24, 2008, <http://www.guncel.net/ekonomi/gundem/2008/04/24/yabanci-bes-yilda-23-milyar-goturdu/yatirim/>.

<sup>142</sup> Borrowed from Undersecretary of Treasury.

securities at the ISE; and (c) foreign exchange deposits at the banking sector.<sup>143</sup> To give an idea about the profitability of these portfolio investments one can point to ISE: Accelerating with Turkey's membership negotiations with EU, ISE index followed a steadily rising trend, valorizing by more than 300 % during 2002-2007. Most of this profit accrued to foreign investors, which constituted around 72 % of the stakeholders (as of mid-2007).<sup>144</sup> In the due course, the overall stock of hot money rose from the 2002 level of \$ 9 billions to \$ 30 billions in 2004, and reached \$ 100 billions in 2007.<sup>145</sup> From their revenues on these portfolio investments, foreigners transferred more than \$ 17 billions abroad during 2003-2007. Adding to the above mentioned \$ 6 billions transferred from FDI assets, this amounts to \$ 23 billions flowing out in form of revenue transfer.<sup>146</sup> Note that these figures exclude the capital flight during the global economic crisis of 2008-2009.

In addition to FDI, a considerable amount of debt-creating inflows occurred, bringing a change in the structure of indebtedness: While 1990s were marked by high public domestic debt, post-2001 era saw the unsustainable growth of private sector's foreign debt (see Figure 4). In the period 2002-2007 non-banking sector private debt increased by 147 % and reached 64 % of the private sector's overall size.<sup>147</sup> As the government succeeded in creating conditions for the state treasury to borrow in more favorable terms, the same conditions induced the private sector to borrow a significant amount of short-term foreign capital, increasing the overall ratio of short-term debts in all debts.<sup>148</sup> Even though the ratio of debt-creating sources in all foreign capital inflows remained comparably low thanks to the increase

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<sup>143</sup> Classification borrowed from Yeldan.

<sup>144</sup> ANKA, "60.Hükümeti."

<sup>145</sup> Ibid.

<sup>146</sup> ANKA, "Yabancılar."

<sup>147</sup> Ekzen, p. 482.

<sup>148</sup> Akgüç, p. 26.

in FDI; the accumulated private sector debt stock meant that many firms would face bankruptcy in the event of a capital flight and liquidity crisis. The risks posed by this possibility induced many to urge AKP to change its policy preferences, but the ongoing boom was too sweet for the populist party to give up. We will see in Chapter IV how they rejected these calls decisively.

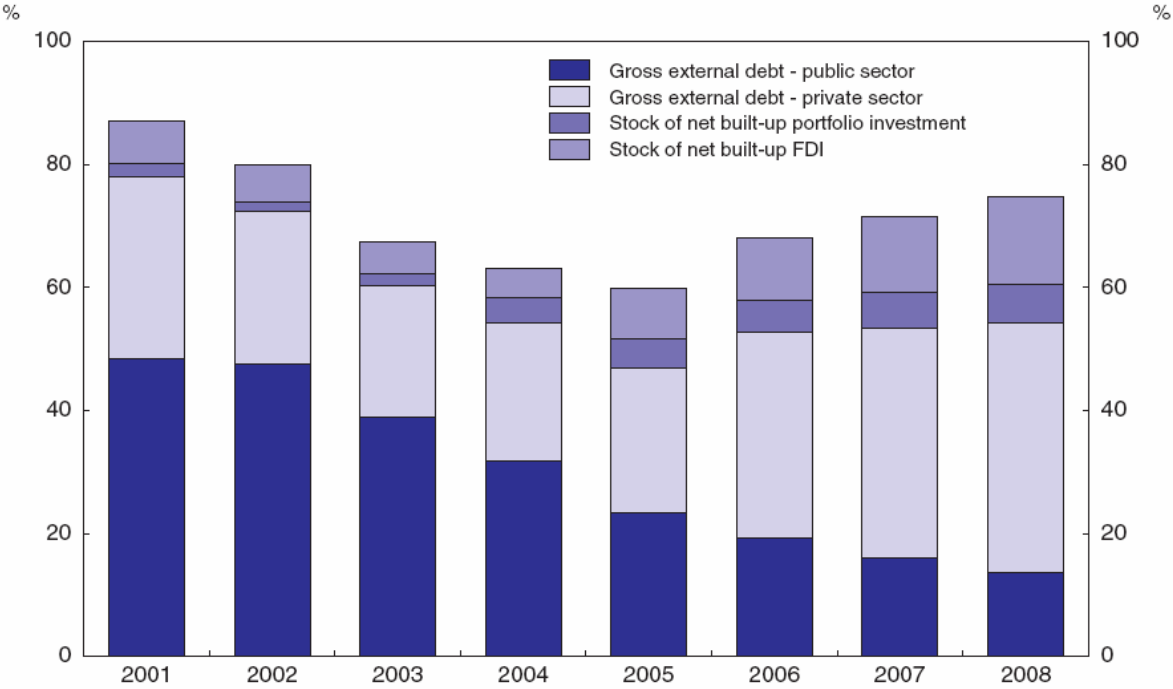


Figure 4: The composition of foreign assets in Turkey<sup>149</sup>

Bringing down the inflation rate, keeping real interests and currency parity high, attracting foreign capital seeking either short-term or rentier yields, and financing trade deficits with such capital inflow has been AKP government’s way of stimulating growth, enabling consumption and bringing prosperity, then. Such a growth path necessitates a continuous increase in the flow of foreign capital, so much so that, even in the absence of an absolute outflow, any decrease in the yearly capital inflow can possibly cause a shrinking of the

<sup>149</sup> Borrowed from OECD, *Turkey 2006*. The figures of 2007 and 2008 are not realized ones but rely on baseline scenarios made in 2006.

national income, as Bağımsız Sosyal Bilimciler estimates. This marks the extent to which “the destiny of Turkish economy has been tightly linked to the trends and fluctuations that determine international capital flows”.<sup>150</sup>

This can be called, from another perspective, a successful integration of Turkey into the global economy through firm leadership, sound political steering, rational macroeconomic management, and removal of the obstacles to the functioning of markets. The party has been indeed accorded with the honor of achieving this, and on this score, at least, there is no sign of *takiyye* – the accolades are well-deserved. The desirability of such a success from the point of view of different classes, however, needs to be qualified. It is obvious that Turkey has become a favorable playground for transnational finance capital thanks to the post-2001 economic policy design AKP managed so well. Significant masses (especially the urban population, as we will see) arguably benefited from a fall in inflation and many enjoyed an imported prosperity. But the sustainability of this trajectory and its contribution to dynamics of indigenous development are highly questionable.

Among ‘emerging markets,’ the worldwide economic fluctuation in May-June 2006 had hit Turkey hardest, showing the vulnerability of country’s economic model to external shocks. The downturn brought by the global economic crisis of 2008-2009 exposed this aspect in its fullest extent and demonstrated the hollowness of Turkey’s post-2001 boom. Yes, thanks to the banking sector reform and austere Central Bank policy design, neither Turkey has suffered a banking sector crush down nor there was a dramatic currency collapse as in the crisis of 2000-2001. However, the reversal in foreign capital inflow has been enough to virtually stop the economy, cut down production; put millions of people out of work – without any crisis-proof measures of adjustment or buffering being able to play a part in mediating the effects of the global crisis on the functioning of Turkish economy. A few figures are enough

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<sup>150</sup> Bağımsız Sosyal Bilimciler, p. 33.

to give an idea about the size of the meltdown. According to official figures, national income is expected to shrink by 3,6-5,1 % for the year of 2009; and as of May 2009 unemployment rate is estimated to be more than 16 %.

While future analyses should certainly take the outcomes of the recent crisis into the account of AKP's economic policy record, we can, as of 2009, confine ourselves to an examination of the ordinary working of the economy under favorable conditions and continue to see how its 'success' was implicated on the different economic sectors and societal segments, behind a façade of overall growth that "made the cake bigger for all, including the poor" – as advocates of market reform would put it.

#### Jobless Growth, Sectoral Transformations and Class Reconfiguration

One striking feature of Turkey's economic boom under AKP has been the fact that it went without significant employment creation. While production levels recovered the collapse of 2000-2001 and statistical figures broke records in many scores, millions of people who had been laid out of work during the crisis could never return back to employment.

Unemployment rate, which had risen from a previous 6-8 % to above 10 % with the crisis, stayed there during AKP's term. This has formed the Achilles' heel of AKP's economic performance as regards popular reception. We will later see that the party leaders tried to put forward the macroeconomic balances and the aggregate growth figures as the criteria of their success and frame high unemployment either as a result of the individual deficiencies of the unemployed or tried to naturalize it as a necessary evil accompanying the prosperity brought by the market. Here, we put down briefly the dynamics of jobless growth and try to understand its implications on different societal segments and classes.



I tried to demonstrate in the previous section that Turkey's growth was primarily driven by financial transactions and capital flows. Yeldan calls this as speculative-led growth.<sup>151</sup> Although any financial growth creates demand and provides finance for industrial production, it links more to the services sector by stimulating consumption and imports. Hence, Turkey's boom provided new managerial jobs for a fresh generation of new middle classes, enabled new life spaces to thrive in the gentrified areas of metropolises, facilitated new lifeworlds and consumption patterns; and witnessed the grow from scratch of a number of creative businesses. However, all of these highly individualized activities contributed disproportionately low to the overall employment.

It is important to see what is happening to industrial production in the meanwhile. Past accounts of the structure of Turkish industry usually drew on a binary division between a modern, formal sector, run by the big bourgeoisie under the aegis of the state, more or less adaptable to competitive pressures; and a traditional, informal sector consisted of small family businesses with little sophistication. In the recent context of an export-oriented economy handicapped by strong currency, it makes sense of a tripartite differentiation in terms of competitiveness and adaptability:<sup>152</sup> On the one hand, there is a group of big businesses competitively catering to export markets mid-to-high quality goods. These include the largest 500 firms which generated 49 % of total industrial valued added and 54 % of exports in 2006, however, employed only the 12 % of the industrial labor force.<sup>153</sup> On the other hand, there is a group of little firms operating in 'declining activities'<sup>154</sup> in which Turkey is losing its

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<sup>151</sup> Yeldan.

<sup>152</sup> This argument relies on the analyses in OECD, *Turkey 2006*; and *Turkey 2008*.

<sup>153</sup> OECD, *Turkey 2008*, p. 22.

<sup>154</sup> Leading among these declining activities came textiles and clothing, evidently. The sector was represented in the largest 500 industrial firms (as reported by Istanbul Chamber of Commerce) with 47 firms in 2008, declining from a 116 in 2001. Also, these 47 firms recorded a net loss of \$ 203 millions for 2008. In contrast, automobile production became a new locomotive, reaching the share of the textiles and clothing in the same list. Sadi

competitiveness due to currency appreciation and comparatively high labor costs. This sector, which is estimated to provide 36 % of the employment in manufacturing, has been the loser of the recent trajectory.<sup>155</sup> In between these two extremes emerges the more dynamic segment of small-to-middle scale enterprises (*Küçük ve Orta Büyüklükte İşletmeler*, KOBİs). Run by upwardly mobile and politically favored segments of the society, eager to take advantage of the expansionary phase of the world economy, willing to adopt technological and organizational innovation and operating with varying degrees of informality; these firms are vulnerable to competitive pressures from abroad but potentially able to display flexibility in adapting themselves to this challenge. The individual destinies of these firms are likely to be determined by their ability to orient themselves to more capital intensive mechanization and ensure export markets for themselves, growing bigger in size and occasionally employing more workers. However, as a collectivity, they are not likely to produce enough employment to absorb the staggering level of unemployment. OECD estimates that these firms employ roughly the half of the employment in manufacturing and they have created an estimated 700-800 000 new jobs since 2000, while 100 000 net manufacturing jobs have been lost in the modern formal sector<sup>156</sup> – fresh incomers to the labor force and absolute exits from agricultural employment further adding to the challenge of employment creation.

The policy of currency appreciation and the emerging pattern of differentiation within the industrial sector, when added to the story of growing financial supremacy, suggests that despite the whole buzz about the rise of a new generation of KOBİs animated by religious conservatism and backed by the government, AKP's policies did not deviate much from what was envisioned by international partners and the big business. Most KOBİs had to find their

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Özdemir, "Otomotiv Devler Liginde Tekstili Geçti, İhracatta 14,2 Milyar Dolar Fark Attı," *Hürriyet*, July 24, 2009.

<sup>155</sup> OECD.

<sup>156</sup> *Ibid*, 24.

way in murky waters, and the actual support ‘Islamic capital’ received from AKP was confined more to the bigger representatives of the constituency – probably materializing more in terms of individual favors like granting of contracts. While the government, responding to the incessant calls from the KOBİ sector, promised before his second term that macroeconomic discipline would be accompanied by greater attention devoted to the microeconomy, signifying a more KOBİ-friendly approach; the promise did not realize at least until a global crisis started to make way. Commenting on the first term, Öniş points out to the striking fact that AKP’s economic policies were criticized more heavily by the Islamic MÜSİAD – so often thought together with the myth of roaring KOBİs, while they received nearly full endorsement from TÜSİAD, the speaker of Westernized big bourgeoisie.<sup>157</sup>

These developments justify to argue in retrospect that Turkish industry moved to a new equilibrium with the crisis of 2000-2001, whereby a number of uncompetitive businesses were eliminated from the scene; and bigger, more sophisticated businesses survived and later prospered by orienting themselves to markets demanding higher quality goods. The elimination continued well into the recovery period: In 2005, when the economy grew by 8,4 %, 287 516 businesses were closed down compared to 196 494 new registrations.<sup>158</sup> This reconfiguration meant two things. First was an increased capital intensiveness mostly relying on imported machinery and inputs.<sup>159</sup> We can deduct that increased import dependency in inputs cut some of the backward linkages to domestic businesses hitherto providing industrial inputs.<sup>160</sup> Secondly, “[a]s a result of competitiveness losses in low-technology industries,

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<sup>157</sup> Öniş, “Political Economy of Turkey’s Justice and Development Party,” p. 22.

<sup>158</sup> “Türkiye Esnaf ve Sanatkarlar Sicil Gazetesinde Yayımlanan İlanlar (2005 – 2009 Haziran),” Confederation of Turkey’s Shopkeepers and Artisans (TESK) website, <http://www.tesk.org.tr/calisma/sicil/1.pdf>.

<sup>159</sup> Acar, Afyonoğlu and Sak’s analysis demonstrates that there is indeed a correlation between increased import dependency and the growing importance assumed by sectors like the manufacturing of office and ICT machines, chemicals, etc. over textiles, clothing and leather. Ozan Acar; Burcu Afyonoğlu, and Güven Sak, “Büyüyen Sektörlerin Artan İhracatı ve Cari Açığa İlişkin Gelişmeler,” TEPAV, February 2, 2006.

<sup>160</sup> Yeldan.

which have the lion's share in total manufacturing output, demand for low-skilled labor has slowed down significantly".<sup>161</sup>

Table 4: Private Manufacturing Sector Index (1997: 100)

	Employment	Production	Productivity	Real wage (\$)	Real wage (TL)
2000	90,3	105,3	116,6	102,8	104,9
2001	82,6	93,2	112,8	71,2	89,0
2002	84,4	104,8	124,2	73,0	85,3
2003	87,0	116,3	133,7	85,8	85,8
2004	90,1	131,2	145,5	96,1	89,9
2005	90,2	138,2	153,2	108,3	91,4
2006	89,8	146,4	163,0	107,5	93,1
2007	91,9	153,4	166,9	113,7	-

Source: SPO, TURKSTAT

Hence, it is possible to explain jobless growth with an increase in productivity under competitive pressures when it comes to industry. OECD, for instance, reports that the "limited contribution [by the competitive, modern firms] to employment reflects their high capital intensity, and their strong productivity gains of the recent period".<sup>162</sup> Such an explanation however, should have added that productivity 'gains' were achieved by longer hours of work per worker<sup>163</sup> and an increased rate of exploitation of labor – in addition to increased capacity utilization, technological sophistication and economies of scale. While the labor productivity has risen dramatically in the post-2001 period, the real wages did not follow the trend (see Table 4). In Turkish liras, they crawled to achieve a meager increase but never recovered their

<sup>161</sup> OECD, p. 35. This is somehow in contrast to Bağımsız Sosyal Bilimciler's (herein BSB) evaluation that post-2001 policies induce Turkish industry to specialize in labor-intensive, low-value added sectors to the effect that products relying on low technology and cheap labor are increasing their share in exports. While OECD's evaluation includes estimates of Turkey's competitiveness in certain product groups in comparison to other countries, BSB does not give a source or a figure. Nor does BSB address the seeming paradox between increased demand for low-skilled labor and staggering industrial employment, apart from mentioning longer individual working hours in a different context. Under these circumstances, it is wiser to follow OECD on this question. Also, it seems that BSB is being a bit careless with calling an established structural feature (Turkey being a relatively labor-intensive exporter) as a 'transformation' occurring with post-2001 policies.

<sup>162</sup> OECD, p. 22.

<sup>163</sup> Bağımsız Sosyal Bilimciler, p. 27.

pre-crisis levels. In dollars, they rose steadily but slowly. In any case, profit-wage scissors further opened up; and it was the capitalists that gained from increased labor productivity, and not the laborers.<sup>164</sup>

It is no coincidence that Erdoğan's very first directive as Prime Minister was to halt the previous government's job security law (No: 4773), which restricted arbitrary firing of workers, from going into effect. Even though the law later went into effect, the government introduced a new labor law (No: 4857) which, criticized heavily by the labor unions and backed by TUSİAD and MÜSİAD alike, crippled its effects.<sup>165</sup> The law sanctions temporary and flexible employment without putting restrictive regulations on job security.<sup>166</sup> The public came to know about the perils of such flexible work environment when a series of work accidents caused the death of 18 workers in the first 7 months of 2008<sup>167</sup> at the shipyards of Tuzla, near Istanbul. The business in Tuzla thrived in a pattern whereby many of the workers were working on a temporary basis and a number of subcontracting firms mediated between the worker and the end-employer, making it difficult to trace legal culpabilities. In this way, while workers kept dying because of practices incompliant with legal norms, the firms could blame it on the ignorance and inexperience of the workers themselves without assuming responsibility. Despite widespread public resentment of the situation, the government gave a deaf ear, did not take any measures; and saw that Turkish shipbuilding industry ascended to top ranks worldwide.<sup>168</sup>

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<sup>164</sup> Also demonstrated for the 2001-2005 period by Bağımsız Sosyal Bilimciler, and Yeldan.

<sup>165</sup> Engin Yıldırım, "Labor Pains or Achilles' Heel: The Justice and Development Party and Labor in Turkey," in Yavuz (ed.), pp 246-47.

<sup>166</sup> Law 4773, article 2 had already excluded temporary workers from the definition of job security. Law No: 4857 article 18; on the other hand, further undermines job security for permanent workers by setting the required firm size for eligibility to regulations on job termination quite high (30 employees) and thus rendering the bulk of the firms virtually exempt from such regulation.

<sup>167</sup> Merve Erol, "Geleceğimizin Aynası," *Express*, June 20, 2008, p. 10.

<sup>168</sup> Zafer Çağlayan, the Minister of Industry of the time, responded to the questions about the resentment caused by the accidents with the following words: "We are 8<sup>th</sup> in shipbuilding, and 3<sup>rd</sup> in mega yacht production

AKP's more active interventions in the work environment instead assumed the form of postponing permissions for strikes repeatedly, to the extent that in many cases the right to strike was practically abolished. The strike by Kristal-İş workers against Şişecam-Paşabahçe at the turn of 2003 is a striking example. Conforming to the wage trend explained above, part of the workers had been working without wage increases for more than three years by the end of 2003, having received the last increment before the historical crush of Turkish lira in November 2000. Demonstrating its anti-establishment spirit once again in an ironic fashion, AKP virtually confronted the bureaucratic establishment to prevent the strike: Despite the official advisory opinion received from NSC general secretary that the strike did not have anything to do with national security, it was postponed by the government on the ground of national security; and when the Council of State canceled the government's decision, the government simply ignored it and postponed the strike once again (Erensoy, 2004; Savran, 2004).<sup>169</sup> Journalists report that the manager of İş Bankası, the biggest stakeholder of Paşabahçe, personally thanked Erdoğan for his role in the postponement decisions, during Prime Minister's close-door meeting with 30-odd TÜSİAD businessmen in his advisor's private villa.<sup>170</sup>

Considering all these, AKP's treatment of labor could not be symbolized better than the contest over May 1 2008. While the left-wing labor unions wanted to celebrate the Mayday in Istanbul's Taksim square in commemoration of the massacre of 1 May 1977, the government showed a blunt face as the AKP-appointed police chief saw that workers trying to

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worldwide. Is there a resentment and unhappiness on the part of certain centers outside Turkey, caused by the fact that our industry has reached such a point? Is there a provocation? This should also be researched." *Milliyet*, May 24, 2008. The party's election brochure for 2007, "Durmak Yok Yola Devam," however, claimed that the Turkish shipbuilding sector was 5<sup>th</sup> worldwide.

<sup>169</sup> Reported by Akın Erensoy, "Sınıf Mücadelesi Meşruluğunu Burjuva Yasalarından Almaz!" Sınıf Mücadelesinde Marksist Tutum website, March 9, 2004, [http://www.marksist.com/akin\\_erensoy/sinif\\_mucadelesi\\_mesruluğunu\\_burjuva\\_yasalarından\\_almaz.htm](http://www.marksist.com/akin_erensoy/sinif_mucadelesi_mesruluğunu_burjuva_yasalarından_almaz.htm); and Sungur Savran, "Sırça Köşkte Yaşayanlar," İşçi Mücadelesi website, February 15, 2004, <http://www.iscimucadelesi.net/arsiv/gundem/gundem150204.htm>.

<sup>170</sup> Serpil Yılmaz(2004). "Zapsu'nun Evinde Bu Kez İktidar Vardı," *Milliyet*, March 23, 2004.

enter the square were brutally beaten up. On the other hand, the government declared May 1 as holiday in a symbolic gesture of emancipation hailed by pro-government labor unions.

The new equilibrium prevailing in Turkey in the post-crisis period also meant a permanent grow in the size of the reserve army labor. A striking point is that while unemployment did not fall down, and despite a steady increase in the working age population; the labor force participation rate declined, signifying fewer number of people ready and willing to work (see Table 5). In other words, a significant number of people decided that they would not be able to find a job soon, and quitted the job market. While the decision can be temporary from the point of view of individual persons (recent graduates deciding to postpone job hunting, etc), it is becoming a permanent demographical feature: Turkish people seem to have understood that there will be fewer jobs in the foreseeable future. Remember that our discussion here is about the record of a booming economy and it is notwithstanding the still unfolding effects of the current (2008-2009) crisis, which is further exacerbating the situation.

Table 5: Labor Market

	Unemployment (%)	Change in employment (%)	Labor force participation (%) <sup>171</sup>	Labor Force Participation (%) <sup>172</sup>
1996	6,6	-	-	53,7
1997	6,8	0,0	56,4	52,6
1998	6,9	2,7	55,2	52,8
1999	7,7	1,2	55,3	52,7
2000	6,5	-2,1	55,2	49,9
2001	8,4	-0,3	52,4	49,8
2002	10,3	-0,8	52,3	49,6
2003	10,5	-1,0	52,3	48,3
2004	10,3	3,0	51,1	48,7
2005	10,3	1,2	51,5	48,3
2006	9,9	1,3	51,3	-
2007	9,9	-	51,1	-

Source: TURKSTAT and SPO

<sup>171</sup> TURKSTAT data.

<sup>172</sup> SPO data.

It is not possible to understand the change in the structure of labor market without a look at the dramatic transformations in the agricultural sector; since much of the unemployment, and probably much of the exit from the job market sources from the countryside (see Figure 5). To this issue we should now focus.

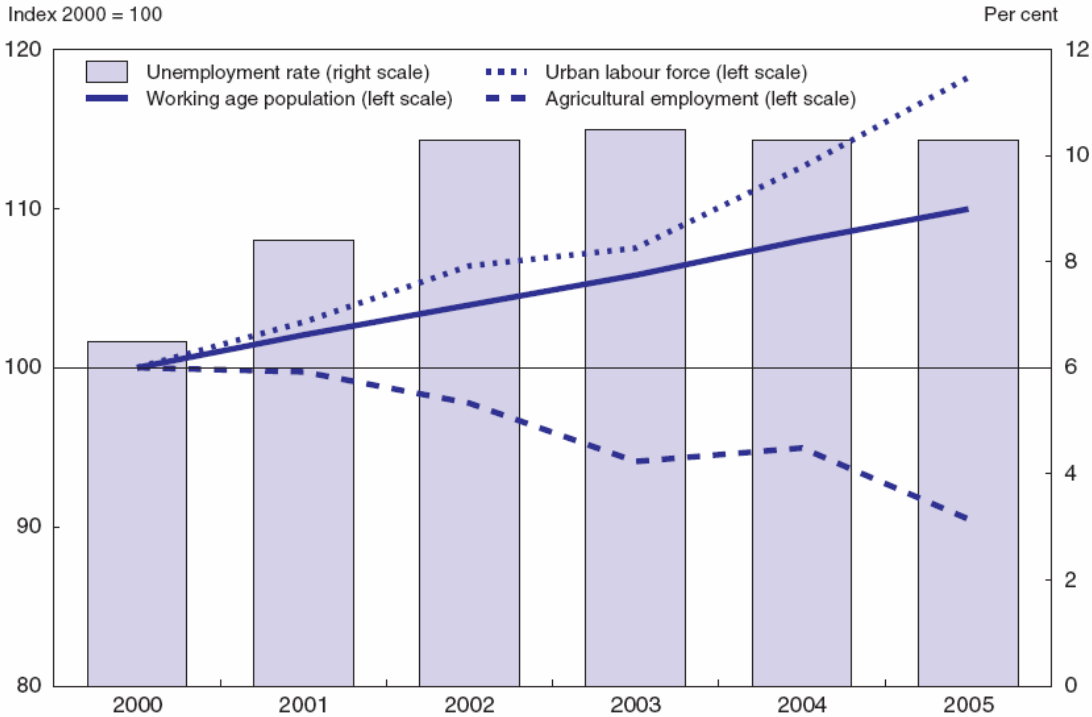


Figure 5: Exits from agriculture and staggering unemployment<sup>173</sup>

As touched before, through all the multiparty period the agricultural sector in Turkey has been an important target of state patronage in terms of various interventions, and by such patronage governing parties strove to secure a rural clientele. “[T]hese interventions have broadly stabilised income and activity in rural areas as a whole”<sup>174</sup> leaving the pattern of small plots and small producers more or less intact, despite a steadily growing mechanization. While the resources devoted to such support were not higher than those in USA and EU as a proportion

<sup>173</sup> Taken from OECD 2006.

<sup>174</sup> OECD, *Turkey 2006*, p. 172.



of the agricultural output or as divided by each farmer; they were claiming an important ratio in the GNP and the state budget, due to the enormous overall size of the sector. Repeated calls to liberalize Turkish economy and open it to foreign competition have always included the state patronage of agriculture among their list of ‘burdens of populism,’ and suggested to bring an end to this state of affairs. Although agriculture was the ‘forgotten sector’ of Özal period,<sup>175</sup> a deliberative dismantling of the system and restructuration of agricultural sector governance did not take place, and his successors (especially DYP) later ‘remembered’ the importance of the rural electorate. In terms of employment, productivity and land use patterns, the sector did not show signs of change between 1991-2001.<sup>176</sup>

Reforms initiated in 1999 with pressure from the IMF, and with technical support by the WB, were going to bring massive changes. They targeted the phasing out of agricultural fertilizer and credit subsidies; sharp reduction in import tariffs and intervention purchases in order to cut prices; commercialization and privatization of the government-controlled enterprises and cooperatives which dominate the marketing channels of the main agricultural products. Independent boards would replace these institutions as regulatory bodies oriented toward facilitating markets-formation. The only support mechanism that would be introduced would be a direct income support (DIS) system for farmers through a uniform per hectare payment de-linked from the production of any specific crop; in addition to a one-time grant to cover the transitional costs for farmers switching out of certain products.<sup>177</sup> In other words, agricultural goods would be treated as commodities, in a realm where market rules mattered instead of a concern for social and political stability.

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<sup>175</sup> Tafolar.

<sup>176</sup> Seyfettin Gürsel and Ulaş Karakoç, “Türkiye’de Tarımın Yapısı Değişiyor,” BETAM Research Paper 24, February 6, 2009.

<sup>177</sup> OECD; Bağımsız Sosyal Bilimciler.

All of this was proposed with the explicit aim of reducing the costs of agricultural support, as well as bringing down the prices of agricultural goods. “Turkish people will consume cheaper sugar” declared the 2001 economic program.<sup>178</sup> Hence, there was a policy choice prioritizing the purchasing power of the urban population, i.e. labor costs over farmers’ income. In addition to this, nonetheless, the designers of the reform probably had the further aim of uprooting the bulk of subsistence farmers from Turkish countryside, introducing capitalist agriculture through land consolidation; and downsizing the Turkish agricultural sector to what would be its ‘rational’ size in a Ricardian world of comparative advantages. For it seems in the retrospect that nothing else could be the outcome of such opening of Turkish agriculture to international competition without significant and carefully directed structural adjustment funds.

The reforms enacted by the previous government were implemented by AKP without hesitation, a few unrealized privatizations constituting the exception (chiefly Ziraat Bank and Toprak Mahsulleri Ofisi). As a result, the budgetary costs of agricultural support fell significantly, playing a part in AKP’s success in fiscal balances. With the help of the declining inflation rate, real prices for food were also brought down courting the urban underclasses and contributing to a sense of increased prosperity.<sup>179</sup> In the meanwhile, however, the country became for the first time a net agricultural importer and in the countryside there has been devastation: During 2002-2003 only, “[r]eal incomes in agriculture declined by 16% as a result of price and output falls, while direct support (DIS) payments compensated for around 45% of these losses. The consumption of previously subsidized fertilizers and chemicals declined by 25-30 % ... The total surface of cultivated land declined by 2% in all regions except in the Mediterranean where commercial agriculture continued to

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<sup>178</sup> *Türkiye’nin Güçlü Ekonomiye Geçiş Programı*, p. 19.

<sup>179</sup> This is notwithstanding the change occurred when the global price upswing in agricultural prices also hit Turkey in 2008.

grow and total agricultural output in volume (in constant prices) fell by 4%,”<sup>180</sup> making Turkey a net agricultural importer.

Behind declining aggregate figures, one can also observe changes in land use and class configuration. With the DIS system linked to the size of the land owned by the farmer, and in the absence of any other support mechanism, many small producers were discouraged from production and chose to rent their lands to bigger farmers: The proportion of farms smaller than 20 ha declined from 33,4 % to 24,8 %; while those bigger than 100 ha increased from 16,6 % to 21,1 % during 2001-2006.<sup>181</sup> As the interests on agricultural credits turned from negative to positive in the absence of subsidized credit by Ziraat, small producers have been increasingly deprived of means of finance;<sup>182</sup> and private loans started to make way into the sector, “from practically zero in 2000 to a total portfolio of 110 million YTL in 2005,” going to large farms purchasing heavy agricultural machinery under leasing arrangements.<sup>183</sup> In the meanwhile, the proportion of irrigated lands increased, requiring more fertilizer and chemicals per unit land and signifying a shift to more capital-intensive farming.<sup>184</sup> This was accompanied by an increase in seasonal wage work and a decrease in subsistence farming – as suggested by the dramatic decline in the ratio of unpaid family labor to overall employment from 21 % in 2001 to 13 % in 2008.<sup>185</sup> The marketization of agricultural sector governance and commodification of agricultural goods thus started to facilitate capitalist agriculture in the Turkish countryside, accelerating proletarianization from two sides: Increasing the demand for wage labor in agriculture, and pushing the dispossessed rural population to the cities.

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<sup>180</sup> OECD, p. 181.

<sup>181</sup> Gürsel and Karakoç, p. 1.

<sup>182</sup> Bağımsız Sosyal Bilimciler

<sup>183</sup> OECD, p. 187.

<sup>184</sup> Gürsel and Karakoç.

<sup>185</sup> Republic of Turkey Prime Ministry Undersecretary of Treasury, “Turkish Economy,”

As a result, an absolute 1,5 million people left agricultural activity during 2000-2001;<sup>186</sup> and the ratio of those employed in agriculture fell from 41 % in 1999 to 35 % in 2002 and to 24 % in 2008.<sup>187</sup> While accounts of AKP's success in integrating Turkey with globalization talk of a 'silent revolution,' a silent agricultural revolution has actually occurred in the meanwhile with important social and potentially political implications, despite receiving little attention from the hegemonic political discourse.

The government itself had to become aware of the tensions bothering the rural population when 80 000 hazelnut producers blocked Ordu-Samsun highway in July 2006 for a demonstration. It remains as the sole significant social movement that protests AKP's economic policy,<sup>188</sup> and deserves a closer look since it sheds light to several aspects of the party's technique of government. The farmers had been provoked by a scandal involving Cüneyd Zapsu,<sup>189</sup> who, as an advisor to the Prime Minister Erdoğan; had a mysteriously great skill in brokering AKP's relations with big business and American political circles, reportedly. Zapsu had chaired major international business associations as one of Turkey's leading hazelnut exporters; and he was being accused of manipulating the market so that the hazelnut prices would remain low and merchants' (including his brother) profits high.<sup>190</sup> The scandal provided the immediate context of the farmers' outrage, however it was in no ways

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<sup>186</sup> Ekzen, p. 481.

<sup>187</sup> Pointing to this incredible fall within less than a decade, Bağımsız Sosyal Bilimciler expresses doubt about the validity of the figure provided by TURKSTAT. While the exact proportion is open to debate, it is nevertheless beyond question that a remarkable exit from agricultural employment did take place during the last decade.

<sup>188</sup> While the fervent nationalism of the "republican meetings" in spring 2007 also articulated a vaguely conceived anti-imperialism partly drawing on the economic agenda; their primary interest was in the regime question and their preoccupation with matters economic (as well as social) were negligible.

<sup>189</sup> Zapsu legally changed his first name from Cüneyt to Cüneyd in May 2008. *Hürriyet*, May 8, 2008.

<sup>190</sup> Giresun based producer interests claimed that Zapsu lobbied against the credibility of Fiskobirlik (the autonomous regulatory board and purchasing authority in hazelnut) to ensure that the latter would not be able to finance its planned purchases; and as a result the price of hazelnut would not go over 3,5 YTL per kilo. Zapsu rejected the claims and in turn accused Fiskobirlik of bad management and misplanning. "Cüneyt Zapsu'dan Şok Açıklamalar," Haber7, September 1, 2006, in the *Tüm gazeteler* database, <http://www.tumgazeteler.com/?a=1673362>. The previously publicized rumors about Zapsu's 'secret relations abroad' also contributed his vilification, arguably.

the isolated cause. The government's negligence of the challenges of the agrarian question had become evident – actually it had been notoriously well-captured by Erdoğan's rude rebuke to a certain farmer who was trying to comment on the agrarian problem in his presence, few months ago.

Without a high-profile renunciation of the previous attitude or a decisive policy reversal, the government responded by reintroducing price support purchases in hazelnuts with the Prime Minister's special directive, well-timed for the early general election of 2007. Some other goods had already been assigned support purchases in 2005 in the face of excess supply and following a growing awareness about the malfunctioning of DIS. Marking a slowdown in the pace of reform, border protection too has remained higher than previously expected.<sup>191</sup> Despite such measures of political feasibility, however, AKP did not retreat from the initial policy. Agricultural Law of 2006 sanctioned and further institutionalized the reform effort, with some adjustments. To the surprise of many – who thought that people could not be 'bought off' with such a late offer which was in no ways guaranteed to continue after the elections, the hazelnut growing provinces of Ordu, Giresun, Trabzon, like the rest of the Black Sea coast, voted overwhelmingly for AKP in 2007, confirming the trend set in 2003 general and 2004 local elections.

A number of factors should explain the paradox: The region is known of conservative and nationalist credentials but without any party dominance before AKP's emergence, and it is located at the very heartland of AKP's geographical support base<sup>192</sup> also thanks to Erdoğan's parental lineage linking to the nearby city of Rize. Thus there was no party as a

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<sup>191</sup> OECD, *Turkey 2006*.

<sup>192</sup> Oğuz Işık and Melih Pınarcıoğlu, "Bölgesel Siyasi Tercihler ve AKP," *Toplum ve Bilim* 107 (2006). The authors make an analysis of the political geography of Turkey from 1990s onwards and try to determine geographical regions of party and ideology (regional left, center-left, center-right, Islamic right, nationalist right) dominance in terms of voting behavior observed in districts. Among their most significant findings is that central and eastern Black Sea coast in general did not display any dominant preference (unlike, for instance, decisively center-left Thrace or dominantly nationalist-right Cilicia and Cappadocia) until their overwhelming support for AKP in 2002, which endured ever after.

ready candidate to replace AKP. The reintroduction of support purchases definitely should have played a role, showing the room for maneuvering available to the party to deliver patronage without betraying its market reform commitment, and giving a lesson on the politics of neoliberalism: The more AKP achieved a sound macro balance, the stronger would be the leadership's hand in convincing the party's attached technocrats and counseling international partners to devote certain resources for particular political problems every now and then. The shifting of priorities within the budgetary expenditures was possible as long as the targeted fiscal surplus was achieved in way or the other. Running a single party government certainly helps in doing this, and the uncontested primacy of Erdoğan within the party ensures the containment of any divides sourcing from such matters. Orchestrating this kind of decisions had been invariably more difficult with the previous coalition government, because each of the party leaders had had to play two-level games – to borrow Putnam's concept for the domestic theater – regarding their partners and their constituencies, while the government as a whole had got less strength to overcome IMF's pressure.

A strong leadership is useful, then, both to stand behind the market reform against social opposition; and to break away from the dictates of market technocrats at will, ensuring the government's survival and serving the longer-term endurance of the neoliberal transformation. Remember that the calls for neoliberal reform invariably demand effective, firm leadership. Those who make these calls may not necessarily envision reversals to be made, but such reversals, by keeping certain clientelistic ties alive, may be instrumental in establishing the hegemony of the market in a better way than their uncompromising visions would do.

In the way that hazelnut growing people of the Black Sea coast mobilized to protest AKP and remained loyal to the party afterwards, social mobilization shows an interesting characteristic. Protest does not appear as a way of *confronting* the government and an attempt

to change the economic policy but as a way of *negotiating* a government to alter a preference, even though the wider policy agenda remains detrimental to the interests of the greater part of the movement in question. The new order is taken for granted; and the struggle is for opening a room for oneself where patronage benefits are still available, albeit in more scarce quantities. Doing the greatest vice in one blow and extolling the lot at once, as Machiavelli once advised, the prince receives much gratitude with each little blessing he spares incrementally through a prolonged time. Especially when a certain constituency takes the leader's uncontested position as unlikely to change and when it believes that the leader is able to deliver what he promises to, it may evade from arousing his anger, and instead, opt for more conciliatory strategies to secure benefits. In the due course, market is naturalized by becoming the default playing field.

The most important lesson to be drawn, however, is that such clientelistic ties could not sustain themselves without the intervention of a political populism that goes beyond material patronage. Remember that we defined a strong psychic affiliation between the populace and the leader unfound in simple clientelistic networks as one of the distinguishing qualities of populism. Erdoğan's skillful management of the political tensions of the spring of 2007 interfering with the course of the presidential election and his turning it into a question of recognition of the 'ordinary man', was probably the most important factor that ensured an amplified repeat of his success countrywide, including the Black Sea coast. Pretending to bid for presidency while he probably never entertained such an idea for himself for that time, provoking the secular establishment's mobilization to prevent a 'religious' president; thus inviting the military to act; standing upright against the military ultimatum (the first time for a government to do so since a long time ago) on the grounds of civil democracy and popular will; and matched only by a highly controversial Constitutional Court decision; Erdoğan and his comrades aroused a sense of injustice on the part of the general public, engendered an

unparalleled affiliation with the people and secured support. In such a configuration of parties, social mobilization is hijacked from the economic agenda and turned into fuel for AKP's cause for popular representation. In this context, constituencies neglected by the government, instead of confronting it, pursue conciliatory strategies oriented toward convincing it into wiser policies while remaining loyal at the end of the day.

What populism achieves at this moment should not be regarded as a mere blinding of the people by lies so that they cannot see where their material interest is. Rather, it forms a sense of community gathered around a common interest so that the disaffected would feel, at worst, like a neglected member of the *family* – who would support his father against 'outside' at the last instance even though she would be angry with him. Not only the outsider force may be perceived as an overriding threat to the more basic interests of the individual, but there is something in the meaning of a family that goes beyond the very calculation of individual interest and requires one to take the rest of the family as her own inalienable body. At the end of the day it was probably this sense of familial connection that determined the hazelnut grower's vote. For nobody really thinks that AKP's agrarian policy is great – a survey at the time of the election actually found the agrarian policy as AKP's least popular work, rated 2,58 out of 5 by the general public.<sup>193</sup>

I will return in more detail to the issue of the embodiment of 'illusory common interest' (a la Marx) in the last chapter; to see how AKP offers in its discourse the market as the common interest and how it asks for a mandate from the electorate to serve their interests. Here I would like to turn to present my observations on AKP's strategy in providing material compensations to the lower classes.

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<sup>193</sup> A&G Araştırma, "Oy Vereceğiniz Partiyi Belirlemede Hangisi Önemli?" presentation of research, [http://www.agarastirma.com.tr/arastirmalar/oy\\_vereceginiz\\_parti.pdf](http://www.agarastirma.com.tr/arastirmalar/oy_vereceginiz_parti.pdf).



## CHAPTER III

### SOCIAL PROVISIONING AND NEW CHANNELS OF PATRONAGE

In this chapter I am trying to examine material returns to the populace from AKP's policy choices on a more micro basis. First I discuss the trend in income inequality emerging in the AKP period and suggest that it might be attesting to the growing importance of social policy in Turkey's neoliberal times. Secondly, I briefly look at policies on education and health to observe that despite a shrinking public sector and more "stingy" budget, provisional mechanisms survive in these fields to court the lower classes. At the same time, they are crafted in a way to further the commodification of the services provided. Thirdly, I turn to the more direct ways in which the party can allocate material favors. In this, a social aid web woven by a number of official and private actors with the party at its center contributes to the formation of a clientele of dependent underclasses. While significant amounts of resources are mobilized and the aid is reaching a remarkable number of people, the populist character of the deal emerges in the limited capacity of the aid to have permanent effects on poverty reduction, as well as the relocation of the exchange from a right-based understanding of welfare into a context of charity. Lastly, I examine how AKP turned public housing policy into an important instrument of patronage for a multi-class constituency.

#### Neoliberalism and Social Policy

Remember that previously I demonstrated the differential of returns from productivity to labor and to capital in manufacturing. The data suggested that together with an absolute improvement of the real wages of labor, with some significance at least in terms of dollars (but without a serious progress over pre-crisis levels); there was nevertheless a growing

inequality as against profits of capital. Displaying a more or less similar trend; sectoral income shares calculated on GNP also show that the share of the wages of labor from the national income remained more or less the same during the AKP period (26,3 in 2002 and 26,2 in 2006) after suffering a decline during the previous crisis.<sup>194</sup>

But if we try to have an idea about what happened to the individual income distribution in general, we find a different picture: The gini coefficient shows a steady decline for AKP's earlier term (for which data is available) signifying an increasingly fair income distribution (see Table 5).

Table 6: Personal Income Distribution

Years	% of population in...					Gini coefficient
	First quantile	Second quantile	Third quantile	Fourth quantile	Fifth quantile	
1994	4,9	8,6	12,6	19,0	54,9	0,49
2002	5,3	9,8	14,0	20,8	50,1	0,44
2003	6,0	10,4	14,5	20,9	48,3	0,42
2004	6,0	10,7	15,2	21,9	46,2	0,40
2005	6,1	11,1	15,8	22,6	44,4	0,38

Source: TURKSTAT and SPO

This data, although probably confirming the perception of a significant number of AKP voters, appears controversial at a closer look. Çelik expresses strong doubt about TURKSTAT's income distribution surveys as they display extremely high degrees of underreport of income, especially by the receivers of profits, rents and interests.<sup>195</sup> He also expects more congruence between these surveys and sectoral income shares from GNP

<sup>194</sup> See "Gelir Yöntemiyle GSYİH" data by TURKSTAT.

<sup>195</sup> Comparing TURKSTAT's survey with other official statistics, Çelik estimates that this segment underreports its income by as much as 60 % as compared to 30 % of receivers of wage. Aziz Çelik, "AB Ülkeleri ve Türkiye'de Gelir Eşitsizliği: Piyasa Dağılımı -Yeniden Dağılım", *Çalışma ve Toplum* 3 (2004).

mentioned above. Furthermore, independent surveys find contradictory results. One found that distribution of disposable income worsened in cities during 2002-2004.<sup>196</sup>

Nonetheless, even if we cannot judge confidently about the validity of data, there are reasons (like the enduring lower class support to the party) to think that AKP period witnessed a material improvement for the lower classes at least compared to the previous crisis-ridden period. Taking the TURKSTAT data as granted, Bakirezer and Demirer think that the answer lies in social policy: “AKP government contributed significantly to individual’s incomes through extra-market ways. The ratio of resources devoted to social expenditures (education, health, social protection etc) has increased as a ratio of GNP.”<sup>197</sup> Indeed, while AKP cut down public investments, it kept social transfers high thanks to a fall in public sector borrowing requirement and an accompanying decrease in interest payments.<sup>198</sup> In other words, while the capitalist market continued to reinforce inequalities, a state increasingly detached from the production process sought to redress some of the inequality with social policy tools.

Even though it may seem surprising against the background of our discussion about neoliberalism at first glance, this policy preference is not so much against what the new market orthodoxy envisioned as part of the reform program. Firstly and most notably, IMF and WB concur in advising governments to privatize and deregulate economic activities while investing more in education – a ‘merit good’ that produces ‘human capital.’ Secondly, while it is true that investment in health is less pronounced, and social security expenditures are urged to be reformed; advocates of neoliberal reform also put a new emphasis on policies of social safety. With this new emphasis, social policy is decisively put outside economic policy, lest social concerns could disrupt the working of the market. At the same time, a new object of

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<sup>196</sup> The survey is “Kentsel Türkiye Araştırmaları,” conducted by Veri Araştırma. See “Hem Gelir Hem Eşitsizlik Artıyor,” NTVMSNBC website, February 21, 2005, <http://arsiv.ntvmsnbc.com/news/310587.asp>. It found out that the difference between the lowest and highest 5 % groups in the cities rose from 20,1 times to 23,9 times.

<sup>197</sup> Güven Bakirezer and Yücel Demirer “AK Parti’nin Sosyal Siyaseti,” *AKP Kitabı*, 167.

<sup>198</sup> In his examination of AKP’s budgetary policy, Akgüç demonstrates that social transfers’ share in total transfers increased as the share of interest payments decreased. See Akgüç, p. 20.

policy is created, anonymously called as ‘poverty’ and detached from class dynamics. Poverty is addressed through programs aimed at ‘poverty reduction’, usually on a project basis. A bit cynically, one can argue that this shift of emphasis from distribution to re-distribution betrays a growing recognition of the market’s inevitably non-egalitarian nature. Going a step further, it can also be argued that this, ironically, is also an approval of Marx’s warning that “it was in general a mistake to make a fuss about so-called distribution and put the principal stress on it.”<sup>199</sup>

The new stress on social policy can have interesting repercussions on populist politics. The fact that poverty reduction in the neoliberal sense is mostly a project-based task, done through the implementation of certain “programs” with narrowly defined short-term objectives and target groups, can become more than helpful for a populist concern in courting certain constituencies with disproportionately little resources. The visibility of the aid projects usually go beyond what they achieve in the long-term; and in the end what remains is a feeling that the aid arrived, that “they were there.” Neopopulist leaders found fertile ground in the field of social policy to generate some credibility to their image as the caretaker of the people. Social policy at least helped them to retain some support among the working classes and buttressed their multi-class coalitions, if it did not enable them to become working class heroes as Peron once was.

### Education, Health and Markets-formation

AKP’s social policy has been visible and popular indeed. First comes the new education policy. During AKP’s term, public expenditures for education as a share of GNP stood at a

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<sup>199</sup> This was Marx’s critique to the Lassallean party program of the German socialists. He knew that “[a]ny distribution whatever of the means of consumption is only a consequence of the distribution of the conditions of production themselves.” Marx, “Critique of the Gotha Program,” in Mc Lellan (ed.), pp. 615-616.

higher level than the previous period.<sup>200</sup> Buttressed by financial and technical support from WB, the government undertook the construction of a new series of computer labs in primary schools, built boarding schools in the countryside, rewrote the curriculum and reformed secondary education.<sup>201</sup> More crucially for lower income groups, the government significantly increased the amount of scholarships granted to university students, started to distribute schoolbooks for free and make “conditional cash transfers” to poor families to send their children, especially daughters, to school.<sup>202</sup> Let me give an idea about the coverage of these transfers: 2 million students saw their families receiving cash<sup>203</sup> while every single school child found her books ready on his desk.

Then comes the health policy. Real public expenditures in health showed a 17 % increase from 2002 to 2007 in fix prices, equaling to a skyrocketing 200 % dollar increase. This was mainly because of a rise in the expenditures for patients covered by SSK and Green Card, as they were enabled to get their medicine for free from free-standing pharmacies.<sup>204</sup> Furthermore, “an easier access to service must also have played a role in the increase:” A pre-registration (*sevki*) was no longer necessary to go to a public hospital, and every public hospital became open for the use of all those covered by the social security system or the Green Card, as the government got rid of the previous distinction between SSK hospitals and other public hospitals.<sup>205</sup> Public outpatient clinics (*sağlık ocakları*) also became open to

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<sup>200</sup> Compare Eğitim Reformu Girişimi, *Eğitim İzleme Raporu 2008*, (İstanbul: Sabancı Üniversitesi, 2009), p. 21; with Insel, p. 27.

<sup>201</sup> Eğitim Reformu Girişimi, *Eğitim İzleme Raporu 2007*, (İstanbul: Sabancı Üniversitesi, 2008); and *Eğitim İzleme Raporu 2008*.

<sup>202</sup> Also reminded by Bakırezer and Demirer, p. 168.

<sup>203</sup> TC Başbakanlık Sosyal Yardımlaşma ve Dayanışma Genel Müdürlüğü, *2008 Yılı Faaliyet Raporu*, (Ankara:, n.p., 2009) p. VI. The cash transfers were not made from the budget of the Ministry of National Education but from an extra-budgetary fund as covered below.

<sup>204</sup> Mehmet Altınok and Ali Rıza Üçer, “Sağlıkta Dönüşüm Sürecinde Sağlık Harcamaları” Tıp Kurumu, 2008, available at <http://www.tipkurumu.org/files/SagliktaDonusumSurecindeSaglikHarcamaları-son.doc>; also cited by Deniz Yıldırım, p. 94.

everybody for free, without a need for social security coverage. Arguably, these – what the Prime Minister Erdoğan calls – “practical solutions” make a disproportionately big effect in people’s perceptions about what they receive by the government, compared to their monetary costs. It is no wonder that the health policy was found to be the government’s most popular work by a survey.<sup>206</sup> The role of Green Card should be emphasized with regard to catering health service to the poor. Although the number has fluctuated throughout AKP’s term the Green Card now covers around a fifth of the country, more than half of which report that they will vote for AKP, as Yıldırım reminds.<sup>207</sup>

We have already put forward the point that these policies may buttress the hegemony of neoliberalism in the wider sense that, by catering to the needs of popular classes, solving some of their long-suffered problems and making other sacrifices more bearable; they help keep up the popularity of the political cadres undertaking neoliberal reforms. A more interesting point, however, is how these policies can also find their own place in the very process of marketization and commodification; and provide direct inputs to the process of capital accumulation. In order to observe this, it is necessary to notice that while public expenditures may be on the rise, the service is provided less and less by public agents themselves, and instead, contracted to or bought from private agents. Let us look at a few examples.

Handicapped children’s education received a significant attention during AKP’s term. In 2005, the government started to give financial help to every<sup>208</sup> single handicapped child to enroll in special education and rehabilitation centers, amounting in total to as high as TL 800 millions earmarked for the year of 2009. As a result, there has been a significant increase in

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<sup>205</sup> Bakirezer and Demirer, p. 168.

<sup>206</sup> “Oy Vereceğiniz Partiyi Belirlemede Hangisi Önemli?” also cited by Deniz Yıldırım, p. 96.

<sup>207</sup> A&G Araştırma, “Sağlık Araştırması”, January 2007, cited by Deniz Yıldırım, p. 96.

<sup>208</sup> Later in 2008, a minimum threshold of being handicapped 20 % was put as a condition to receive aid.

the number of handicapped children enrolled in education. This, nonetheless, occurred mostly through a multiple-folds increase in enrollment in private special education centers, as the financial aid also supported education in private institutions.<sup>209</sup> Hence, what government does to serve handicapped citizens and to receive their approval also commodifies special education service and pioneers market-formation in this field by transferring public resources to private actors.

In health policy such a double function was even more pronounced. With the Transformation in Health Program AKP turned public hospitals into autonomous business institutions that competed with private hospitals and university hospitals in a market where the Social Security Institution is the chief costumer buying health service. Quite expectedly, private hospitals gained the upper hand in competition and their share in Social Security health expenditures rose by 64 % during 2002-2007 while that of state hospitals fell by 33 %.<sup>210</sup> In other words, as health service was increasingly commodified, the market in health service grew and the number of private hospitals jumped from 269 to 365 during just 2005-2007.<sup>211</sup>

Altınok and Üçer argue that the increase in health expenditures were also an inevitable result of the Transformation in Health Program which prioritized curative health services over preventive ones – manifested in the real fall in the expenditures for ‘people’s health’ (*halk sağlığı*) provisions. This matters because curative services require much greater use of medicine and medical technology than preventive services. As a result, medicine consumption rose by 100 % (in Euros) between 2002 and 2007.<sup>212</sup> At first glance one might see this of little

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<sup>209</sup> Eğitim Reformu Girişimi, pp. 36-37.

<sup>210</sup> Onur Hamzaoglu and Cavit Işık Oğuz, “Sağlıkta AKP’li Dönemin Bilançosu Üzerine,” in Uzgel and Duru (ed.), p. 647.

<sup>211</sup> TC Sağlık Bakanlığı Tedavi Hizmetleri Genel Müdürlüğü, *Yataklı Tedavi Kurumlar İstatistik Yıllığı*, (Ankara: n.p., 2008), p 11.

<sup>212</sup> Altınok and Üçer.

concern, but something must be wrong if Turkey has become the country where medicine expenditures are highest in the world as a share of the national income. Medicine also happens to be a market heavily (70 %) dominated by foreign corporations, contributing billions of dollars to Turkey's foreign trade deficit.<sup>213</sup> In this sense, too, AKP's choices amounted to a populist solution for a neoliberal deal.

### Anti-Poverty Aid

Direct social transfers have been AKP's most controversial way to woo the lower classes. Immediately prior to each election, anti-poverty aid conducted in various forms in poor neighborhoods became the bread and butter of TV news broadcasts – including both approving and critical ones, and as such their effect of visibility reached every single household.

The increased presence of anti-poverty aid finds its meaning in the wider context of Turkey's "changing welfare regime."<sup>214</sup> The Turkish welfare state has never been inclusive. Studies show that whoever included are mostly middle classes – public servants and relatively well-off workers of the formal sector with regular full-time jobs, while the irregularly, informally and under-employed poor mostly remain outside active social security coverage.<sup>215</sup> In the past, closely knit ties between the poor immigrant neighborhoods in the cities and their mother-villages in the countryside enabled transfer of basic necessity goods and formed networks of solidarity, providing informal safety nets against absolute poverty in the absence

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<sup>213</sup> Ibid.

<sup>214</sup> Ayşe Buğra and Çağlar Keyder, "New Poverty and the Changing Welfare Regime of Turkey," (Ankara: United Nations Development Programme, 2003).

<sup>215</sup> See Ayşe Buğra Kavala and Çağlar Keyder, "Kent Nüfusunun En Yoksul Kesiminin İstihdam Yapısı ve Geçinme Yöntemleri," 2008, Boğaziçi Üniversitesi Sosyal Politika Forumu, February 2008, [http://www.spf.boun.edu.tr/docs/kent\\_yoksullugu\\_rapor.pdf](http://www.spf.boun.edu.tr/docs/kent_yoksullugu_rapor.pdf); and "Sosyal Yardımlaşma ve Dayanışmayı Teşvik Fonu (SYDTF) Kamuoyu Araştırması," 2004, available at TC Başbakanlık Sosyal Yardımlaşma ve Dayanışma Genel Müdürlüğü website, <http://www.sydgm.gov.tr/tr/html/184/Arastirma+Raporlari>.



of formal social security. More recently however, there are signs that such solidarity is no longer working as urban immigrants are arriving more by the push of the destitution (declining agricultural fortunes) and devastation (the military's clash with the Kurdish insurgents) in the countryside than the pull of an increasingly competitive urban job and land market. In this context, the urban poor is facing the challenge of meeting basic life necessities, including food.<sup>216</sup> Buğra and Keyder argued in the beginning of 2000s that a “charity brokerage” replaced former kinship ties; whereby certain non-profit organizations campaign and raise charity for the poor. They added the state's implication in this brokerage mechanism as well, and argued that the growing activity of the Fund for Promotion of Social Aid and Solidarity (*Sosyal Yardımlaşma ve Dayanışmayı Teşvik Fonu*, SYDTF) through the 90s stood for a shift of weight from social security to social aid.<sup>217</sup>

AKP period saw the consumation of the ascendancy of social aid, as the party excelled existing tools of interference into urban poverty and also invented new ones. All in all, its outlook to the question can be summarized as the “rise of the charitable state”<sup>218</sup> with “aid instead of right” assigned to the citizens, “charity instead of responsibility” justifying what is being given.<sup>219</sup> The party has posited itself in the middle of a network for charity brokerage, consisted of official and civil actors.

In the official realm, most striking is the use of SYDTF. While the fund had been previously administered by a secretariat under the Prime Ministry, the government founded in

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<sup>216</sup> See Oğuz Işık and M. Melih Pınarcıoğlu, *Nöbetleşe Yoksulluk: Sultanbeyli Örneği* (İstanbul: İletişim, 2001); Necmi Erdoğan, ed., *Yoksulluk Halleri: Türkiye’de Kent Yoksulluğunun Toplumsal Görünümleri* (İstanbul: Demokrasi Kitaplığı, 2002).

<sup>217</sup> Buğra and Keyder.

<sup>218</sup> Ahmet Haşim Köse and Serdal Bahçe, “‘Hayırsever’ Devletin Yükselişi: AKP Yönetiminde Gelir Dağılımı ve Yoksulluk,” in Uzgel and Duru (ed.).

<sup>219</sup> Aziz Çelik, “AKP'nin ‘Muhafazakar’ Sosyal Politikası: Hak Yerine Yardım, Yükümlülük Yerine Hayırseverlik,” *Birgün*, September 11, 2007; available at [http://www.birgun.net/research\\_index.php?category\\_code=1189350297&news\\_code=1189520750&year=2007&month=09&day=11](http://www.birgun.net/research_index.php?category_code=1189350297&news_code=1189520750&year=2007&month=09&day=11).

2004 a Directorate General with its own law to take care of it. SYDTF stands as the major extra-budgetary fund in use by the AKP government. Yılmaz and Yakut-Çakar notice that its position outside the central budget provides an important autonomy for the Fund Board (only limited by the Prime Minister's final approval)<sup>220</sup> while Çelik sees in this increased opportunities for clientelism.<sup>221</sup> One thing is certain: The fund's activities multiplied in AKP's term, reaching increasingly wide target groups. SYDTF is allocated in several ways. First there are transfers to the ministries of National Education and Health to finance social transfers in these fields, some of which we have already covered. Then comes the fund's main receiver – and the main reason of concern for clientelism: It is the 900-odd Social Aid and Solidarity Foundations (*Sosyal Yardımlaşma ve Dayanışma Vakıfları*, SYDV) that work in quasi autonomy from each other as well as the Directorate General. A fraction of the fund is allocated to SYDVs with defined objectives (providing education materials to students, coal to households, project supports for enterprising individuals etc) while the majority is handed over as regular periodic transfers and left for the discretion of SYDV boards so that “citizens [can apply according to their needs and] receive support swiftly without being entangled in bureaucratic procedures.”<sup>222</sup> If we sum up these figures together, we see that resources allocated by SYDTF to the SYDVs rose steadily from TL 400 millions in 2004 to TL 1,25 billions in 2008.<sup>223</sup> In 2008, this money provided food for 2,1 million families, fuel for 2,3 million families, education materials for an estimated 2 million students, and help to 28

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<sup>220</sup> Volkan Yılmaz and Burcu Yakut-Çakar, “Türkiye’de Merkezi Devlet Üzerinden Yürütülen Sosyal Yardımlar Üzerine Bilgi Notu,” Boğaziçi Üniversitesi Sosyal Politika Forumu, July 2008; available at [http://www.spf.boun.edu.tr/docs/calisma%20notu\\_SYDGM-11.08.08.pdf](http://www.spf.boun.edu.tr/docs/calisma%20notu_SYDGM-11.08.08.pdf).

<sup>221</sup> Çelik.

<sup>222</sup> TC Başbakanlık Sosyal Yardımlaşma ve Dayanışma Genel Müdürlüğü, p. 81.

<sup>223</sup> Ibid, p. 67.

thousand families for rebuilding their shelters, approximately.<sup>224</sup> Even if we assume that these target groups largely overlapped, it makes an audience of around 10 million people.

Table 7: Some Resources (in TL) Allocated to SYDVs

	Food	Coal <sup>225</sup>	Shelter maintenance	Health <sup>226</sup>	Periodic transfers	Education transfers <sup>227</sup>
2003	35.279.000				108.964.000	
2004	55.121.000				158.617.400	30.603.385
2005	89.983.752				194.052.000	51.234.024
2006	149.482.367		919.900		221.602.300	51.546.200
2007	140.000.000		2.503.950	101.349.064	295.112.100	70.359.701
2008	218.447.440	6.615.750	40.461.955	122.323.465	423.730.400	395.056.031

Source: SYDTF DG

AKP is proud of having mobilized this amount of resources for social aid, and it talks it as a sign of its commitment to the idea of “social state” as we will see in more detail later (see Table 6). However, the fact that the transfers (excluding those made to the ministries) are mostly working through sporadic one-time aids whereby the families receiving aid are in constant risk of losing it, makes the relationship more a charity than the fulfillment of a social right to welfare. “Project supports,” assigned for supporting projects that aim to create employment or teach trades, are dwarfed by the immense size of direct aid in kind. It is true that no alleged incidents of corruption about the fund have yet been heard, and it seems that the resources are really reaching the poor. However, this is also what enables the formation of an AKP clientelism among the poor, attended by a network of official actors. The timing, form and justification are most of time perfectly populist: Weeks before the 2009 local

<sup>224</sup> TC Başbakanlık Sosyal Yardımlaşma ve Dayanışma Genel Müdürlüğü website. “Aile Yardımları,” <http://www.sydgm.gov.tr/tr/html/236/Aile+Yardimlari/>.

<sup>225</sup> The figure only covers the costs for the transport of the coal, and not the cost of the coal itself.

<sup>226</sup> The figure excludes transfers made from SYDTF to the Ministry of Health.

<sup>227</sup> The figure excludes transfers made from SYDTF to the Ministry of National Education.

elections the pro-AKP governor of Tunceli saw that the local SYDV distributed hundreds of fridges in the province, practically breaching the ban on election favors.<sup>228</sup>

The second official source of aid has been municipalities. Municipalities run by AKP were engaged in extensive social aid, especially during election times. This also is a sequel to a precedence: “Social municipalities” (*sosyal belediyecilik*) that orchestrated charity brokerage in poor neighborhoods had become a signature feature of *Milli Görüş* in 1990s; helping it to grow out of its puritan ghetto and become a power in the national scale. If this phenomenon had emerged as another response to the increased need of poverty containment in the urban theatre, it nonetheless found its techno-legal basis in the reformation of local governance by Özal in mid-1980s. Özal had turned municipalities into autonomous entrepreneurial bodies with greater authority in urban governance; and increased the scope of their activities by enabling them to raise much greater funds by taxes or external borrowing. This meant that municipalities now provided more resources for the political cadre in office to actively intervene into the needs of the urban poor, while in the past intervention had taken the negative form of negotiating over whether or not providing service and permits to newly formed squatter neighborhoods, for instance.<sup>229</sup> Also, as the municipalities became more directly entangled in the restructuration of the urban space (and therefore of the livelihood of a greater number of people) with wide scale redevelopment projects; they arguably became more exposed to expectations of social provisioning. As a result, a greater part of the task of social provisioning is now delegated by the reformed welfare state to local administrations.

AKP government has reinforced the trend by taking Özal’s reform further. Even though it failed to pass the comprehensive Law for a Framework of Public Administration that envisioned greater decentralization of public administration, it nevertheless succeeded in

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<sup>228</sup> Also reminded by Özgür Avcuoğlu, “Belediyeler ve Sosyal Yardımlar Üzerine,” *Birikim* 241 (2009) p. 32.

<sup>229</sup> See Öncü.

passing a number of other laws that enabled more autonomy in local governance.<sup>230</sup> Also, it mobilized greater resources for municipalities: Yılmaz reports that the funds allocated from the central budget to local administrations increased from 1,3 % of GNP in 2002 to 2 % in 2008.<sup>231</sup> But these funds are not the only resources at the disposal of the municipalities. Çelik argues that most of the aid did not come from municipal budgets themselves but from donations received by private firms.<sup>232</sup> It would be no surprise that these firms are in all probability the ones that receive contracts from the municipalities. Indeed, the increased resort to the practice of outsourcing public services to private agents can potentially provide the municipalities with greater leverage in mobilizing private charity for their own social projects. Once again, where state power is reshuffled in the local scale to enable new forms of public-private partnerships; an urban populism merges with marketization and commodification. Also, insofar as the private donors involved share with the party a common religious-conservative discourse of Islamic charity, this new populism constructs the vision of a Muslim community as an organism, whereby the government forms the organizational nod of a web that links the capital and the popular classes.

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<sup>230</sup> Metropolitan Municipality Law (No. 5216), Provincial Special Administrations Law (No. 5302), Local Administration Unions Law (No. 5355), Municipalities Law (No. 5393). Candan and Kolluoğlu's summary of the effect of these laws provides a useful snapshot: "Municipality laws introduced in 2004 and 2005 ... made the already influential office of the mayor even more powerful. These new powers include: (1) broadening the physical space under the control and jurisdiction of the greater municipality; (2) increasing its power and authority in development (*imar*), control and coordination of district municipalities; (3) making it easier for greater municipalities to establish, and/or create partnerships and collaborate with private companies; (4) defining new responsibilities of the municipality in dealing with "natural disasters"; and (5) outlining the first legal framework for "urban transformation," by giving municipalities the authority to designate, plan and implement "urban transformation" areas and projects. Along with these administrative changes, another set of laws has been introduced, the constellation of which have enabled and legitimized the ongoing urban restructuring in the city. These laws include Law no. 5366 (Law for the Protection of Dilapidated Historical and Cultural Real Estate Through Protection by Renewal) passed in 2005, the 2010 European Cultural Capital Law approved in 2007,<sup>18</sup> and the pending law on Urban Transformation. All of these laws grant the municipalities the power to undertake major urban projects, overriding the existing checks, controls, and regulations in the legal system." Ayfer Bartu Candan and Biray Kolluoğlu, "Emerging Spaces of Neoliberalism: A Gated Town and a Public Housing Project in Istanbul," *New Perspectives on Turkey* 39 (2008): 5-46, pp.13-14.

<sup>231</sup> Research conducted by Hakan Yılmaz for TEPAV in 2009; cited by Avcuoğlu, 35.

<sup>232</sup> Çelik.

Research made on municipal aids has found mixed results with regard to transparency, uniformity and rule-boundedness of the practice.<sup>233</sup> There are allegations that there is discrimination along confessional lines and that party allegiance is a good indicator of one's chances to get aid. However, while there are so many needy to be taken care of, the striking fact may be how broadly the web of official aid has grown in coverage during AKP's term. As a share of all social aid received by households, SYDTF aid steadily rose from 16 % to 30 % and that of municipal aid from 9 % to 21 % between 2003 and 2008.<sup>234</sup> Aid underwritten by AKP as the government or as the party that runs the local municipality reached a greater number of people every year.

The organic link between the private and public partners in charity brokerage gives a reason why we must take note of the unofficial sources of social aid – which constitutes the third important channel. The activity of private volunteer charity brokerage has increased its visibility in AKP's term. It relates to our discussion about populism because most “charitable” private actors come from the ranks of *Milli Görüş* or religious communities, and not few have organic ties with AKP cadres. In this context, some of the NGOs (non-governmental organizations) involved in charity can actually take the form of GONGOs, (government-oriented non-governmental organizations) feeding the vision of an Islamic community with AKP at its center.<sup>235</sup> The elaborated treatment of this issue – how the hegemony of the idea of a reformed Islamic community is constructed within the civil society through non-governmental charity activism – would make another thesis. Here let me confine myself to point attention to the fact that unofficial social protection channels contribute to the government's own efforts at redressing the perils of the market forces it unleashed. Köse and

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<sup>233</sup> Compare Avcuoğlu with Ragıp Evren Aydoğan, “Deeper into Charity?: The Social Assistance Mechanisms in Turkey and the Case of Greater Municipality of Ankara,” (Unpublished paper, Boğaziçi University, 2009).

<sup>234</sup> TURKSTAT data reported in *Radikal*, April 21, 2009.

<sup>235</sup> If managed badly, this intricacy can also have adverse affects on government's popularity though, as demonstrated by the scandal involving the Deniz Feneri foundation.

Bahçe estimate that the proportion of households receiving aid from public or private donors rose from 35 % to 49 % from 2002 to 2006. They report that aid constituted more than 70 % of the household income for the unemployed and those outside the labor force in 2006. Following our earlier account of the transformation in agriculture, it is also of interest to note that it was in the countryside that aid made the proportionally biggest contribution on household incomes.<sup>236</sup>

What emerges from the account of all these channels of aid is that the overall effect of the aid mechanism was significant more horizontally than vertically. In other words, it prioritized outreach over a contribution in genuine poverty reduction. A large number of people are reached, saluted, and “taken care” of. However, the informal, ad-hoc nature of the exchange, its non-rule-boundedness, and its justification by a discourse of charity raises doubt about its redeeming effects beyond addressing emergency.

Writing about Islamic private charity brokerage, Buğra and Keyder observe that “The success of Lighthouse [Deniz Feneri] must be seen more in terms of its contribution to the beliefs in ‘the power of our social ties’ or ‘the stenght of Islamic cooperation,’ rather than in the significance of the parcels of food, clothes or fuel that arrive unexpectedly or health checks performed in village squares.”<sup>237</sup> Similarly, what AKP-underwritten aid is attempting to give may be more a sense that the government “was there,” siding with the poor. And with this I do not mean a solely instrumental logic. The genuine concern shared by AKP cadres as regards their social aid activities might be a desire to alleviate the feelings of social exclusion among the urban poor, to make them feel they are not abandoned by the society and its political organization. Ironically, it would be doubtful that the instrument could work if AKP cadres solely conceived it in instrumental terms. Based on his fieldwork in Buenos Aires, Auyero notes on the limits of the vote-buying capacity of clientelism as a mere exchange of

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<sup>236</sup> Köse and Bahçe, p. 505.

<sup>237</sup> Buğra and Keyder, pp. 35-36.

resources: “[The real action] is not in the boisterous – and often pathetic – distribution of food packages before a political rally or election, but in the abiding ties, in the enduring webs of relations that politicians establish with their ‘clients’ and in the - sometimes shared (although not cooperatively constructed) – array of cultural representations”.<sup>238</sup> It is in the construction of such a shared array of cultural representations that AKP has an exclusive charm and through these representations that material patronage gain positive meanings for its receivers. We will look at this issue in detail in Chapter IV, but first we have to delimit a last instrument of material patronage in AKP’s public housing policy.

### Public Housing and Urban Redevelopment<sup>239</sup>

Tafolar puts forward an “urban populism” operating through the urban residential market as the chief mechanism of patronage Özal resorted in order to appeal to a constituency in the cities. By enacting new *imar islah planları* that provided “amnesties” to squatter settlements built on public land and legalized their ownership, Özal paved way for a revalorization of urban rent at the disposal of squatter residents. Many of them used this opportunity to hand over these newly legalized assets to land developers and the revenues accrued compensated for income losses they might have experienced due to Özal’s neoliberal economic policies. Also, argues Tafolar, some of the more middle-class losers of the “Özal decade” received a compensation in the form of subsidized housing credits provided by the mass housing authority.<sup>240</sup> AKP period witnessed the emergence of a new urban populism, but policy

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<sup>238</sup> Javier Auyero, “From the Client’s Point(s) of View”: How Poor People Perceive and Evaluate Political Clientelism,” *Theory and Society* 28, no. 2 (1999):297-334, p. 327.

<sup>239</sup> I would like to thank Volkan Yılmaz for pointing my attention to the TOKİ issue and sharing his unpublished work. Volkan Yılmaz, “The Institutional Transformation of Housing Development Administration in early 2000s and Its Implications on Social Policy in Turkey,” (Unpublished paper, Boğaziçi University, 2008).

<sup>240</sup> Tafolar, pp. 96-115.



priorities have been somewhat reversed and both of these mechanisms are now left behind. This relates to mass housing authority's new role.

Özal had founded Mass Housing Fund as an extra-budgetary fund to provide cheap housing credits to individuals and cooperatives for the development of a formal housing market, and established an autonomous Mass Housing and Public Partnerships Administration managing the fund. In 5 years until 1989, credits were allocated from the fund for around 550 000 houses. However, after when the fund was included into the central budget in 1993, the Administration, which had been separated by the Partnerships by then and become Mass Housing Administration (as of 2009, *TC Başbakanlık Toplu Konut İdaresi*, TOKİ), was increasingly deprived of funds, and its performance in credit and house construction alike waned. When the fund was totally abolished in 2001, not much of a prospect was at sight for TOKİ.<sup>241</sup>

Erdoğan had a different idea about mass housing. During his metropolitan mayorship of Istanbul, he had experimented with KİPTAŞ, another project from the 1980s that he revived, in order to cater to the insatiable demand for cheap housing in Istanbul.<sup>242</sup> This commercial enterprise of Istanbul Metropolitan Municipality was relying on the techno-legal capacity of the municipality to provide land and the necessary permissions; and mobilizing private capital to produce houses for the lower-middle income groups. This kind of public-private partnership could provide the root cell of a mass housing policy recast in the national scale, and it did. After Erdoğan came to power, TOKİ was turned into the managerial apparatus of such a policy with a vigorous legislative reform, and the former manager of KİPTAŞ – coming from Erdoğan's family's hometown – was made its Director. With new laws, housing construction was reemphasized as the major objective of TOKİ, the Administration was made the chief authority in producing and developing land, and more

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<sup>241</sup> TOKİ, "Tarihçe," website, <http://www.toki.gov.tr/page.asp?id=2>.

<sup>242</sup> Ulus Atayurt, "TOKİ Hikayesi: Derenin Taşıyla Derenin Kuşunu Vurmak," *Express*, May 20, 2008.

strikingly, it was given the power to “make urban planning in all kinds,” as well as to confiscate *gecekondu* lands in need. Already in 2001, when the non-banking activities of Emlak Bankası were abolished, its assets related to housing (consisted of a land stock and shares in commercial real estate enterprises) had been transferred to TOKİ. AKP followed up by closing down the Urban Land Office, the chief authority in land development, and transferred its assets to TOKİ as well. Moreover, it became directly tied to the Prime Ministry, and enabled to receive lands belonging to the Treasury for free, with the Prime Minister’s approval, to develop housing projects.<sup>243</sup> It might be interesting to know, by the way, that 58 % of Turkey’s total land surface belongs to the Treasury.<sup>244</sup>

Equipped with all this authority and having an immense land stock at its disposal, TOKİ became a giant enterprise of ubiquitous activity. Now it is arguably the governmental activity that is most visibly present in the urban areas; no Turkish city dweller can fail to notice its name inscribed in a big construction project occurring somewhere near where he lives. Compared to 43 000 houses TOKİ had constructed from 1984 to 2003, 367 000 houses were built during 2003-2009.<sup>245</sup> Instead of giving credit to housing cooperatives, TOKİ now produces houses itself, supplying around 10 % of a highly fragmented market.<sup>246</sup>

What happens is basically this: On the lands obtained, TOKİ designs and contracts public residential projects to private constructors in order to provide a subsidized supply of “social housing” to middle and lower income groups. The houses built are sold without profits, and following a humble down payment, installments are spread over 8-20 year periods. The real interest on installments is practically zero, as it adjusts to the inflation rate.

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<sup>243</sup> TOKİ, “Tarihçe,” website, <http://www.toki.gov.tr/page.asp?id=2>.

<sup>244</sup> “Her 10 Taşınmazdan 1’i İşgal Altında,” AA, April 21, 2009, <http://www.tumgazeteler.com/?a=4978578>.

<sup>245</sup> TOKİ, “Faaliyet Özeti 2003-2009,” TOKİ website, <http://www.toki.gov.tr/ozet.asp>.

<sup>246</sup> According to the “2000-2010 Türkiye Konut İhtiyacı Araştırması” conducted by Housing Directorate, cited by İnşaat Mühendisleri Odası, “TOKİ Değerlendirme Raporu,” 2009, available at <http://e-imo.imo.org.tr/Portal/Web/new/uploads/file/portal/TOKI.doc>.

Even though TOKİ does not sell houses below their costs, the subsidizing effect that its payment scheme creates can be better understood when the skyrocketing rents in the free market taken into consideration. Confederation of Public Laborers' Unions reports that during 2002-2007 residential rents went up by 115 % and public servant wages by 59 %, the share of rent claimed in public servant's wage rising from 29 % to 39 %.<sup>247</sup>

AKP leadership boasts about having solved Turkey's long lasting urban housing problem by giving citizens a chance to legally own a house "as if they are paying rent" and eliminating the basis of future squatter development, while also keeping Turkey away from the kind of risk the unregulated mortgage market created in USA. The claim is obviously exaggerated and somewhat mistaken, but it might have a point. Analyses of Turkey's urban land market from 1960s onwards stressed the lack of governmental subsidies to finance and regulate the housing market as one cause of the illegal development of squatters. The inflationary economic environment had played a role in this by, first, creating a constant, uncontrollable and inelastic demand for urban land as it became the chief inflation-resistant form of saving for households, and second, making financial schemes of long-term liability unfeasible for fixed income citizens.<sup>248</sup> Now, having defeated chronic inflation, AKP government could offer a new deal. I argue that this relatively successful form of housing supply has functioned as a patronage for a certain lower-middle class constituency living in cities. TOKİ's survey<sup>249</sup> reveals their qualities: 32 % of those who bought the houses are public servants and 14 % are workers, while 23 % are housewives.<sup>250</sup> In 43 % of the families the main bread earner had an income of 750-1000 TL.<sup>251</sup>

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<sup>247</sup> Cited by İMECE, "İstanbul Kent Raporu," 2009, İMECE website, <http://www.toplumunsehicilikhareketi.org/images/stories/imece/IstanbulRaporu.pdf>, p. 11.

<sup>248</sup> Yönder, Öncü.

<sup>249</sup> "TOKİ'nin 'müşteri memnuniyeti' araştırması," NTVMSNBC website, August 7, 2007, <http://www.ntvmsnbc.com/news/416611.asp>.

In a country of families, where major social concerns revolve around the conservation of the integrity of the household, owning one's residence has deep psychological connotations; that is why the appeal of governmental patronage in this sphere cannot be exaggerated. Indeed, Erdoğan put TOKİ's activities at the forefront of his government's service record and he made an effort to symbolically open to use a recently completed TOKİ project wherever he visited. However, his claim in enabling "the urban poor" to use their right to housing is misleading about the target group of this patronage. As seen in the Table 8, while the major customer of TOKİ's subsidized projects was the lower-middle income group we depicted above, projects designated for low-income and poor households constituted only a fourth of the total housing stock.

No surprises that in 91 % of the families that bought houses from TOKİ, at least one person had a regular job. It is difficult to imagine how the designated poor group could pay a regular monthly payment without having a regular job – for we know that precarious employment is what distinguishes Green Card owners and those outside social security coverage from the rest.<sup>252</sup> Peynircioğlu and Üstünişik argue that low income groups will not be able to get access to social housing facilities without heavily subsidized projects<sup>253</sup> – houses sold for a price below, not equal to, their cost – and it is not what TOKİ does.

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<sup>250</sup> This is probably due to the fact that in many Turkish families in which the wife is not working, it is expected that the purchase is to be registered on behalf of the wife when a house is bought, as a sign of good intentions by the husband and a safety net for the wife.

<sup>251</sup> Director Bayraktar gives a conforming yet different statistics in his presentation: "Until today, among the mass houses provided by TOKY, 31% of the housing credits has been used by workers, 30% of the housing credits has been used by civil servants, 7% by retired, 13% by middle tradesmen and 19% by others." Erdoğan Bayraktar, "Planlı Kentleşme ve Konut Üretim Seferberliği 2003-2009," director's presentation at TOKİ's website, <http://www.toki.gov.tr/page.asp?ID=102>. The difference may be arising from the fact that Bayraktar here talks, a bit ambiguously, about housing credits, and not about buying the houses. He might be referring to the 56 000 housing credits that TOKİ allocated during his term, rather than the 367 000 houses that TOKİ had built itself.

<sup>252</sup> See Buğra Kavala and Keyder.

<sup>253</sup> Nevin, Peynircioğlu and Belma Üstünişik, *Kentsel Gelişmenin Yönlendirilmesi Açısından Belediyeler ve Konut Üretimi*, (Ankara: Devlet Planlama Teşkilatı Sosyal Planlama Genel Müdürlüğü, 1994), p. 74. Cited by Volkan Yılmaz.

Table 8: TOKİ Housing Projects as of July 2009

Purposes	Type of project	Number of houses	Size (m <sup>2</sup> )	Down payment	Spread of installments	Major preconditions for eligibility
Social Housing	Lower-middle income group	171.715	75-130	10-25 % of total	8-10 years	Varies in each project
	Low income group	90.920	75-85	c. 4000 TL	15 years	Max. 1600 TL household income
	The poor		55-65	none	20 years	Max. 900 TL household income, Green Card owner and/or not enrolled in social security
	Gecekondu transformation	39.092				
	Agro-village projects	3.472				
	Disaster relief	9.212				
Profit-oriented	"Prestige" residences	52.944				
Total		367.355				

Source: TOKİ

Actually, TOKİ's activities can serve for the spatial segregation and social exclusion of the urban poor further. Recall that the Administration was given the responsibility to take care of the *gecekondu*s, and the authority to make all kinds of planning on urban development and renewal. In metropolitan areas, especially in Istanbul, TOKİ has delimited a certain problem of *gecekondu*s as the object of its policy with regard to a vision of "planned, healthy, modern urban development." Decisive to remove the "illegal occupiers" from the valuable, central areas of the city, the Administration aggressively set out for urban renewal projects in squatter areas. Nobody wants the squatter people to continue living in *gecekondu*s – poorly maintained, barely legal and, most of the time, ugly as they are. The problem is that the residents are not rehabilitated in their redeveloped neighborhood but relocated in mass housing projects – legal, though not well-maintained and most of the time equally ugly – built

in the suburban outskirts many kilometers away. The official rationale is to exploit the land they evacuate for better public use, “since,” as TOKİ declares, “those squatter areas are often very valuable in terms of urban rent.”<sup>254</sup> Too valuable to leave to the *gecekondu* dwellers.

What is meant by public use is still the more controversial. Let me explain. The reader might have noticed that I have not mentioned any funds assigned to TOKİ after the abolishment of the old one in 2001. Instead, TOKİ was given the opportunity to engage in commercial partnerships that would undertake profit-oriented enterprises, in order to finance its subsidized social housing projects. Hence, as a partner in several enterprises, TOKİ contracts the construction of luxurious “prestige residences” for the upper classes. Urban renewal projects become instrumental in this regard, as they clear chunks of central urban space off from social polluters like *gecekondu* dwellers, revalorize the land they harbor and reproduce them as sites for new real estate development. It is in these sites TOKİ is undertaking its profitable enterprises. It is no coincidence, then, that it is entrusted with vast authorities in squatter redevelopment, urban planning and public housing all alike. Without having to consult anybody, TOKİ is more or less free to remove the squatter settlements according to its own vision, relocate them in where it plans, and cater the land they leave behind to a new gentrified community as it deems fit.

Going a bit into detail about the mechanics of this reveals further observations about the class dynamic involved. The prestige residences are built by private construction firms, which receive contracts from TOKİ and share with it a certain proportion of the profit accruing from the sales. To quote from TOKİ’s own account (which may not be the wisest thing to do aesthetically, because the first thing that should be changed about TOKİ is the translation service it employs for the English version of its website): “As land is provided by TOKİ at the beginning of the investment period ... the investor ... firm has the advantage of

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<sup>254</sup> TOKİ, “Renovation Of Squatter Areas,” TOKİ website, <http://www.toki.gov.tr/english/2.asp>.

providing the land procurement procedure in the shortest term with the possible least cost. As the project is realized on a public owned land, the legal permission procedure is realized not having any delay. As these projects are realized and promoted under TOKİ's public guarantee, they have high marketing and sales capabilities.”<sup>255</sup> Hence, all the extraordinary techno-legal capabilities of TOKİ are ready for you if you have intentions to invest. At this point I should emphasize what is extraordinary with these capabilities. Despite being a public body, TOKİ's contracts are exempt from certain liabilities for public contracts and outside of the regular auditing scheme. Furthermore, TOKİ's plans of construction, even if they conflict with the residential plans in use, have to be approved by the municipalities they address.<sup>256</sup> Practically, investors who intend to work with TOKİ are assured that the projects they undertake in controversial, high-stake parts of the city are not going to be stopped by any public authority with planning, environmental, social concerns. Lastly, TOKİ has something else to tell you about the advantages of becoming a partner: “In this kind of projects, the land is generally evaluated by TOKİ less than its actual market value. So, as a result of this hidden subvention [i. e. subsidy], the selling prices of the houses are in general lower than the houses sold by other developers[,] creating a somewhat unfair competition.”<sup>257</sup> In other words, TOKİ is openly subsidizing private capital for upper class's consumption of valuable metropolitan urban land.

The impressive visibility of prestige projects led critiques to argue that TOKİ has moved away from its chief aim of producing social houses, and instead became a profit-oriented actor in the real estate market. Table 8 leads me to think that the critique is far-fetched, since social housing has not lost its predominance in TOKİ's portfolio. The trick is:

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<sup>255</sup> TOKİ, “Revenue Sharing Model,” TOKİ website, <http://www.toki.gov.tr/english/3.asp>.

<sup>256</sup> See Harun Gürek, *AKP'nin Müteahhitleri*, (İstanbul: Güncel, 2008); Mimarlar Odası, “TOKİ Raporu,” Mimarlar Odası website, <http://www.mo.org.tr/belgedocs/toki-rapor-2.pdf>.

<sup>257</sup> *Ibid.* The explanation is concluded by the following remark: “But, the fact that the project is awarded to developers and contractors by an open tender compensates this disadvantage to a certain extent.”

TOKİ uses Istanbul exclusively as a site to reproduce the capital it needs for social projects it builds elsewhere. Hence, there are no profit-oriented projects in, say, Konya, Giresun, Sivas or Erzurum, as against more than a half of all TOKİ activity in Istanbul.<sup>258</sup> Now more than ever, *İstanbul'un taşı toprağı altın* (“the stone and soil in Istanbul are made of gold”) for Anatolians, not for their enjoyment as spaces of inhabitation and livelihood, but as a commodified material for the production of an increasingly segregated residential pattern that aims to keep them in their own cities. Let me suggest in passing what deserves a major study on its own right: The ambitious plans about polishing Istanbul as a “world city” and revalorizing its assets must be finding part of its justification in the political economy of this complex of public patronage – private investment.

Now let us summarize our findings in a simplified scheme. Relying on the seemingly endless pool of public wealth crystallized in the land at its disposal, TOKİ posits itself in the following constellation of class interests. The upper class is offered a variety of luxury residences located in a ring surrounding a more gentrified Istanbul. In an outer ring, mostly in other cities, the lower-middle classes are offered cheap housing with a payment scheme that could not be otherwise available. In the lowest end of the social ladder, the former squatter residents are being pushed away to a third ring in the outskirts of the city. Furthermore, the journey may not stop here for the last group. As Candan and Kolluoğlu demonstrates in the context of İstanbul's Bezirganbahçe; where they are relocated the poor no longer benefit from the informal economic networks that used to earn them a living in the city, they lack social facilities and cultural outlets; and they may suffer ethnic conflict.<sup>259</sup> All of these tensions, combined with difficulty in paying the installments, may culminate in forcing them to leave

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<sup>258</sup> TOKİ's works in each province can be tracked through TOKİ's website, “Tamamlanan ve Devam Eden Uygulamalar” section under the “Uygulamalar” header <http://www.toki.gov.tr/programlar/uygulamatakip/ilharita.asp>.

<sup>259</sup> Candan and Kolluoğlu.



the mass housing complex and build new *gecekondu*s still further away, or leave Istanbul altogether.<sup>260</sup>

To have an idea about what TOKİ meant for Turkish economy as an aggregate unit we have to zoom out from the inter-class perspective a bit. Such a look simply reveals that TOKİ has been an important governmental instrument to generate economic growth by fuelling the construction sector. During AKP's term TOKİ's projects have cost \$ 30 billions. Consider the fact that the proportion of revenue shares TOKİ demanded from private constructors for its profit-oriented enterprises were low in 2003 when the economy and the construction market was yet stagnating, whereas its shares increased in the booming year of 2005;<sup>261</sup> and you will get a picture of how it can stimulate the market in need. Recalling that construction was the biggest motor of growth (together with import services) may also be of interest. Tafolar commented on the neoliberal side to Özal's urban populism by telling that "none of [his popular] policies increased the wage costs and thus waged a threat for the capital". Similarly, TOKİ has nothing to do with wages or state budget, not at all. But in this context, the more crucial point to see may be how such populism can at the same time facilitate the reproduction of capital further by using the interface of state power, let alone waging a threat to capital.

This brings me to the other side of TOKİ's role for the economy, which requires us to zoom closer into the dynamic of state patronage and see the intra-class conflict that accompanies the inter-class contradictions depicted above. Director Albayrak complains that the biggest problem in the construction sector is the excess abundance of constructors – "mostly devoid of professional formation" – competing in the market.<sup>262</sup> Whether or not he has the objective of decreasing their numbers, there are signs that TOKİ's working style is

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<sup>260</sup> İMECE reports that among the 300 households that were relocated in Taşoluk, Istanbul after they were removed from Sulukule (where the luxurious Osmanlı Konakları is built in their stead), only 27 stayed there. See İMECE.

<sup>261</sup> TOKİ, *Toplu Konut Uygulamaları Özeti*, (Ankara: TOKİ, 2006), 71.

<sup>262</sup> Bayraktar.

doing this by eliminating small constructors. Equipped with all those extraordinary capabilities yet producing profitable houses for the market, it sets an unfair competition for those who are not becoming its contractors. Its giant presence in the sector puts a pressure on the availability of credit going to other firms.<sup>263</sup> As against such a group of losers, there is an increasingly reinforced AKP clientele emerging in the sector, composed of a number of big firms, mostly members of business associations alleged to the ‘Islamic capital.’ Istanbul Chamber of Architects finds that among the 400 companies that were granted contracts, less than a tenth alone have received close to a half of TOKİ’s total investment expenditure at the time, which made a \$ 7,9 billion.<sup>264</sup> Especially with regard to profit-oriented projects in more valuable parts of big cities, there is suggestive evidence that these firms are getting extremely favorable contracts that allow them to undertake high-revenue projects by handing over to TOKİ a disproportionately little share of the profit.<sup>265</sup>

Students of neoliberal restructuring of urban space emphasized that “states discursively constitute, code, and order the meaning of place through policies and practices that are often advantageous to capital”<sup>266</sup> and that “states have produced their own set of directives, most aimed at absorbing the risks and costs of land development so capitalists do not have to do so,”<sup>267</sup> to the effect that the “city plays a critical role in the circulation of capital as a short-term holding tank for devalued properties”.<sup>268</sup> It is remarkable how AKP summoned all these functions in a hybrid public body like TOKİ by assigning it the

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<sup>263</sup> Found in a study on Turkish construction sector by S Bilişim Danışmanlık Şirketi, as cited by Meliha Okur, “IMF Heyeti Niye TOKİ’ye Gitti,” *Sabah*, December 1, 2008.

<sup>264</sup> İnşaat Mühendisleri Odası.

<sup>265</sup> Harun Gürek. Gürek hints that this practice can amount to plain corruption in certain cases.

<sup>266</sup> Rachel Weber, “Extracting Value from the City,” spaces of Neoliberalism: Urban Restructuring in North America and Western Europe, ed. Neil Brenner and Nik Theodore, (n.p., Blackwell, 2002), p.177; paraphrasing the argument from R. Beauregard, *Voices of Decline*, (Cambridge, Ma.: Blackwell, 1993).

<sup>267</sup> Weber, p. 173.

<sup>268</sup> *Ibid*, p. 189.

authorities of urban planning, land development and public housing all alike. Putting it above rival institutional and legal domains of intervention, AKP turned TOKİ into a discrete tool for direct policymaking at the service of the reproduction of capital through urban restructuring. However, all this ‘success story’ does not mean that TOKİ’s activities necessarily provided the best suited, most ‘rational’ tools for the needs of the capital. Capital, like states, is reproduced by social agents whose schemes, visions, forecasts are so frequently upset in humiliating ways by events to come. Despite its seeming success, the sustainability of TOKİ’s mode of operation is in no ways guaranteed. Since it relies primarily on downpayments from undertaken projects for the financing of its prospective projects, it is obliged to go on selling houses to meet its constant need of raising new funds. In this way it has turned into something like a bicycle that would fall as soon as ceases to move – as once said about the EU. Unless TOKİ continues to sell houses and collect downpayments it will not be able to pay its contracting constructors’ checks, possibly starting a chain of bankruptcies that could ruin the construction sector. Indeed, as against a group of firms prospering on TOKİ’s giant contracts, there is already a number of other contractors who have had a hard time in getting their payments from TOKİ and ended up in bankruptcy as a result. Yet we are not in a position to know if these cases are negligible or it might be a sign of an imminent end to TOKİ’s golden age, since – due to the bizarre legal ambiguities that prevent a proper reporting, let alone auditing, of TOKİ’s activities – “there is not enough information about TOKİ’s fiscal situation,” as a Central Bank inspector wrote.<sup>269</sup>

Still, for the time being TOKİ manages to continue its operations more or less as designated to the effect that it has become an instrument to cater for the needs of a multi-class constituency without putting any pressure on the government’s budgetary priorities. The populist trick is in the way the price being made paid in not easily discernable ways

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<sup>269</sup> See “TOKİ: Pandora’nın Kutusu,” *Fortune Turkey*, March 2009.

(liquidization of common wealth deposited in public land and emergence of disharmonized, asocial living spaces) or by not easily identifiable societal segments (future generations and socially excluded squatter-dwellers) so that the basis of social opposition would be weak. Equally interesting from the standpoint of our argument is the selling of this policy as the chief indicator of that AKP espouses the ideals of a “social state,” and as an evidence that it is the market reform, in the end, that serves the ideals of the social state better. We will see this in the following chapter.

## CHAPTER IV

### AKP'S POPULIST DISCOURSE: TALKING THE PEOPLE INTO A NEW EQUILIBRIUM

In this chapter, I finally arrive at the map of meanings in which the party's policies are discursively located by its leadership. I begin by elaborating on my theoretical assumptions with regard to the role of the populist discourse in a neoliberal project. In this, I stress the constructive rather than the instrumental role of ideological framing in suggesting meanings of 'what is really happening.' Then I introduce the leader of the party Erdoğan in more detail, since the drama that surrounded his individual story was what gave AKP's ideological narrative a plot and a ready audience even before the party was officially founded. I try to depict how he emerged as a 'man of the people.' I briefly sketch the shared qualities of AKP voters since they constitute the audience that shaped the narrative with their expectations. Lastly, I undertake an examination of the discourse as it was manifested in the party documents and speeches by the leadership. I argue that AKP constructed a well-structured and coherent (though not necessarily realistic) interpretation of what Turkey can achieve with a neoliberal agenda, and with this, it not only responded to expectations of welfare among its constituency but further guided them into a new horizon more decisively defined by the parameters of market capitalism.

#### A Note on Theory as Prologue

In a study that examines Carlos Menem's discourse as the president of Argentina, Armony tries to understand what kind of ideological narrative new populism is producing. His approach is theoretically illuminative and his empirical findings on Menem displays parallels

to what I observe in AKP. For these reasons, let me devote some special attention to his suggestions. Armony warns against two extremes of a reductionist approach in the study of neoliberal populism. On one extreme there is the thesis that people are blinded by ideology, and they vote for images, symbols, and illusions. Such an essentialist explanation holds that the masses vote for Fujimori, Salinas or Menem because they are spontaneously or naturally predisposed – because of a deeply entrenched political culture – to be seduced by the populist style, to the point of being duped and manipulated into accepting the ‘anti-popular’ neoliberal reforms.<sup>270</sup> On the other extreme, there is the idea that, simply put, people do not care about ideology, they vote for results. Finding both extremes limited in explanatory capacity, Armony tries to evade the reductionism: “Those who support the populist leader are not just passive and gullible individuals, fooled by empty rhetoric and calculatedly vague promises. We must assume that they have good reasons to make their choice”<sup>271</sup> and while “[p]eople have good reasons to act in one way or another, ... those reasons have to be culturally and subjectively meaningful to them”.<sup>272</sup>

Setting out with such a presumption, Armony expects any political leadership to provide a normative representation of the social order, which, “by idealizing, demonizing, selectively remembering and forgetting things and events, ... constitutes an ideological narrative;”<sup>273</sup> and this narrative to be an informative source for people’s evaluations of interests, choices, and results.

What kind of country *do* we have? What kind of country *can* we have? What kind of country *should* we have? While required to produce short-term results, populist leaders also have to address these far-reaching questions in order to gain and uphold popular support (particularly when the short-term results do not seem to benefit the

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<sup>270</sup> Armony, p. 66.

<sup>271</sup> Ibid, p. 63.

<sup>272</sup> Ibid, p. 67.

<sup>273</sup> Ibid, p. 68.

'ordinary' people). They have to put forward a plausible (though not necessarily realistic) project for the country's 'take-off.'<sup>274</sup>

Relying on the numerical analysis of a computerized database, he finds out that

... Menem delivers a coherent discourse which is not just a repetition of old Peronist clichés, neither an account that is completely disconnected from reality. He actually speaks of the market as a key aspect of social life, he salutes globalization as an opportunity for economic development, and he articulates his reform project in terms of the national myth of 'Great Argentina'. In brief, Menem is not just a populist leader who distracts the masses with emotional rhetoric so as they do not 'see' the full extent and consequences of his neoliberal economic policies. He actually calls attention to these policies (in broad and enthusiastic terms), by explaining that they are exactly what the country needs to 'stand up', 'take off', and 'meet its destiny'.<sup>275</sup>

Armony concludes that Menem successfully produced and conveyed a somewhat coherent and convincing discourse that addresses conceptions and beliefs deeply rooted in the collective mind; and managed to form an ideological link between them and his neoliberal economic proposals.

These observations are highly relevant to the case of AKP. AKP surprised observers by consistently receiving votes from the lower income groups of the society while implementing neoliberal reforms with unprecedented decisiveness. Reminiscent of Armony's complain, two kinds of critical reaction follows the surprise: One dismisses the voters' decision as misinformed, ideologically manipulated or arising out of emotional attraction. It takes them as devoid of class consciousness, and mostly driven by religious sentiments. In short, and put simply, it treats the vote as irrational from an economic perspective. On the other hand, there is the market triumphalism that takes the vote as a natural outcome of the policies implemented; relying on a belief that market reforms increase general welfare and this is what the people, including lower classes, care at the end of the day. Both approaches fail to provide an account of the social and interactive process of the construction of people's interests and their consciousness about what an economy should work like. People's horizon

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<sup>274</sup> Ibid, p. 63.

<sup>275</sup> Ibid, p. 75.

of expectations is not a constant to be measured against a party's policies, it is a contested variable under constant re-making, and it is important to see how a party suggests shaping its making. As we saw, AKP's economic policies can not be easily ruled out as good or bad for the lower classes: Setting a crisis-ridden economy back to work and mobilizing important material resources AKP era has resulted in a 'creative destruction' in remarkable scale, opening new fields of accumulation. The point is: Whether an individual sees in this process increased opportunities of upward mobility or increased risk, is a matter of ideational formation, at least to some extent. Politics is about rationalizing decisions, or crafting rationalities in Foucauldian terms. Instead of dismissing individual's decisions as irrational, or seeing them as natural responses to the workings of an external reality, one should be able to see what kind of discursive construction is at work in crafting rationalities that shape individual's imaginations and inform their decisions.

In this chapter I look at AKP leadership's discourse to understand the rationality it suggests with regard to neoliberal economic ideas. This time I find it useful to sum up the chapter's findings before starting: Just like Menem; Erdoğan and his comrades put forward a more or less coherent ideational narrative that embraces market economy and enmeshes it into the wider idea of a free society, for which it forms a model of organization. Hence, let alone disguising the party's economic preferences under other banners, they positively put forward neoliberal solutions as a panacea for Turkey's problems; positing the free market in the middle of several political questions: They equate democracy to popular will, translate popular will to individual choice and welfare, link them to efficiency in service delivery, and locate them, in turn, in free markets. They do so by isolating the *bureaucracy* in an imagined distance (cultural, practical, ideational) to the people and their will; and framing it as an anachronistic, inefficient, incompetent political body that has to be got rid of. Hence even if the effect of the ideational formation AKP suggests can be instrumental for a certain outcome,



the logic of the process itself is constructive rather than instrumental: AKP does not cheat into neoliberalism, it *preaches* neoliberalism – in its populist way.

Ironically, while political analysts continue to argue about AKP's chameleonic identity, the party seems to have a consistent and clear idea about its position at least with regard to the economy, may be more than all the other major parties in Turkish politics. In a context where most parties concur in accepting a certain neoliberal formula as the economic orthodoxy, but fail to articulate a coherent or credible position with regard to the degree of their acceptance; AKP may outline as the boldest one.<sup>276</sup> Indeed, it is not about the uniqueness or originality of its economic program that AKP is having a claim, but the *determination*, *competence* and *efficiency* in implementing a more or less shared program. This bold and firm position, and the grace with which it is articulated, may be what attracts most voters to the party: *While other leaders are not clear about what they are proposing, they give the impression that they would not be able to successfully implement whatever they are proposing. And even if what Erdoğan offers may not be agreeable to the fullest extent; he sounds clear in what he wants to do, and he gives the impression that he is able to do it. And at the end of the day, he knows the people's needs better.* While my study does not enable me to comment how exactly this view fares among the electorate, I can say that this is at least how the party puts its discourse.

### The Setting and the Protagonist

Tayyip Erdoğan commands a special relationship with his party's electorate. Surveys showed that even before the party was founded and a program was declared, close to a third of the public was ready to vote for a party that Erdoğan would found. After he spent 5 years as the

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<sup>276</sup> It can be argued that the success of AKP played a part in pulling other parties closer to the orbit of market economy. One can observe such an influence when compared CHP's 1991 and 2008 programs, for instance.

leader of the party, surveys continued to find that AKP voters prioritize the credibility of the leader as a reason to vote for their party much more than CHP or MHP voters do.<sup>277</sup> There is ample reason to think that he is the major individual driving force behind AKP's electoral success and his story is what provides the party's ideological narrative with a dramatic plot. So, let us start with this drama.<sup>278</sup>

Like many populist leaders, Tayyip Erdoğan's rise to Turkey's Prime Ministry was that of an outsider. But it was in no ways meteoric. Outlining as a selected leader within the *Milli Görüş* community of Beyoğlu, İstanbul at a very young age; he had political aspirations for more than two decades already, and pursued a long walk frustrated by early failures. In 1976, at the age of 22, he was the chairman of Istanbul Youth Branch of MSP. 1980 coup put a break to his career by closing down the party. In the meanwhile he pursued private business. In 1984, he became the chairman for the Beyoğlu district organization of RP – the recently established sequel to MSP. In 1985 he was the chairman for İstanbul provincial organization and a member of the party's central decision committee. In 1986, at the age of 32, he ran as a deputy candidate from RP in the by-election and failed. The following year he repeated his candidacy in the general election but crushed to the electoral threshold that prevented his party to enter the parliament. Afterwards, rather than striving for a seat in Ankara, in what appears as a fruitful decision in retrospect he chose to focus on his city, İstanbul, as the theater of his political aspirations. However, he failed to become the Mayor of İstanbul in 1989 with a narrow margin. 1991 general elections saw him once again as a candidate for the parliament, this time he was declared to have lost as a result of a recalculation of votes even if he had been considered victorious at the first instance.

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<sup>277</sup> "Seçmenin İlgisi ve Bilgi Düzeyi Araştırması," NTV, [http://arsiv.ntvmsnbc.com/ntv/metinler/yakin\\_plan/agustos\\_2007/13.asp](http://arsiv.ntvmsnbc.com/ntv/metinler/yakin_plan/agustos_2007/13.asp); A&G Araştırma.

<sup>278</sup> Erdoğan's biography is reconstructed from Gür; Bilal Çetin, *Türk siyasetinde bir Kasımpaşalı Tayyip Erdoğan*, (İstanbul: Gündem, 2003); Abdullah Muradoğlu, "Hapisten Başbakanlığa," *Yeni Şafak*, March 12, 2003; and "Özgeçmiş" Recep Tayyip Erdoğan personal website, [http://rte.gen.tr/recep-tayyip-erdogan-ozgecmis\\_313.html](http://rte.gen.tr/recep-tayyip-erdogan-ozgecmis_313.html).

The year 1994 marked the turning point of Erdoğan's political career. He succeeded in becoming the mayor for Istanbul. Erdoğan's position as the caretaker of the country's primate city came to the forefront of national politics: What he would do to Istanbul could give an idea about what Turkey under Islamist guidance might look like, since his party was also increasing its strength steadily at the time and seemed at the brink of a break through. Such a position could provide Erdoğan with a story, make him the protagonist of a narrative – rather than just another politician. He exploited the opportunity well enough to build a certain charisma. Just like Brazil's early populist P. Ernesto Baptista,<sup>279</sup> he made good use of the office of mayorship to make a reputation as a competent and enterprising politician with an immediate familiarity of people's everyday problems. Compared to his social democratic predecessor, whose term had come to be symbolized with garbage heaps, water shortage, nepotism and a big corruption scandal; his term meant efficient service delivery in the eyes of many. Equally important however, was how Erdoğan's persona developed during this period. Erdoğan was not only an Islamist, frightening enough for his secularist adversaries, but also a neophyte from a humble background with doubtful credibility for having a claim in country's (or its biggest city's) future vision, unlike, for instance, professor Erbakan. Against such criticisms, he did not show appeasement or simply defensive justification; but instead emphasized his past and started to construct a narrative around the ideas of exclusion and disdain; which would later become the defining thread of AKP's ideological discourse.

- How does the Mayor bear all the wrath he faces, can he sleep comfortably at night?  
- Some nights I cry. Aren't we also people of this country? I was born and raised in Istanbul. My parents had come from Rize and settled down here. I don't have any other goals than seeing my country in a better position at the contest for civilization ... Let everybody live as he thinks and believes it fit.<sup>280</sup>

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<sup>279</sup> Conniff, "Brazil's Populist Republic and Beyond," in Conniff (ed.).

<sup>280</sup> Interview with Recep Tayyip Erdoğan quoted in Ahmet Taşgetiren, "Boğulma Hissi," *Zaman*, January 18, 1995.

Such a narrative enabled Erdoğan to go beyond the narrow confines of his own Islamist ideology and to resonate with a wider claim to social recognition existent in the collective consciousness of the masses, even before he deliberately shifted to a discourse with an explicitly catch-all logic.

Hence, RP's exclusive puritanism materialized in his persona as a political project of recognition and problem-solving. His performance contributed to RP's success in the national election of December 1995. When the future of the party was obscured in 1997 by the 28 February military ultimatum that overthrew the government, he was widely considered among the party organization as the next leader of the movement after a possible resignation of Erbakan.<sup>281</sup> At that time he was already fashioning himself as a leader in the national scale, visiting remote parts of the country with private jets.<sup>282</sup> However, the leadership cadre did not agree. They considered his rise as premature and his charm unsupported by a sound knowledge of politics.<sup>283</sup> Yet, what prevented him from going further was not his own party but a court decision that banned him from politics. In 1998, due to a poem he had recited some time before, he was accused of inciting animosity and hatred among the public; and sentenced to prison for 10 months. Holding a press conference, Erdoğan met the decision with anger and protest, called it an act of oppression (*zulüm*), drew parallels between Menderes' fate and his own. His remarks were being amplified by the cry of a 5 000 strong chorus gathered outside; shouting "Ankara, hear our voice, hear Tayyip's footsteps"<sup>284</sup> – in a manner reminiscent of thousands of *sin camisettas* crying in 1945 for Peron's discharge from military custody and starting his legend. Another big demonstration followed the day Erdoğan's sentence was approved by the higher court. For Erdoğan the decision was utterly unjust: "If I

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<sup>281</sup> *Milliyet*, February 22, 1998.

<sup>282</sup> *Milliyet*, May 22, 1998.

<sup>283</sup> Çetin, p. 19-20.

<sup>284</sup> *Milliyet*, April 23, 1998.

had recited a car plate number instead of a poem they would still find something to punish me for,” he said.

I am always telling with pride, about where I was born; which kind of school life I had. They couldn't take that somebody raised in Kasımpaşa, graduated from *imam hatip*, to be a Mayor. But, no matter if I am the son of a sea captain or a baker, I will never desist serving my nation [*millet*]. Nobody will be able to finish my political career. I am just giving a break. This song will not end here.<sup>285</sup>

Erdoğan's break only served to regenerate his political career by turning him into the epitomic victim of unjust exclusion. His popularity grew further, it is reported that 450 people visited him in one day during the Ramazan feast. During his time in prison, he talked of himself as the underdog: oppressed yet not downtrodden, frustrated yet not defeated, getting prepared for his resurrection – without forgetting to add that he was reading Tolstoy's *Resurrection*.<sup>286</sup> He would later refer to his punishment to draw a line between legality and justice; and put forward the “court of hearts (*mahşer-i vicdan*) of the people” as the ultimate reference for deciding on justice.<sup>287</sup> This emphasis on a sense of ‘justice transcending laws’ was going to become a main thread in AKP's discourse, and give it half of its name, too.

Erdoğan's punishment for reciting a poem romanticized his image and denied publicity to claims of corruption alleged to him at the time. Also, arguably, it safely harbored him during the murky time *Milli Görüş* movement was going through; preventing him from getting directly involved with the question of leadership within the newly founded FP and clashing with the old guard leaders of the movement. However, the latter did not hide their aloofness to Erdoğan's aspirations, they displayed a low profile against the decision that punished him, and never visited him in prison. They had already been disagreeing him in his suggestions for whom to appoint to certain posts in the party organization in Istanbul, which Erdoğan saw as his fortress.

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<sup>285</sup> Recep Tayyip Erdoğan, “Plaka Okusam da Suçlanırdım,” interview by Arife Avcu, *Milliyet*, October 9, 1998.

<sup>286</sup> *Milliyet*, March 30, 1999.

<sup>287</sup> Recep Tayyip Erdoğan, “Erdoğan Anlatıyor,” interview by Göksel Özköylü, *Radikal*, November 18, 2002.

Erdoğan's alienation from the party leadership coincided with the wider disagreement within Milli Görüş over the kind of reorientation to the post-28 February political environment. The details of the course of events that led to an ultimate breakaway are well known to the Turkish reader, and the dynamics behind it has been already studied, as we covered in the first chapter. To summarize, I can prioritize four factors to explain the new ideological orientation that emerged out of this break: First, it should be admitted that the military ultimatum of 28 February 1997 and the popularity it enjoyed among the public simply showed the movement the impossibility of pursuing a directly confrontational ideological battle against the secular republic. The reformist branched realized that, seeking legitimization within a symbolic universe that recognized the value of the republic's basic ideals yet pointed to the gap between the ideal and the performance, would be a much more feasible critical stance. Secondly, the declaration of Turkey's EU membership candidacy in 1999 provided them with a new language and referential framework to put this criticism into articulation. Hence they translated the struggle for the recognition of the Islamic identity into a question of human rights; and emphasized the idea that their struggle was actually for a *more* secular regime in the Western sense, not *less*. They also discovered that EU accession had become an overarching symbolic referent for the aspirations of change on part of the greater part of the public— which brings us to the third point: There was no political party ready and capable of acclaiming the project and responding to the audience, which they did not fail to notice. The vacuum created by the discrediting of all the existing parties one after another during late 1990s opened them a window of opportunity to reclaim the center of Turkish politics under a center-right, conservative banner and to lead Turkey's integration into EU and globalization. Fourth, coming from a younger generation that developed their political orientation during Özal period, many among the reformists were ready to take capitalism and Western-driven globalization as natural parameters of their playing field; and

they saw it expedient to build an alliance with big business to advance their cause. TÜSİAD was ready to cooperate with any government decisive to bring groundbreaking economic reforms; and representatives of the so-called ‘Islamic capital’ had already been more and more influential in guiding the Milli Görüş on economic matters, pushing it into a relatively distant position from its former ideas about an *adil düzen*.

The constructive self-reflection that the reformist branch went through in the post-28 February period should be added to all of these, since how they responded to external factors and repositioned themselves do not necessarily follow from the mere existence of these factors.<sup>288</sup> The outcome of the reformation was in no ways automatic and it was hardly predictable from the outset. To appreciate this, one should only remember how little the non-reformed Islamists changed, though facing the same setting. The growing differentiation between the two branches should also remind one to recognize the contingency of everyday politics and the effect it has over longer term dynamics: If the old guard of *Milli Görüş* had acquiesced to the demands of reformation within the movement and voluntarily handed over the leadership to a younger generation; a break may not have materialized. Even after it did, if the reformist candidate Abdullah Gül had not lost the FP congress in May 2000 (which he did only with a small margin), the reformists would have acquired the chance of orchestrating the change under the banner of the existent party. In both cases, it is likely that the change would not have been this much pronounced, considering that forming a new party and seeking a new audience induced the reformists to deliberately distance themselves from the *Milli Görüş* ideas that continued to underwrite FP’s and later SP’s discourse.

Erdoğan’s popularity among the public made him the natural leader of the new movement, even though he had to watch the break from behind the scenes (and bars). AKP was certainly founded by a cadre – as also emphasized in the party program – and it included

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<sup>288</sup> Emphasised in Yavuz, *Islamic Political Identity*.

various vocal figures among its ranks, but it was going to become more and more identified with the persona and the story of Tayyip Erdoğan. And the drama of the story was yet to continue: Even though he was the chairman of the party, he was still banned from doing politics and he had to overcome this obstacle in one way or the other if he planned to take any post in a government. A bigger problem emerged when a Supreme Court prosecutor reinterpreted the implications of his ban and filed a trial for closing down AKP on the ground that Erdoğan refused to resign from his chair, just 10 days before the general elections.

Erdoğan did not back up. He took it as a new stage in his ‘story’:

My story is the story of this people. Either the people will win and come to power, or the pretentious and oppressive minority – estranged from the reality of Anatolia and looking over it with disdain – will remain in power. The authority to decide on this belongs to the people. Enough is enough, sovereignty belongs to the people!<sup>289</sup>

By that time, he had already established certain ties of alliance with important societal actors, made his visit to USA to tell about his party in American political circles, and much expectation had been invested in the newly found party by a significant portion of the electorate. The stakes were high, and the trial for the party was decided to be held at a date after the election, the idea being that the election would provide the basis of a solution. It did. AKP won enough seats to form a single party government; in a few months Erdoğan’s ban was overridden by a legal amendment; and he was enabled to get into the Parliament and become the Prime Minister. His story had become a best-seller.

### The Audience

Before beginning to analyze AKP’s discourse, I think it useful to first consider another question that we have only touched tentatively so far: Who voted for AKP? Who was the audience of AKP’s discourse? Public opinion surveys and some academic studies of voting

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<sup>289</sup> *Yeni Şafak*, October 25, 2002.



behavior can provide certain observations. AKP's voters in 2002 defined themselves as "religious, Islamist, conservative and rightist" more than the average voter did.<sup>290</sup> This comes as no surprise, since almost all of FP's votes in 1999 (which was 15 % of the national vote) went to AKP this time, pushing the SP of the old guard Islamists to a marginal position. Furthermore, AKP attracted voters from the whole right-wing constituency, most of which had never voted for an Islamist party before.<sup>291</sup> Akarca estimates that the party captured about half of the far-right nationalist, and half of the center-right votes on a 1999 basis.<sup>292</sup> Furthermore, it went beyond the right, and also received an approximate 18 % of the votes cast in 1999 for center-left DSP.<sup>293</sup> Lastly, except for the dominantly pro-CHP western and southern coasts of the country, its share of the national vote was evenly represented in the geographical scale, also reaching a remarkable 20 % in the mostly Kurdish-dominated 17 provinces of the eastern and southeastern Anatolia.<sup>294</sup>

However, the party's most striking success was the ability to mobilize previously uninterested voters. In a survey just before the 2002 elections, % 24,5 of those who told that they were going to vote for AKP also told that they had not voted in the previous election.<sup>295</sup> Supporting this report, Işık and Pınarcıoğlu observe that AKP established the heart of its

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<sup>290</sup> ANAR, *Ekim 2002 Siyasi Durum Araştırması*, (Ankara: Ankara Social Research Center, 2002) cited by Ertan Aydın and İbrahim Dalmış, "The Social Bases of the Justice and Development Party," in *Secular and Islamic Politics*, 213.

<sup>291</sup> Veri Araştırma finds that there is a strong (67,5 %) correlation between districts that voted for the 4 right-wing (FP, MHP, DYP, ANAP) parties in 1999 and those voted for AKP in 2002. Veri Araştırma, "1999'dan 2007'ye Seçmen Tercihleri ve Değişim: AKP," research presentation, 2007, [http://www.veriarastirma.com/secim2007/AKP1999\\_2007.pdf](http://www.veriarastirma.com/secim2007/AKP1999_2007.pdf).

<sup>292</sup> Ali T. Akarca, "Inter-Party Vote Movements in Turkey Between 1999 And 2002: A Statistical Analysis Using Cross-Provincial Election Data," Online at <http://mpr.ub.uni-muenchen.de/9627/> MPRA Paper No. 9627, posted 19. July 2008.

<sup>293</sup> ANAR cited by Aydın and Dalmış, p. 212.

<sup>294</sup> Akarca, p. 13.

<sup>295</sup> ANAR cited by Aydın and Dalmış, p. 213.

support base in a geographical region unidentified with any previous party dominance.<sup>296</sup> In other words, AKP achieved very high concentration of votes in places where voter behavior had been fragmented or floating before. It seems that, although the cadre that founded AKP came almost exclusively from the ranks of *Milli Görüş*, they recruited members from a more diversified background and attracted voters from an even wider (and more heavily nationalist) spectrum. According to surveys, *Milli Görüş* as a self-reported framework of ideological reference was represented more among AKP deputies than among the members of its provincial organization, and least among its electorate. The opposite was true for *ülküücü* nationalism. However, the *ülküücü* share in AKP vote decreased in 2007 and was replaced by a bigger constituency of self-declared Kemalists.<sup>297</sup> The party's policy on Cyprus and EU during its first term should have been the primary cause for this change.

The common element that ties AKP's leadership, party cadres and electoral constituency seems to lay less in their ideological affiliations than in their humble material backgrounds and their future aspirations, as well as their social conservatism. Aydın and Dalmış found out that less than half of AKP deputies (in the parliament of 2002) had been raised in a city, only 6 % have mothers who studied beyond the lower secondary school, and the figure rises to 17 % when it comes to fathers. They are reported to be mostly from families of low and middle socio-economic status with high mobility.<sup>298</sup> The voters, in turn, were found in average to be disproportionately poor and uneducated with high (expectations of) social mobility, and they are conservative on social questions – to summarize the findings of various surveys. KONDA finds that the two social groups most distinguished by being pro-

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<sup>296</sup> This region basically consists of the central and eastern Black Sea coast and northern part of the central Anatolian basin. The authors state that around 40 % of the districts where AKP achieved a high concentration of votes, there were no previous party dominance. For the methodology of this estimation see the footnote 193.

<sup>297</sup> *Research on Turkish Agenda* survey conducted once every two months by Pollmark Research, as reported by Aydın and Dalmış, p. 219.

<sup>298</sup> The authors report this as “the results of a questionnaire study conducted on 212 JDP deputies in November-December 2003.” Aydın and Dalmış, p. 214.

AKP are ‘religious conservatives’ and those who are actively investing in real estate – 88 % of both groups report themselves as having voted for AKP in 2007 elections.<sup>299</sup> Furthermore, while AKP voters are poorer and CHP voters are richer, only less than a quarter of the former did not believe in 2006 that their economic status will be better in the future, compared to a half of the latter.<sup>300</sup> Yılmaz, while trying to map the class-structure of Turkey, finds a group that is marked by middle income, high expectations of enrichment and strong EU and AKP support; as against to a higher income group with the lowest expectation of enrichment, which does not vote for AKP at all.<sup>301</sup>

In another study, Yılmaz finds AKP voters as the most conservative social group topping a list of groups identified by geographic regions, reported ideological affiliations, etc. Conservatism was most pronounced in matters relating to family and sexuality, and fared moderately when it came to political change, while it was most remarkably absent in economic matters. Evaluating his findings, Yılmaz comments that the golden formula for Turkish conservatism thus appeared (as of 2005) to be: “protect the family; change the economy; ensure political stability; and, make us a member of the EU, without sacrificing our national customs and traditions”.<sup>302</sup> This was exactly what AKP was trying (or pretending) to do during most of its time in government. It seems that AKP has discovered the formula. As we will see, in its discourse, it deliberately responds to it, as well as inspires, informs and feeds it with further guidance.

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<sup>299</sup> KONDA, “Biz Kimiz?,” research presentation, 2009, [http://www.konda.com.tr/html/dosyalar/KONDA\\_Hayat\\_Tarzlari\\_Ozet.pdf](http://www.konda.com.tr/html/dosyalar/KONDA_Hayat_Tarzlari_Ozet.pdf).

<sup>300</sup> ODAK, “Seçmen Profili ve Siyasi Tercihler Araştırması Temmuz 2006,” research presentation, 2006, <http://www.odak1.com/>.

<sup>301</sup> Hakan Yılmaz.

<sup>302</sup> Hakan Yılmaz, “Conservatism in Turkey,” *Turkish Policy Quarterly* 7, no. 1 (2008): 57-63, p. 59.

Now it is time to probe more deeply into the party's discourse. Even though our discussion is animated by a primary interest in the ideological framing of neoliberal capitalism; I will circumvent this particular question for a while to see in which kind of universe of meanings the party locates it. Although AKP has done much to disembed the market from an emblem of political interventions, in its discourse the market appears to be deeply embedded in layers social, cultural and politic. According to Laclau, what lays at the heart of populist discourse is the formation of an internal antagonistic frontier separating the 'people' from power.<sup>304</sup> Indeed, AKP subsumes the question of a free market economy under the question of a decisive antagonism between the people and the power establishment in the populist sense, and it reproduces the market in the discourse as a means for the people to achieve their emancipation from the narrow-minded ideational agenda dictated by the establishment.

### The 'People' And Its Party

AKP's party program begins by constructing the people as its subject:

Turkey is expressing a great desire of change in a troubled time ... Our party has been founded upon a widespread societal demand to respond to this need; and it is the party of our whole people – which have lived in the same geography in peace, friendship, and fraternity for thousands of years, and which share a common fate as well as common joys, sorrow and pride.

... Our people is not helpless. The cure lays in its very hands. As great Atatürk once said, the power that saves the people will be its own determination and decisiveness.

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<sup>303</sup> Most of the material examined in this section were retrieved for the last time during June 2009 from among the more than 4000 news feeds in the section called "Haber Arşiv" at the party website [www.akparti.org](http://www.akparti.org), and they are cited accordingly. However, probably in late July, the URL for the website became <http://web.akparti.org.tr/>, that is why some of the electronic references given here might not be working.

<sup>304</sup> Laclau, p. 73-77.

... Our party, identified so well with the people as it is, will certainly restore the feelings of trust/confidence [*güven*] that are lacking in society We are decided to ensure that everybody will feel as a respectable and dignified member of this society and look to the future with confidence.<sup>305</sup>

... We espouse an understanding of government that unites, not divides; and protects the right and the weak against the strong and unfair.<sup>306</sup>

... If Allah helps, everything will be better with us.<sup>307</sup>

The first thing that strikes the reader in this text is the particular position attributed to the people. It is remarkable that whereas the “society” appears as a place (where the feelings of trust are lacking), the “people” is another thing, it is an actor, a protagonist with a “destiny.” It is defined as an organic entity that connotes little to a contractual association and instead marked by sentimental and moral qualities (“friendship, joy, determination,” etc).

Commenting on populist discourse, MacRea once noted that “[t]he key word is ‘belonging.’ Populism is against ‘rootlessness ... Populism is about personality in a moral sense’.”<sup>308</sup>

Indeed, the people emerges in AKP’s discourse as an organism that almost has a personality. The party comes into the stage only as a reflection of the people’s will, its identical image, the bearer of its mandate, and its natural representative. Actually, it would be more correct to say that it aspires more to present the people’s demands to the outer world, than *re*-presenting it. And of course, it is supposed to stand for nothing less than the “whole” of the people. The reader is also included and subsumed into this amorphous and ubiquitous organism; and expected to appreciate it not only as the people but as “our people.” If we move a bit from semantics to semiotics, we see the same inclusive, catch-all quality in the references chosen.

The text brings Atatürk and Allah together – the two rival (though not mutually exclusive)

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<sup>305</sup> AK Parti, *AK Parti Programı*, 2001, p.3. Available at [http://web.akparti.org.tr/parti-programi\\_79.html](http://web.akparti.org.tr/parti-programi_79.html).

<sup>306</sup> *Ibid*, p. 4.

<sup>307</sup> *Ibid*, p. 5.

<sup>308</sup> Donald MacRea, “Populism as an Ideology,” in *Populism: Its Meanings and National characteristics* (eds.) G. Ionescu & E. Gellner, (London: Weidenfeld & Nicolson, 1969), p. 156-160.

references of transcendent legitimacy upheld by the hegemonic political discourse in Turkey – and links the awakening of the people to the guidance of the former and the permission of the latter.

When we look at other parties' programs, this emphasis on the people is outstanding. For instance, CHP's program defines the party in solely institutional and political terms, noting it as the heir to the *Kuvayi Milliye* movement and the bearer of Atatürk's principles. The narrative in SP's program begins with an ontological discussion about the qualities of man and arrives at claims on the well-being of whole humanity. MHP's program, though resonating more closely with that of AKP in its construction of an underlying narrative, replaces the people with the nation and calls it with what is for some an exclusive ethnic identity marker: "Turkish nation". Also it does not stress the identification of the party with this entity as AKP does. DTP, quite expectedly, talks about a "Kurdish people" or various "peoples," as well as a "society of Turkey." In other words, while CHP seems to be concerned with preserving a political tradition, MHP and DTP talk about exclusive ethnic groups and SP sets out to save, basically, mankind; it is only AKP that stresses the existence of "our people," a distinct, unique but all-inclusive entity.

The people as an actor is inclusive and universalistic in its aspirations but it does not include the whole society in its concrete empirical reality. It is a political actor as long as it is defined as the underdog, including all those who are "the right and the weak" against the strong but unfair. What defines weakness? Throughout AKP's discourse, this question is deliberately handled with ambiguity, addressed through vague, heavily rhetorical, sometimes poetic allusions to feelings of marginalization. It is not poverty per se. It is not a position of ethnic subordination. It is not confessional prohibition. It does not relate to any particular class. It is an attempted augmentation of all these, definable only as against an antagonistic internal frontier that divides the society and draws the people as the underdog of multiple axes

of subjugation, denying the right to claim oneself as a “respectable and dignified member of the society” as any other.

What AKP is offering is to reinstitute the dignity of each with a new political constitution (in the wider sense) that relies on a confidence in the people’s wisdom, and in their ability to choose what is good for them. According to Wiles the populist creed is “based on the following premises: virtue resides in the simple people, who are the overwhelming majority, and in their collective traditions.”<sup>309</sup> Sinclair agrees: According to him, populism stresses the worth of common people and advocates their political supremacy; directing protest against some group which lies outside the local community.<sup>310</sup> Indeed, AKP recognizes the wisdom of the people as the main trust of its ideas, and expresses a concern to keep it safe from encroachment. The program declares: “We postulate that the people has common sense and it makes its choices correctly.”<sup>311</sup> Party’s Institutional Identity Guidebook instructs the party’s organizational cadres that “[i]n its discourse, AKP takes popular [toplumsal] traditions and opinions – as well as universal values – as granted. In its discourse, AKP takes popular sensitivities into consideration.”<sup>312</sup> Expectedly, the party declares itself as opposed to any intellectual endeavor that radically deviates from popular understandings of social organization, and any political attempt that confronts the popular will. Although this implies, first and foremost, a respect for people’s social conservatism and their religiosity, the party prefers to underplay this content and articulates the thesis in more formal terms:

The fundamental philosophical and political concern of our conservative identity is to uphold the social organism – which is a family that protects the individual – as healthy and cohesive. AKP government demands respect to society’s own institutions

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<sup>309</sup> Peter Wiles, “A Syndrome, Not a Doctrine: Some Elementary Theses on Populism,” in Ionescu and Gellner (eds.), p. 166.

<sup>310</sup> Peter R. Sinclair, “Class Structure and Populist Protest: The Case of Western Canada,” *Canada Journal of Sociology* 1, no.1 (1975): 1-17.

<sup>311</sup> AK Parti, p. 5.

<sup>312</sup> AK Parti, *Kurum Kimliği Kılavuzu*, 2006, p.8. Available at <http://web.akparti.org.tr/media/www/files/documents/kurumsal.pdf>.

for the sake of democratic development... Conservatism appreciates an ideal world that is based on justice and freedom; but rejects any social engineering that is supposed to take you there.<sup>313</sup>

Our party believes that state's intervention to institutions and values that the society has formed with its own experience creates chaos and resentment. For this reason, AKP is the biggest guarantee against enterprises to cripple down civilian-democratic gains by adventurous politicians with ideological projects disconnected from social realities.<sup>314</sup>

It is obvious that the party frames its position on this question in a language reminiscent of Anglo-Saxon conservatism, emphasizing "society" as much as the people. This is part of a deliberate effort to assume a well-grounded ideological mantle that justifies the AKP project after its declared breakaway from *Milli Görüş*, which, according to many observers, had left the movement without any clearly definable position on the political spectrum. As a result, the party defined its ideal as "conservative democracy."<sup>315</sup> I will not take the question how accurately the term could depict AKP, or how well-grounded it is as a concept. For our discussion here, one relevant issue is the inconsistency between AKP's unmistakably populist understanding of popular will and its claim in a conservatism in the Anglo-Saxon manner. Even though the official texts of the party and some addresses by the leadership declared that democracy does not mean the absolute rule of the majority, the discursive positions taken on particular political debates have consistently put forward the uncontested supremacy of the popular will against institutional checks or power-sharing schemes. AKP's understanding of democracy makes a short-circuit from the recognition of the people's values to a supremacy of their political will above other considerations; and advocates an unmediated representation of this will with a party "identified so well" with the people. "In our understanding of politics,

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<sup>313</sup> "59<sup>th</sup> Government Program," 2002. Available at <http://www.belgenet.com/hukumet/program/59-1.html>.

<sup>314</sup> AK Parti, *Her Şey Türkiye İçin*, election manifesto for 2002 election.

<sup>315</sup> Although existent in the party 's documents before, this position was most conspicuously declared in 2004 at a conference sponsored by the party with a presentation featuring Recep Tayyip Erdoğan and later published as Yalçın Akdoğan, *AK Parti ve Muhafazakar Demokrasi*, (n.p.: Alfa, 2004).



the will of the people is the norm. No act that overrides the popular will can be tolerated.”<sup>316</sup>

On the purely theoretical level, this is a contradiction. While conservatism prioritizes the spontaneous evolution of the society outside the realm of political decisions, populism insists that the popular will has the right to positively decide on the future of social organization. AKP’s discourse is marked with this contradiction, but it is not necessarily less convincing because of this. On the contrary, the party leadership took advantage of this tension, and skillfully managed to shift positions around it according to the necessities of the issue at hand. In other words, they used it as a condition of plurality, and increased the scope of their vocabulary to include symbols from multiple imageries to construct a catch-all language. This, for instance, enabled them to develop their own appreciation of the national revolution, and Kemal Atatürk’s legacy, despite their undisguised opposition to Kemalism in the narrow sense. Actually, AKP’s favorite slogan for the cause of a popular politics has been an aphorism taken from Atatürk. As Erdoğan puts it:

As we call our politics popular politics [*millet siyaseti*] we are putting down a formula for democracy so fit for the virtuous people of this land. We take the inspiration for this formula from that unchangeable criterion inscribed on the walls of this great Parliament: Sovereignty belongs to the people, without strings attached [*egemenlik kayıtsız şartsız milletindir*].<sup>317</sup>

Of course, AKP exploits the Atatürk reference also as a signifier of its espousal of the basic ideals of the secular republic, against doubts about its loyalty to the regime’s founding principles. However, the reference goes beyond rhetorical tactics or mere lip service. The party acclaims this short formula of popular sovereignty to an unparalleled extent so that it becomes the main thread of its ‘democratic-popular appellations’ as Laclau would put it. In the due course, the formula takes a new character. While in the original aphorism the

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<sup>316</sup> AK Parti, *AK Parti Programı*, p. 7.

<sup>317</sup> Erdoğan, speech made at party parliamentary group meeting on April 6, 2004, [http://web.akparti.org.tr/ak-parti-grup-toplantisi-basbakan-erdogan-sandiktan-cika\\_2288.html](http://web.akparti.org.tr/ak-parti-grup-toplantisi-basbakan-erdogan-sandiktan-cika_2288.html). Atatürk originally put the aphorism in Ottoman Turkish: “Hakimiyet bila kayd u şart milletindir.” However, since this form is now forgotten and hardly understandable to the public, it never emerges in AKP’s discourse with this form.

people/nation was suggested as an abstraction, a project to be constructed by a vanguard elite; in Erdoğan's lips it turns into a demand to relocate it in its (imagined) actual concreteness, to hand the power back from the elite to the 'true' representatives of the people. The effect is reinforced by the use of aphorism together with Menderes' famous election slogan, "*Yeter, söz milletin!*" [Enough is enough, give a say to the people!] as in Erdoğan's previously quoted "*Yeter, egemenlik milletindir*" [Enough is enough, give the sovereignty to the people].

Hence, the democratic-popular discursive horizon drawn by the national revolution is acclaimed by AKP, transformed and used to pursue an alternative cause against the establishment's claims to preserve the legacy of that revolution. To do this, AKP frames Kemal Atatürk and the early revolutionary cadres as the harbinger of a promise of emancipation that transcends and confronts the very vision of the Kemalist establishment as it stood empirically. Numerous references to the individual greatness of Atatürk, usually vague and repetitive of the hegemonic political culture, are not the only elements used in this vein – there is also a more substantial claim: As the once deputy chairman of the party Dengir Mir Mehmet Fırat puts it, "[h]owever AKP seems to be founded in 14 August 2001, the philosophy of AKP is exactly the same with the philosophy of the First Parliament of 1921 [*sic*]."<sup>318</sup> Erdoğan also emphasizes the First Parliament at occasions when he is expected to commemorate the history of the Parliament and the revolution.<sup>319</sup> If put into context, this proves to be particularly meaningful.

Founded before the establishment of a one-party regime and working as a wartime coalition, the First Parliament is widely regarded as the most diverse one, giving a voice to the advocacy of opinions that were later silenced by the Kemalist party. More specifically, unlike

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<sup>318</sup> Dengir Mir Mehmed Fırat, speech made on June 5, 2006, [http://web.akparti.org.tr/ak-parti-genel-baskan-yardimcisi-firat-her-donemde-halkin-i\\_3790.html](http://web.akparti.org.tr/ak-parti-genel-baskan-yardimcisi-firat-her-donemde-halkin-i_3790.html) 05.06.2006. Obviously, Fırat is mistaken with the date, since the First Parliament started in 23 April 1920 and served until April 1923. May be, what he means is the year when the first Constitution was adopted by this parliament, since he sounds as if he would be particularly sympathetic to the philosophy of 1921 Constitution.

<sup>319</sup> Erdoğan, speech made at the Parliament General Assembly on April 23, 2004, available at [http://web.akparti.org.tr/basbakan-erdogan-ilk-meclisten-aldigimiz-irade-ve-ruhla-d\\_2505.html](http://web.akparti.org.tr/basbakan-erdogan-ilk-meclisten-aldigimiz-irade-ve-ruhla-d_2505.html).

the parliaments between 1923-1946, it included an independent opposition party (the “second group”) that opposed the jacobin aspirations of Kemal’s group and long formed a source of inspiration for the conservative-centrifugal tendencies of the center-right of Turkish politics. If the references are not merely random – and I do not think they are, the implied claim is to embody the whole of an ‘order and progress’ coalition, with all its diversity and even its contradictions, under the banner of a single hegemonic party. It is not in vain that Fırat had completed his remark about the First Parliament by stating:

It is an essential element that various worldviews exist and are organized within ... [Turkey’s] political life, for the development of our democracy and our country ... For this reason, all those who perceive themselves as social democrats ... and all those who are for the cause of freedom ... should take their place under the roof of AKP ... until a genuinely social democratic movement emerges in Turkey”<sup>320</sup>.

Nor can the claim on diversity be simply dismissed as a rhetorical façade: Probably more than any other centrist party, AKP has offered a higher visibility to a number of high-profile members on their own right despite the unmistakable dominance of the charismatic leader. Furthermore, the party cadres include a high number of Turkish nationalists who have formerly served in MHP or ANAP ranks; but there is also a significant Kurdish group – including Fırat for that matter, and amounting to 15 % of the deputies who responded to a survey.<sup>321</sup> Although the party generally enjoyed a discipline that overrode the conflicts among its members; certain cases, most notably the failure in passing an act that would allow American ground units to use Turkish land for an attack to Iraq, showed that not all conflicts were reconcilable.<sup>322</sup> No wonder the party has been long described, somewhat disappointedly, as a hodgepodge, a coalition of multiple interests and views. The point is that, this may be translated into an asset on the discursive level, standing for the party’s democratic and

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<sup>320</sup> Fırat.

<sup>321</sup> Aydın and Dalmış, p. 215.

<sup>322</sup> A second act, though, was later enacted to allow American aircrafts to use Turkish airports and air space for the war in Iraq.

pluralist credentials, as Fırat tries to reframe it. This also generates a productive tension in the party's discourse, strengthening its populist appeal in an intricate, may be counterintuitive way. Laclau's theory on populist discourse is useful to understand this point.

According to Laclau, the emergence of the 'people' as a political actor on its own right depends primarily on equivalential relations hegemonically represented through empty signifiers.<sup>323</sup> AKP's discourse is indeed a hegemonic attempt to represent an equivalential chain of demands, brought together as a collective protest against the failure of the institutional political establishment to give them recognition and welfare, evoking empty signifiers like Allah, Atatürk, 'people' all together for the cause. However, Laclau tells that the people as a collective actor also needs a constitutive heterogeneity which makes dialectical retrievals impossible<sup>324</sup> because "[a]n equivalence which was total would cease to be equivalence and collapse into mere identity: there would be no longer be a chain but a homogeneous, undifferentiated mass."<sup>325</sup> In other words, if the populist people is not the liberal contractual association, it is not the fascist nation, either; it is an organic collectivity with its own cycle of life, which should not be disrupted with aspirations of radical homogenization. Indeed, the party is making a consistent effort to declare its respect for differences. As the program puts it:

Our party sees and embraces all citizens of the Turkish Republic as first class citizens, regardless of religious, linguistic, confessional, regional, ethnic or gender differences. In our democratic understanding, there is no obligation for differences to become the same.<sup>326</sup>

So, as long as you have a problem of recognition, you are the underdog, and you are to be included in 'our people.' This point reveals the emancipatory side to populism. It is certain

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<sup>323</sup> Laclau, *On Populist Reason*.

<sup>324</sup> Ibid, p. 156.

<sup>325</sup> Ibid, p. 200.

<sup>326</sup> AK Parti, p. 43.

that AKP embodied this promise of emancipation in its discourse – whether or not it ruled up to that promise is a different question. It is impressive to see how Erdoğan constructed a narrative of disdain, neglect and marginalization carefully crafted according to the particularities of the audience in question, wherever he visited and whomever he addressed. And before telling how, one should admit that he visited a lot of places and addressed a lot of people. Prior to both local elections his party entered (in 2004 and 2009), the leader held mass meetings in more than 50 provinces. He was attaching a special importance to being personally present in the company of his constituency, giving the feeling that ‘he would be there.’ In a meeting in Van for instance, he said:

I say they are imprisoned in Ankara. I say they are disconnected from the people. I say they don’t speak the people’s language. I say they don’t leave their fancy houses. They confirm it exactly. What do they say? ‘I reach millions on the TV screen’ [referring to CHP leader Baykal]. Reverent Baykal, it doesn’t work with watching TV. Watching Van solely on TV... doing politics in the TV studios, under spotlights... politics doesn’t work that way.<sup>327</sup>

Hence, putting Ankara (standing for a mentality, a style of government) on the other side of the equation, he locates whichever part of Turkey he would like in a geography of neglect. And he offers them recognition, by name. In every single one of the fifty-odd meetings he had for the 2009 elections, he would start his address by saluting each district of the province. In Adana for instance, it would be: “From here, from this enthusiastic square I send my greetings and love to Aladağ, Ceyhan, Çukurova, Feke, İmamoğlu, Karaisalı, Karataş, Kozan, Pozantı, Saimbeyli, Sarıçam, Seyhan, Tufanbeyli, Yumurtalık, Yüreğir.”<sup>328</sup> Then it would continue like it did in Iğdır: “We are not one of those governments which hide behind insurmountable walls of Ankara. We are as close to Iğdır as we are to Ankara, Konya and Muğla. Every single

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<sup>327</sup> Erdoğan, speech made at a meeting in Van on February 27, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-van-mitinginde\\_5973.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-van-mitinginde_5973.html).

<sup>328</sup> Erdoğan, speech made at a meeting in Adana on March 7, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-adana-mitingin\\_5996.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-adana-mitingin_5996.html).

citizen of the Republic of Turkey is a first class citizen.”<sup>329</sup> In the Kurdish populated Van, he would address the ethnic cleavage that separated the region from centers of power and emphasized what they had in common with the rest of ‘our people’: their sacrifices.

We founded this country together, you see, we fought the war of independence all together, and we will pursue the war for the future all together. Look at this: Ömer, son of Süleyman, from the Savacık village of Gürpınar, became a martyr in Kanlıtepe in the battle of Çanakkale. İsmail, son of Ömer from the Atalan village of Gevaş became a martyr in Merkeztepe in the battle of Çanakkale [and continues with citing more martyrs from the province of Van] ... They drank from the portion of martyrdom together with their brothers from Ankara, Trabzon, Adana, Bitlis, Muş, Kars, Erzurum.<sup>330</sup>

And he would conclude with subtly alluding to overturn the unequal relationship between Kurds and the dominantly ethnic-Turkish establishment by the careful use of the words *we* (the government party as the temporal power establishment) and *you* (the Kurdish people of Van as ‘the people’), and by declaring the supremacy of the people over any power establishment: “We are not your masters. We are your servants. This is what distinguishes us. One cannot master the people, one can only serve it. This is it.”<sup>331</sup> In Sivas, which hosts a significant Alevi population, he would say “Now every single brother of mine is proud of being a citizen of the Republic of Turkey,” only to go on by mentioning the unimportance of confessional cleavages, and recite a poem by Aşık Veysel:

What is *yezid*<sup>332</sup> what is *kızılbaş*?<sup>333</sup>  
Aren’t we all brothers?  
We are all preoccupied with our [same single] fire  
And the only cure [for all of us] is to put it down.<sup>334</sup>

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<sup>329</sup> Erdoğan, speech made at a meeting in Iğdır on June 19, 2007, [http://www.akparti.org.tr/haber.asp?haber\\_id=17850&kategori=1](http://www.akparti.org.tr/haber.asp?haber_id=17850&kategori=1).

<sup>330</sup> Erdoğan, speech made at a meeting in Van on February 27, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-van-mitinginde\\_5973.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-van-mitinginde_5973.html).

<sup>331</sup> Ibid.

<sup>332</sup> A pejorative word that Alevis use when referring to bad people. Originally, the name of the Umayyad caliph responsible for the killing of Ali’s sons Hasan and Hüseyin in the early 8<sup>th</sup> century.

<sup>333</sup> A pejorative word used for Alevis. Originally, the name given in Eastern Anatolia to those who sided with Şah İsmail of the Shiite Safevides in his struggle against the Ottomans around early 16<sup>th</sup> century, after the red cap they used.

In Hatay, a place with greater religious diversity, he would also include the Christians in the picture, something that might be unexpected from a conservative Muslim like him: “The Alevi, the Nusayri, the Sunni, the Assyrian, the Orthodox, the Catholic, the Protestant are free and equal citizens of this country. We are all first class citizens of the Republic of Turkey.”<sup>335</sup> Even when there seems to be no conventional imagery about a cleavage defining a particular place, he invents one. Hence, citing the names of the immigrant and working class neighborhoods of the city, he imagines a north-south divide that puts Adana, the industrial powerhouse of the southern coast, to a neglected position.

We come to Adana to abolish the north-south divide. No brother of mine in any city can feel himself marginalized, disdained, lonely or abandoned. We never allowed it, and will never allow it. We cannot leave Şakirpaşa, Ova Mahallesi, Şehit Turan to their own fates. We cannot leave Onur Mahallesi, Barbaros, 19 Mayıs, Kiremithane, Yüreğir to their own fates.<sup>336</sup>

In short, Erdoğan promises to his people that they are all going to be taken as “first class citizens.” Ironically, he does it without addressing the class question at all, and instead constructs an extra-class location of marginality where poverty is anonymously found among other problems arising out of neglect and an unjust disdain. And he offers *justice*, in the form of *recognition* of the intrinsic value of people’s identities, beliefs, daily practices. No doubt that his personal story served for many among his audience to understand better what he meant talking about justice. Also, the turban dispute, inscribed so deeply in the political vocabulary of *Milli Görüş*, survives in AKP cadres’ and constituency’s imagination as a symbol of injustice that has to be redressed. Hence, drawing from these particular stories of its own past, AKP movement constructs an inclusive narrative of justice that gives it its name.

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<sup>334</sup> Erdoğan, speech made at a meeting in Sivas on March 5, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-sivas-mitingin\\_5969.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-sivas-mitingin_5969.html).

<sup>335</sup> Erdoğan, speech made at a meeting in Hatay, March 7, 2009, [rte.gen.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-hatay-mitingin\\_5994.html](http://rte.gen.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-hatay-mitingin_5994.html).

<sup>336</sup> Erdoğan, speech made at a meeting in Adana on March 7, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-adana-mitingin\\_5996.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-adana-mitingin_5996.html).

AKP believes that first justice is to be restituted in order to provide peace, order and welfare within the society. Believing that the malfunctioning of the system of justice lays underneath all problems, AKP argues that complete and timely justice is needed not only in the sphere of law but also in social, political and economic matters too.<sup>337</sup>

Furthermore, the party envisions ‘recognition as justice’ to be a hegemonic project for the nation’s regeneration. In other words, *justice* provides *development*, by ensuring confidence – in a manner reminiscent of the *daire-i adalet* thesis of the medieval Islamic theory of state, and resonating with an Anglo-Saxon liberalism: “The most important element of confidence within a society is the conviction among individuals that their rights and freedoms are being respected. This conviction is the fundamental force that mobilizes all social and economic dynamics.”<sup>338</sup> Now let us see against whom a struggle for justice is to be given, and how.

### The Establishment And What Is Wrong With It

Though vague and amorphous the people were; the other side of the frontier is what is more clearly defined, it is what makes the people the underdog and gives it its collective political identity. It is *them* who brings *us* together. In a nutshell, it is the institutional political establishment. It appears in various avatars like “the elites”, “mon chers”, “Ankara”, “CHP mentality”, “one-party mentality,” “the old order”, “bureaucratic oligarchy” or simply “the bureaucracy”; with “partisan interests”, (ironically) “populist politics”, “media patrons” and “*hortumcus*” as their allies or side-growths. They are distinguished by their disconnection from the popular mentality, their disregard for popular morals and their elitist pretensions that keep them from sharing power with the true representatives of the people:

We won an election in Turkey. They said somebody who has [only] served as a Mayor of Istanbul cannot serve as a Prime Minister. They talked of the people as ‘the men who scratch their bellies’, ‘ignorant’, ‘they don’t know’. Shall we run a

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<sup>337</sup> AK Parti, *Kurum Kimliği Kılavuzu*, p. 6.

<sup>338</sup> AK Parti, *AK Parti Programı*, p. 5.



democracy with the understanding of the upper crust, of the elite? It didn't turn out the way they said.<sup>339</sup>

They can't look to the same direction with the people, they can't share the people's joy.<sup>340</sup>

What makes a country strong is its unity and self-confidence. Can those in fight with the people's values and morality bring any good to the country?<sup>341</sup>

The narrative holds that these elites, thanks to their special relationship with the military, have retained the actual domains of power through most of the republican history, regardless of different governments formed by the elections. They have monopolized the republican ideal for their narrowly defined project of cultural Westernization and jealously kept the right of interpretation over the national revolution's legacy for themselves. Whenever an alternative project of modernization emerged, they deemed it as a reactionary threat against the secular and national republic. Also they did not hesitate to cooperate with forces who sought a coercive suppression of these projects through military coups and other means:

Because our source of legitimacy is the people but theirs is not. They are trying to take legitimacy from certain institutions. And the people are saying 'Don't come to us if we are not the source of your legitimacy. Go and receive votes from dark chambers.'<sup>342</sup>

They keep saying one thing. What is that? 'We are republicans.' Above all, CHP should learn something very well: You cannot be republican just by writing it on your door. The whole Turkish people is republican. Why? Because the people itself constitutes the public. Can the public deny the *res public* [*cumhurun cumhuriyeti inkarı mümkün mü*]? So, nobody is to stand out to monopolize the republic.<sup>343</sup>

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<sup>339</sup> Erdoğan, speech made in Brussels on January 1, 2009, available at <http://www.guncel.net/gundem/politika/2009/01/20/erdogan-dan-abbas-a-sok-suclama.htm#start> 20 ocak 2009.

<sup>340</sup> Erdoğan, speech made at the office of Prime Ministry on September 22, 2008, available at <http://www.tumgazeteler.com/?a=4140975>.

<sup>341</sup> Erdoğan, speech made at a meeting in Trabzon on July 21, 2007, <http://www.yenisehirliyiz.com/detay.asp?hid=186>.

<sup>342</sup> Erdoğan, speech made at a meeting in Edirne on July 16, 2007, <http://www.tumgazeteler.com/?a=2150017>.

<sup>343</sup> Erdoğan, speech made at the opening ceremony of a hospital in İzmir, March 21, 2004, [http://web.akparti.org.tr/basbakan-erdogan-izmirde-artik-insanlarimizin-hastane-kogu\\_2007.html](http://web.akparti.org.tr/basbakan-erdogan-izmirde-artik-insanlarimizin-hastane-kogu_2007.html).

AKP tries to make it clear that while claiming to be the guardians of the Republic, these elites actually betrayed the Republic by underscoring its democratic ideals, and disregarding the popular will:

The date of 17 December<sup>344</sup> has emerged as a turning point and started to disturb certain circles seriously. When you look at their past, you shouldn't help but see that they have espoused or inherited a tradition of government with a 'national chief' system and not with a republic. Those who, whenever they enjoyed power they did without popular will – only following unlawful coups, cannot stand up today and pose themselves as the guardians of the Republic.<sup>345</sup>

This passage happens to be Fırat's words that preceded his remark about the First Parliament.

Hence he made a distinction between the early revolutionary cadres and the institutionalization of the one-party regime during İsmet İnönü's term as the national chief.

In order to give the discourse some blood and flesh, Erdoğan likes to use special references addressing the collective mind of the 'simple men.' As an epitomic case of his charismatic leadership, Erdoğan, in 2009 Davos Forum, literally berated Shimon Peres the President of Israel for Israel's attacks on Palestinians, talked about Israelis as "those who know well how to murder," and left the forum in protest, disregarding any rules of diplomatic behavior. Upon criticism that he ruined Turkey's relationship with Israel, he complained to his audience:

Turkey today sides with the injured, the right and the exploited in the Middle East. Those who think big, with far-reaching horizons, with a wide vision, and with dreams; would see and understand this Turkey, this Great Turkey. But some in Ankara could not understand it. In diplomacy, *ex-mon chérs* could not understand this. Because they were always *mon chérs*, and they will always remain so. In politics too, they have been *mon chérs*, and they continue as *mon chérs*.<sup>346</sup>

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<sup>344</sup> In 17 December 2004, EU was going to give Turkey a date for the start of accession negotiations, marking an irreversible point in Turkey's relationship with EU. The date was indeed declared to be 3 October 2005, and the negotiations started. Many nationalists in Turkey were opposing the accession process and considered AKP's efforts to cooperate with EU as treacherous.

<sup>345</sup> Fırat.

<sup>346</sup> Erdoğan, speech made at a meeting in Sivas on March 5, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-sivas-mitingin\\_5969.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-sivas-mitingin_5969.html).

Thus, using the century-old pejorative catch phrase, he portrays his critiques as spoiled members of a leisure class, mimicking the West to the extent of alienation to their own language and culture – an allegation widely made to Turkish diplomats since late Ottoman times. Then he moves to one of his favorite targets, *Hürriyet* columnist Bekir Coşkun's signature phrase "the man who scratches his belly." Alluding to Coşkun's fondness of his dog on which he writes extensively, Erdoğan draws two worlds with two different cultures.

They have their supportive media, they have their supportive columnists in this supportive media. What do they do there? There they do this; they think of the citizens who voted for AKP as: 'These are the ones who scratch their bellies' ... They do not have anything to do with the people, they have their dearest dogs [instead], they spend day and night with them.<sup>347</sup>

As known, Turkish people have not traditionally had the habit of keeping dogs as in-door pets (may be partly due to the Muslim belief that animals, especially dogs, would not be clean enough to share houses with), and the practice is still rare.

As against to these culturally distant elites, who disdain people's values and thus remain outside their organic collectivity, what AKP project claims to offer is to bring those who are truly members of the people, to power. So, Ali Coşkun, the minister of industry and commerce in AKP's second government, comments on the party's rise to power shortly after its incipience by telling "Our people has used common sense and put those who are like itself into power, although their party was only recently established".<sup>348</sup> Similarly, Erdoğan claims a direct connection with the people relying on identification:

It is going to be as you want. The Prime Minister and the President will be those whom you want. Of course, they will also be like you, one of you.<sup>349</sup>

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<sup>347</sup> Ibid.

<sup>348</sup> Ali Coşkun, speech made in Tokat, June 9, 2005, [http://web.akparti.org.tr/sanayi-ve-ticaret-bakani-coskun-soylem-donemi-bitti-2-yild\\_4876.html](http://web.akparti.org.tr/sanayi-ve-ticaret-bakani-coskun-soylem-donemi-bitti-2-yild_4876.html).

<sup>349</sup> Erdoğan, speech made at a meeting in Iğdır on June 19, 2007, [http://www.akparti.org.tr/haber.asp?haber\\_id=17850&kategori=1](http://www.akparti.org.tr/haber.asp?haber_id=17850&kategori=1).

I am one of you ... There is a government that made Turkey take off. But they are trying to tackle with foul play whom they cannot beat in politics. They don't know how deep our rapport is with you. *If only they knew you, they would already know us.*<sup>350</sup>

The narrative says, in short: Through their staunch support for a Jacobin laicism and a 'ideologically' (rather than organically) defined nationalism; the elites held and promoted a different cultural identity than the one belonging to the ordinary man, upon whom they looked down; whereas AKP's mentality is one and same with that of the people.

### What Politics Is For, And How To Make A Country 'Great'

At this point we arrive at the most interesting part. It is where the discourse receives a strategic twist and moves from claims on recognition and cultural identification to reasoning about popular welfare and development. Because the elites are not only defined in a position of cultural distance and ideological dogmatism. Adding to that, and due to that very reason, they are doomed to incompetence for running an economy. We have already 'learned' that the elites, by cutting themselves off from simple people's lifeworlds, deprive themselves of the opportunity to grasp their feedbacks, and to tap into the wisdom arising out of their common sense. Now the narrative goes on to claim that, despite all their intellectual pretensions, this is what makes them feckless. They are feckless. They consist of a bunch of pointy headed nerds, which know nothing about how to take care of a couple of oxen, how to run a shop, how to manage an *oeconomia*; because they had never needed to. They are statesmen, not managers. They simply cannot manage.

The most immediate context in which Erdoğan could locate this idea was of course his experience as the Mayor of Istanbul. He justifies his credibility for keeping his promises about the economy with the reputation he gained as an efficient Mayor; and contrasts it with the

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<sup>350</sup> Erdoğan, speech made at a meeting in Trabzon on July 21, 2007, <http://www.yenisehirliyiz.com/detay.asp?hid=186>. Emphasis mine.

unpopular service delivery record of his social democratic predecessor, which he sees as something more than an individual failure.

CHP mentality means shortages of water. CHP mentality means air pollution. CHP mentality means mountains of garbage. CHP mentality means sewerage flowing through the roads. Why? Because they are feckless (*beceriksiz*), they cannot manage. It is clear what they have done yet.<sup>351</sup>

It is a mentality, self-reinforcing and inherited through generations. “We are taking works, foundations of which were laid 20 years ago, in our hands and complete them. They are feckless, they lack ambition. We know their past very well. Their predecessors, we know them very well.”<sup>352</sup> Going back to the predecessors, he selectively chooses certain memories of material scarcity, taken from various points of history, to construct a certain CHP mentality, which ruined the people’s economies whenever it had the power in his hand. Hence, CHP mentality was there in the time of the Second World War when basic consumption goods were being assigned to citizens by rations, in order to meet the needs of military mobilization, under the National Chief İnönü:

Wherever there is CHP, there will be scarcity. And I’m not speaking just with words. The other day I was in Eskişehir, a citizen in Eskişehir, an old father, gave me this ID card of his. I am, he said, 78 years old. And here [showing the card] they have put stamps as if on a passport. I am reading one: a stamp for bread.<sup>353</sup>

CHP mentality was there when in 1978 the same practice applied to import goods, as the crisis of Turkey’s ISI system had resulted in a foreign exchange shortage during Ecevit’s Prime Ministry:

Baykal was once a Minister for energy. I was in Baykal’s own electoral region [Antalya]. A farmer from Antalya came to me and showed a ration card issued during his [Baykal’s] term. He said ‘In his term, we were buying fuel-oil by rations.’ ... As

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<sup>351</sup> Erdoğan, speech made at a meeting in Antalya, March 6, 2006, [http://web.akparti.org.tr/basbakan-erdogan-antalyada-artik-enflasyonu-tabuta-koyduk-\\_2140.html](http://web.akparti.org.tr/basbakan-erdogan-antalyada-artik-enflasyonu-tabuta-koyduk-_2140.html).

<sup>352</sup> Erdoğan, speech made at the opening ceremony of a TOKİ project in Ankara on September 22, 2005, [http://web.akparti.org.tr/basbakan-erdogan-vatani-satiyorlar-peskes-cekiyorlar-diyor\\_2785.html](http://web.akparti.org.tr/basbakan-erdogan-vatani-satiyorlar-peskes-cekiyorlar-diyor_2785.html) 22.09.2005.

<sup>353</sup> Erdoğan, speech made at a meeting in İzmir on March 25, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-izmir-mitingin\\_6017.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-izmir-mitingin_6017.html).

you know, in communist countries fuel-oil, gas, kerosene, bread, butter are all assigned by rations. This is also Baykal's habit.<sup>354</sup>

CHP mentality was there when the party was a partner in a coalition government and could not perform a miracle by ending Turkey's chronic hyperinflation:

He [Baykal] was the deputy prime minister in 1995, and the inflation rate was 76 %. What should I say now? O my brother, who considers voting for CHP, won't you think about this? Such a period of inflation we have gone through. But AKP came and put it down to 8,6 %.<sup>355</sup>

It does not matter that the government in question was only a provisional one planned to (and did) last for 4 months; that the bigger coalition partner was a center-right party; or that Baykal was actually the Minister of Foreign Affairs (in addition to being the Deputy Prime Minister) and his duty had little to do with the inflation rate. Erdoğan selectively remembers and forgets things to construct a narrative realistic and consistent in its own terms. At the end of the day, it consists of facts, certainly, rather than fabrications.

It is interesting to note that, although there are allusions to an ideological dogmatism that keeps the "CHP mentality" from appreciating global trends, the emphasis is not necessarily on wrong doctrines. It is on a lack of connection to the world of bread-and-butter thinking: *They* prioritized their ideational agenda so much that they were not interested in understanding how the economy works. They do not know it. As Churchill once said about the Labour, they are simply not fit for governing the economy.

Reverent Baykal doesn't know how to run a country. I always say this, you've never taken care of a pair of sheep, you just can't do this job.<sup>356</sup>

O Baykal, you can't manage 5 goats. That's it. You just can't.<sup>357</sup>

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<sup>354</sup> Erdoğan, speech made at a meeting in Ankara, July 14, 2007, [http://web.akparti.org.tr/ak-parti-ankara-mitingi\\_4298.html](http://web.akparti.org.tr/ak-parti-ankara-mitingi_4298.html).

<sup>355</sup> Erdoğan, speech made at a meeting in Edirne on July 16, 2007, <http://www.tumgazeteler.com/?a=2150017>.

<sup>356</sup> Ibid.

<sup>357</sup> Erdoğan, speech made at a lecture at AK Parti Headquarters on June 12, 2009, [http://www.netgazete.com/News/603316/erdogan\\_baykal\\_efendi\\_sana\\_5\\_keci\\_teslim\\_edilmez.aspx](http://www.netgazete.com/News/603316/erdogan_baykal_efendi_sana_5_keci_teslim_edilmez.aspx).

Baykal ... put an ad on the newspapers, called Tayyip's record. He doesn't understand economics. Not at all, thrust me. There he demonstrates the interest on loans as 19-odd per cent and calls it as the real interest rate. Oh, poor boy... He doesn't know what real interest is ... As you know, real interest is actually the difference between the inflation and nominal interest, i.e. compound interest. Therefore, the real interest rate in Turkey is below 10 per cent at the moment.<sup>358</sup>

One thing also needs to be emphasized. While I have thus far chose to translate Erdoğan's remarks about the elite establishment with the word "they" – for the sake of making it sound correct in the English language, this is not what he says exactly. He says *bunlar*, the literal translation of which would be "these." *Bunlar* is a pronoun that you would not use while kindly referring to people. When you do, it expresses your disrespect for your referent. While addressing "our people" Erdoğan consistently refers to "them" as *bunlar*. A move of hand liberally pointed toward the ground accompanies his words, figuratively showing the low level that he is talking about. In this language, there is an inversion of the disdain that the simple, religious man received from the Westernized elite. In this language, it is now the people who disdains the elite's incompetence. The terms of the debate are turned upside down and the man in the street is accorded the upper position, he is recognized as the possessor of a higher knowledge that emanates from the street, from the intrinsic value of his common everyday practices. The populist protest grasps the power, and its reference is no longer only the people as the underdog, but it promises the people to terminate their condition as the underdog, for now they know that they are not inferior to anybody.<sup>359</sup> As Erdoğan puts it: "Once Menderes addressed the people by crying "Enough, give a say to the people." Now we are no longer just saying "Enough, give a say to the people." Now we are saying "Enough, the decision belongs to the people."<sup>360</sup>

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<sup>358</sup> Erdoğan, speech made at a meeting in Edirne on July 16, 2007, <http://www.tumgazeteler.com/?a=2150017>.

<sup>359</sup> Of course, this language puts the populist character of the discourse to a precarious position, as the representative of the populist protest now lingers on the border of the discursive line that separates the underdog from the power establishment.

<sup>360</sup> Erdoğan, speech made at a meeting in Iğdır on June 19, 2007, [http://www.akparti.org.tr/haber.asp?haber\\_id=17850&kategori=1](http://www.akparti.org.tr/haber.asp?haber_id=17850&kategori=1).

The remark was on the controversial case of the Presidential election of 2007. The controversy occupied an important part of the year and contributed to a slight downturn in the government's economic performance. Looking back to this period at the end of the year, Erdoğan talked of the economic growth figures and said:

Recently we have experienced certain things. If it hadn't been for them, this figure would have been even higher. Why? Give the task to the competent one [*iş bilenin, kılıç kuşananın*]. We are coming from the market. They have never even taken care of a sheep. They have wrong guides. Those with wrong guides... [cannot find anything else than shit]. This is it, unfortunately ... There are still wrong mentalities, like CHP, who yearn for an inward looking regime. They fly high when they talk about promises. [But] we saw that whenever these gentlemen came to power they brought our country ten, twenty years back.<sup>361</sup>

Let me repeat: "We are coming from the market. They have never taken care of a sheep."

Here the market becomes a symbol for the street, a deposit of simple men's practical knowledge. The market is what "Ankara" is not. It is where an *esnaf* ethic, spontaneously evolved out of tradition and *sünnet*, rules instead of codes of conduct imposed by an alienated elite. But more importantly, it is where one learns how to take care of himself and meet his needs, instead of waiting them to be provided by some state provisions. It is where a boy is expected to mature, and become a virile, enterprising, competent man. "Recall the slogans of Peron's descamisados: '*alpargatas si, libros no!*';<sup>362</sup> '*menos cultura y mas trabajo!*'<sup>363</sup>."<sup>364</sup>

The market is where there is a little *cultura* and a lot of *trabajo*. It is where one cannot afford

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<sup>361</sup> Erdoğan, speech made at a meeting in Bolu on July 5, 2007, <http://arsiv.ntvmsnbc.com/news/413273.asp>.

<sup>362</sup> "*Alpargatas yes, books no!*" *Alpargata*, known as espadrille in Europe, is the cheapest footwear, with the upper made of very raw canvas material and the sole made of braided hemp. Usually worn by labourers at the time, it became the symbol for the ordinary man's outfit in Argentina. In mid 1940s, upper-class students were the first to oppose Peronist workers with the slogan "*No a la dictadura de las alpargatas*" (No to cheap shoe dictatorship). In response to that, a group of Peronist demonstrators of La Plata's suburbs, chorused "*Alpargatas si, libros no*" while whistling and booing in front of La Plata University buildings. It was in October 17 of 1945. See "Alpargatas Si, Libros No!" thread at Word Reference forum, <http://forum.wordreference.com/showthread.php?p=7449452#post7449452>.

<sup>363</sup> "Less culture and more work!"

<sup>364</sup> Knight, p. 230.



to be a clumsy intellectual, to be “feckless.” And it is where “these gentlemen” have never been to.

Thus Erdoğan would explain his party’s success in 2004 local elections: “We are not taking the thing only in theory, we do by fusing theory with practice. Those who live only by the theory also have things to learn ... Why? They don’t know the language of the street, they don’t speak with the language of the people.”<sup>365</sup> At the opening ceremony of a private university, he would be willing to share his secret with the youth, advising them to be entrepreneurs rather than losers:

My philosophy is this: Study, think, implement, finalize. I had many friends, they studied a lot, they had their own libraries. They always got 10. Now they have all become losers [*sefilleri oynuyorlar*]. Studying is necessary, but thinking, implementing and finalizing are also necessary. A world looked only through the books does not make a life. The world beyond the books equals to success. Practice is vital. The entrepreneur is the one who grasped this point. You should do it too.

Personal histories of the AKP cadres lent credibility to this discourse. We have already noted that their family backgrounds are distinguished by a low level of education. It is highly probable that a detailed survey would reveal that a specialization in business, management and economics marked whatever education they themselves have received, rather than political science, law or public administration, compared to other political parties’ cadres. Let us look at a few leading figures: Erdoğan is the son of a sea captain, studied business and became engaged in wholesale food trade. It is too well-known to repeat here that he was raised in Istanbul’s dog-eat-dog neighborhood Kasımpaşa and has not given up carrying a jackknife even after becoming a Prime Minister. Abdullah Gül was born to a merchant family in Kayseri – where Ahi Evran founded his guild and practiced his artisan ethic 8 centuries ago, and where the proverbial advise is to “send the smart kids to run shops in the marketplace and let the dull ones study.” He got a PhD in economics and worked as an expert on development. As a child, Ali Babacan helped his family business in Ankara’s Çıkırıkçılar

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<sup>365</sup> Erdoğan, speech made at party parliamentary group meeting on April 6, 2004, [http://web.akparti.org.tr/ak-parti-grup-toplantisi-basbakan-erdogan-sandiktan-cika\\_2288.html](http://web.akparti.org.tr/ak-parti-grup-toplantisi-basbakan-erdogan-sandiktan-cika_2288.html).

Yokuşu, the city's oldest marketplace where a 7 hundred years-mosque old also bears witness to the Ahi legacy; before doing an MBA in USA. Kemal Unakıtan, son of a peasant, studied business and worked for several private companies.

In an instance, when met with a few university graduates complaining about being unable to find jobs, Erdoğan would draw on his personal experience to instruct them on what to do:

No university graduate has any job guarantee anywhere in the world. You finish the university, then you [have to] spend an effort. You have to squeeze your bread out of stones [*taşı sıkar, suyunu çıkarırsın*]. Then you can bring money to your home ... Graduating from the university just eliminates ignorance, but then finding a job [depends on] your qualification, courage, capacity and effort. I finished the university, then I went to sell *simit*, to sell water. I found my job by enterprising. I found it wherever I could. And also don't forget one thing: It is the first time a government allocated more funds to education than on defense.<sup>366</sup>

Yes, instead of promising for more jobs, the Prime Minister honestly and bitterly *instructs* his audience on what liberal capitalism means: help yourself. I attach special importance to the notion of instruction. AKP has completed the Özal revolution in introducing a new understanding about the rule of the market and the role of the state; deliberately trying to instruct the public on the coming of a new epoch. Indeed, the party sees it as its official objective “to generate the political, bureaucratic and *mental* change that would enable the private enterprise to leap forward”.<sup>367</sup> May I amplify here once more what I am trying to argue in this thesis: While students of the AKP phenomenon has emphasized how the former Islamists' integration into the market economy has contributed to their secularization, and their economic success pushed societal actors to accept their legitimacy; the more important process underway may be how the legitimacy they enjoy is translated into a mandate for market reforms, and how their success in establishing themselves as the ‘true’ representatives of the people contributes to neoliberalism's relatively uncontested installation. In this process

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<sup>366</sup> Erdoğan, speech made at a meeting in Ağrı on March 9, 2004.

<sup>367</sup> AK Parti, p. 13.

the party is not only the outcome and articulation of some societal transformation but it assumes an active role in giving a further impetus to the transformation; engaging in ideological formation that shapes people's imaginations about market capitalism. May be it is the party itself which articulates this better: AKP "accepts the observation of ethic values, emerging out of a combination of universal norms and our cultural values, in all economic activities as a precondition of continuous and sustainable growth."<sup>368</sup> In other words, a localization of capitalism as the universal norm. A reconciliation, a certain common understanding about how a market capitalism should work is to be instituted for the consideration of bureaucratic cadres, civil society partners, the business actors themselves, and the wider public.

The party's program is straightforward: AKP "advocates market economy with all of its institutions and rules. Believes that state should remain outside of any economic activity as a principle ... Sees privatization as an important instrument for the making of a more rational economic structure."<sup>369</sup>

How does the party frames its stance on the economy as against 'them?' We have seen that 'they' are not their element in economics, not least because they are unfamiliar to people's needs and expectations, and they are unable to 'think big' beyond their narrow ideational agenda. While seeking a mandate before the 2002 elections, AKP built its position as a reactionary one against the social democratic DSP-led coalition government's failure in the economy: The election manifesto declared: "It is not our people who is responsible for the crisis. It is those who are ruling the country."<sup>370</sup> However, the criticism was not really about the IMF program they implemented. The party recognized that the program had agreeable goals.

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<sup>368</sup> Ibid.

<sup>369</sup> Ibid, p. 12.

<sup>370</sup> AK Parti, *Her Şey Türkiye İçin*.

But failure emerged with regard to policies chosen to reach the goals, priorities selected and the *political backing* given to the program. [Also] the current program is insufficient in its treatment of the real sector problems and social policies. Some of the structural reforms in the program have been put into implementation without taking into account our country's conditions and without enough discussion.<sup>371</sup>

About what it offered in its place the party was vague at first glance, alarming the big business community at the time. The offer was politics, better politics:

Because of certain politicians' concerns for short-term interests, the people has lost confidence to the institution of politics and to politicians ... With our party's idealist politics [*ilkeli siyaset*] both the deep-rooted problems of our country will be solved, and the people's confidence in the institution of politics will be restored. Our party pursues a 'positive politics' that keeps the country's interests before party interests, instead of a 'negative politics' that keeps partisan interests before the country's interests.<sup>372</sup>

With the hindsight that we have now, this can be interpreted as AKP saw basically no wrong in the program apart from adjustments of feasibility, and considered political weakness as the cause of economic breakdown. Hence; establishing better leadership, with more know-how about the economy and ready to commit more political backing for the program would be enough to solve the problems. The election manifesto emphasized this point: "Led by honest, courageous, young, dynamic, knowledgeable and clean cadres, our party has set out with an extensive program to reconstruct a future of hope and confidence in order to make the politics meet with the people again."<sup>373</sup> If Erdoğan's physical appearance and Kasımpaşalı antics were not enough to give an idea about how virile and tenacious a Prime Minister he would be compared to the old and tedious Ecevit, his declaration of an Emergent Action Plan immediately after winning the election was there to further boost his image as a bold leader ready to take risks. Commenting on the plan which gave deadlines about reforms to be made, he said:

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<sup>371</sup> Ibid.

<sup>372</sup> Ibid.

<sup>373</sup> Ibid.

I know that, by publishing this text, we are binding ourselves and all our colleagues that will constitute the legislative and the executive. I am aware how risky this attitude is from a political standpoint. But we will not hesitate to take risks for Turkey's growth and development of Turkey and we will succeed if God permits. Because, we have confidence in Turkey and in ourselves.<sup>374</sup>

Looking back to his government's economic performance 2 years later, he could explain the 'success' by these simple terms: "Turkey's resources are always there. We only coordinated the resources. And the citizens benefit from it. It's not really difficult; if only you give the task to the competent one [*iş bilenin kılıç kuşananın*]."<sup>375</sup>

In other words, since they come from the market, they have the practical knowledge to manage the resources better. At the end of the day, what else is politics for?

What is politics for? Politics was invented by men to make their lives better and to decrease the transaction costs they face while doing so ... But in the past, politics was not taken like this. Implementations that fall behind the society's dynamism, that make things ... costly, were put into practice by politicians in the name of politics.<sup>376</sup>

Ministry of Finance Kemal Unakıtan amplifies a bit:

Now think about it, Turkey before us and Turkey now are the same in everything, the potential is the same. And what changed? The change is: Wrong form of government is replaced. We eliminated waste and unnecessary expenditures. [Thus] we destroyed the inflation monster irreversibly.<sup>377</sup>

By unnecessary expenditures he should mean wages for extensive public employment, operation costs of SOEs, credits to farmers and artisans, agricultural supports, and costs of a subsidized social security system. Alluding vaguely to these interventions, with which the state sought to drive economic production, Erdoğan reveals how their removal enabled funds

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<sup>374</sup> AK Parti, *Acil Eylem Planı*, 2002, available at <http://www.akparti.org.tr/acileyem.asp>.

<sup>375</sup> Erdoğan, speech made at a meeting in Konya on March 22, 2004, [http://web.akparti.org.tr/basbakan-erdogan-konyada-2005-yilinda-tek-haneli-enflasyon\\_2021.html](http://web.akparti.org.tr/basbakan-erdogan-konyada-2005-yilinda-tek-haneli-enflasyon_2021.html).

<sup>376</sup> Erdoğan, speech made at the party's parliamentary group meeting on June 8, 2004, [http://web.akparti.org.tr/ak-parti-grup-toplantisi-basbakan-erdogan-ak-parti-ic-ve\\_3862.html](http://web.akparti.org.tr/ak-parti-grup-toplantisi-basbakan-erdogan-ak-parti-ic-ve_3862.html).

<sup>377</sup> Kemal Unakıtan, speech made in Tekirdağ, March 17, 2004, [http://web.akparti.org.tr/maliye-bakani-unakitan-enflasyon-canavarini-bir-daha-uyanma\\_2861.html](http://web.akparti.org.tr/maliye-bakani-unakitan-enflasyon-canavarini-bir-daha-uyanma_2861.html).

to go for a social policy de-linked from production. He adds that the question of production will be left to the private sector:

We are not cheaters. If we were cheaters, we would fill up public offices [with employees]. If we had filled up the public offices, we could have neither given free coal and schoolbooks nor granted scholarships [to university students]. We will provide employment by empowering private business.<sup>378</sup>

This remark was made in a meeting in Elazığ, just before the local elections of 2004. Erdoğan does not seem to hesitate about confronting popular ideas about the notions of public good and private enterprise even while addressing masses. What gave him this confidence was the fact that he had a new deal to offer, which could be tempting for many: Yes, the state was no longer going to be directly involved in employment creation and allocate subsidies around, but thanks to this, it was running more efficiently on other scores and engaging in a more effective social policy. In this regard, Erdoğan's chief asset on the discursive level has been TOKİ. Wherever he visited, he attended to the opening ceremony of a work by TOKİ and talked about his party's vision as one for a "social state," "which takes care of all needs of its citizens." Following TOKİ; social transfers (especially free giving of coal), the improvements in health service, computers installed in the local schools or the recent improvement of the city's university, and investments made within the framework of KÖYDES project for the rural infrastructure of the region,<sup>379</sup> would be – "*hamdolsun* (thank God)" – the other bullets in Erdoğan's store.

The following crucial step would be to reveal the source that enabled these services: Cutting the channels that served a number of predators to sap the public wealth. Erdoğan selectively brings together the operational costs of the public sector and the costs state

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<sup>378</sup> Erdoğan, speech made at a meeting in Elazığ, March 13, 2004, [http://web.akparti.org.tr/basbakan-erdogan-elazigda-basortusu-bir-istismar-araci-ola\\_2944.html](http://web.akparti.org.tr/basbakan-erdogan-elazigda-basortusu-bir-istismar-araci-ola_2944.html).

<sup>379</sup> KÖYDES is an infrastructural investment project that required remarkable public expenditure. The motive of keeping the scope of the current study more manageable is not the sole reason why we are not covering this topic herein. Also, KÖYDES seems to be a traditional, Keynesian state initiative and in this regard it is of little relevance to the discussion about a merger of neoliberalism and populism.

assumed in order to clear off the debt of a number of private banks that abused an underregulated banking sector; and labels them altogether as a parasite economy. In this way, he narrates an order that should be reformed from top to toe, justifying the coming neoliberal operation. In an early Address to the Nation:

If our state leaves economic activities to the private sector and retreats to its primary duties everybody will benefit. With this objective, we have put down the most comprehensive privatization program to this day and if God permits we will implement it with determination. For our economy to function properly and enjoy stability; all the black holes have to be blocked, and no predating on the people's lot should be allowed. You are also watching that we are unearthing all the parasites that have so far lived off our people, all the *hortumcus* that robbed the treasury and the banks.<sup>380</sup>

Hence, after economy's rehabilitation started to show its effects, he would repeatedly turn to this narrative as a justification. Pointing to the improvement in main economic indicators, he would invite attention to the difference between old and new figures of inflation or interest, for instance, and ask: "Where was this difference going before? To *hortumcus*." By "diverting the resources from *hortumcus* to the people" AKP brought to life a number of policies that made Turkey, for Erdoğan, a more "social state."<sup>381</sup>

The greater presence of private sector in the economy would of course require a changing attitude towards the capital. Private capital becomes the source of bread and butter for the people, hence, it deserves greater respect. In the inauguration ceremony of a chamber of commerce in Rize:

From now on state institutions will cease to be sources of employment. We will increase the number of our businessmen, entrepreneurs. The more number of entrepreneurs increase in our country the faster unemployment will fall to the minimum. We have to achieve this. That's why we will eliminate the employer-phobia inherited from those old communist regimes, communist mentality. But some stand up and say 'you side with the employer.' Oh yeah? I actually side with you,

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<sup>380</sup> Erdoğan, Address to the Nation, October 30, 2003, [http://web.akparti.org.tr/basbakan-recep-tayyip-erdoganin-ulusa-seslenis-konusmasin\\_4343.html](http://web.akparti.org.tr/basbakan-recep-tayyip-erdoganin-ulusa-seslenis-konusmasin_4343.html).

<sup>381</sup> Erdoğan, speech made at a meeting in Konya on March 22, 2004, [http://web.akparti.org.tr/basbakan-erdogan-konyada-2005-yilinda-tek-haneli-enflasyon\\_2021.html](http://web.akparti.org.tr/basbakan-erdogan-konyada-2005-yilinda-tek-haneli-enflasyon_2021.html).

only that you aren't aware. Why? The more employers will proliferate, the more prosperous you will be. That's why they call it an employer.<sup>382</sup>

Erdoğan is aware of the boldness of his position. After continuing his speech by telling how excess expenditures caused public deficits and made Turkey dependent on IMF, he boasts: “How do we solve these problems? We bring practical solutions to these problems. The ones before us all thought about doing this, but *they couldn't dare*”.<sup>383</sup>

Ideological framing is not about lies. Erdoğan does not claim that he sides with the people *instead* of the capital. He claims that siding with the people *means* siding with the capital. He rejects to define the capital as a party in a decisive antagonism. That antagonism is already constructed between the people and an oligarchic elite establishment which, among doing other bad things, also puts obstacles before the advance of capital. That is one of the reasons why the establishment betrays the people, because capital brings economic growth, which would benefit ‘all, including the poor’. In a ceremony for celebrating the biggest tax payers, Erdoğan says: “No matter if they say that we side with the big capital – we believe that the stronger capital becomes in our country, the bigger employment will grow and the stronger our country will be.”<sup>384</sup>

The capital does not represent a societal actor. It does not connote to a class. “There it is a definite social relationship between men, that assumes, in their eyes, the fantastic form of a relationship between things,” Marx once wrote about the fetishism of commodities.<sup>385</sup> Indeed, in AKP's discourse, capital is an impersonal force that takes its part in the mechanics of the economy. Something to be taken into account, taken care of, managed. Something quite sensitive to the changes in the political environment, which should therefore be kept fit for its

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<sup>382</sup> Erdoğan, speech made in Rize on November 14, 2003, [http://web.akparti.org.tr/basbakan-erdogan-rizede-buyil-sonuna-kadar-22-bin-konutun\\_2309.html](http://web.akparti.org.tr/basbakan-erdogan-rizede-buyil-sonuna-kadar-22-bin-konutun_2309.html).

<sup>383</sup> Ibid.

<sup>384</sup> Erdoğan, speech made in Sheraton Hotel, Istanbul on September 22, 2005, [http://web.akparti.org.tr/turkiye-vergi-sampiyonlari-odul-toreni-basbakan-erdogan\\_5724.html](http://web.akparti.org.tr/turkiye-vergi-sampiyonlari-odul-toreni-basbakan-erdogan_5724.html).

<sup>385</sup> Marx, “Capital,” in McLellan (ed.), p. 473.



needs. As Minister of Finance Unakıtan teaches: “The capital has to feel itself secure. If it doesn’t feel so it flies away like a bird, but if it feels safe it never leaves, just like the birds in front of Yeni Cami in Eminönü.”<sup>386</sup> He is quite happy with the metaphor of birds. In another instance, when asked about the risk that hot money inflow creates, he said

We will never put taxes on hot money. Spread the word: Neither will we give up a floating exchange rate nor will we get taxes from incoming money. Do you think that the money won’t come if you put taxes, while your economy is bad? If your interest rates are high, if you are giving free lunch, of course they will come and *peck*.<sup>387</sup>

If the government fails to take care of these birds, it will be our people who loses. Responding to a question about the government’s policy of decreasing taxes on finance capital and increasing indirect taxes that every single consumer pays, Unakıtan told that convenience provided to the financial sector would benefit the people in turn, and said: “Because when you put a tax on finance, everybody with a stake in credits have to pay the price. And this is our very people.”<sup>388</sup>

Hence, AKP’s promise is to bring about a capitalism driven by a bourgeoning spirit of private entrepreneurship and fueled by foreign capital inflows, resulting in a rational economic structure where “the state will no longer distort the mechanics of the free market.”<sup>389</sup> All of this is needed to generate growth, which will make the cake bigger for everybody, hence, increase the prosperity of “our people.” If, on the contrary, this smooth path of development is disturbed by concerns like distribution, growth will be curbed and all, including the poor, will lose. Reflecting a strong belief in this, AKP’s discourse does not lie about the purpose and scope of the policies, although, of course, distorting certain facts. The party program announced in good conscious all the fundamental reforms the party later

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<sup>386</sup> Unakıtan, speech made at the International Finance Conference organized by Active Academy on October 17, 2003, [http://web.akparti.org.tr/maliye-bakani-kemal-unakitan-onumuzdeki-gunlerde-finans-sek\\_4153.html](http://web.akparti.org.tr/maliye-bakani-kemal-unakitan-onumuzdeki-gunlerde-finans-sek_4153.html).

<sup>387</sup> *Hürriyet*, June 10, 2005.

<sup>388</sup> Unakıtan.

<sup>389</sup> Erdoğan, speech made at a meeting with representatives from multinational companies on March 15, 2004, [http://web.akparti.org.tr/yatirim-danisma-konseyi-toplantisi-basbakan-erdogan-tu\\_2952.html](http://web.akparti.org.tr/yatirim-danisma-konseyi-toplantisi-basbakan-erdogan-tu_2952.html).

undertook, including unpopular ones. It revealed intentions to “decrease labor costs in order to increase the competitive power of the private sector,” enable capitalist farming in agricultural sector and “develop policies to divert the excess employment in agriculture to other sectors,” argues for a “diversification” and “deepening” of the financial sector, reformation of the social security system and promotion of private pensions, advocates privatizations and foreign capital, and talks about preventing *gecekondu* construction. The party’s program and election manifestos have been clear with regard to the content of the party’s ideas on what should be done, while for instance, the major opposition party CHP articulates its position on private enterprise very briefly and with vague third-way phrases like “Private enterprise will be supported within the context of fair competition and awareness of social responsibilities” in its program.

The discourse holds that the people, once they are assured that their true representatives are in power and will do whatever necessary to serve the country’s interests, they will see the results and appreciate the virtues of market capitalism. But the job is to be done against the resistance of the “CHP mentality,” materialized in a “bureaucratic oligarchy” that serves the interests vested in the old order. “There is a bureaucratic oligarchy. It doesn’t want [the reforms], it says ‘my kingdom will be lost.’ But this will happen too, whether you want it or not.”<sup>390</sup> Erdoğan demands a mandate to crusade against this oligarchy. In a meeting held in Istanbul Chamber of Industry, he asked the help of his audience to remove this thing, which functioned like a group of stubborn ticket collectors that refuse to obey the captain’s commands about treating the travelers on board in a better way, and thus upset the peace in a ship. As a result, more and more travelers are lost in each port and revenues from ticket sales keep falling down. He continued:

Turkey has experienced this problem of governmentality [*yönetim anlayışı*] in most grave terms and paid a price for it. And this price is still being paid. If there are still

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<sup>390</sup> Erdoğan, speech made at the opening ceremony of a hospital in İzmir, March 21, 2004, [http://web.akparti.org.tr/basbakan-erdogan-izmirde-artik-insanlarimizin-hastane-kogu\\_2007.html](http://web.akparti.org.tr/basbakan-erdogan-izmirde-artik-insanlarimizin-hastane-kogu_2007.html).

problems – and there are indeed – just know that this is the price of that period, that ancient politics, that ancient governmentality ... [B]ureaucratic oligarchy is still waging a war against politics, against the governmentality of politics, and the war continues. There is a resistance here. As we try to go beyond many things, that resistance is curbing our private sector and making everything so complicated.<sup>391</sup>

Previously we have seen how the Kemalist elites betray Kemal Atatürk's ideals of popular empowerment. Now, in their support for the bureaucratic oligarchy, Kemalist elites betray Atatürk once more by distancing themselves away from the material side of his project for a progressing Turkey. Erdoğan expresses this material ideal with Atatürk's another signature phrase. In republican İzmir he says:

Gazi Mustafa Kemal Atatürk has pointed the target: to rise above the level of contemporary civilization. Walk the walk, talk the talk. Until this day they just talked, we don't do that. We run to Gazi's target with perseverance, inspiration and determination.<sup>392</sup>

He wants CHP leader Baykal to walk the walk, talk the talk:

You are not Atatürkist, you only benefit from Atatürk ... Forget about whether Atatürk founded CHP or not, and tell us what *you* did. What did you do to rise higher than the level of contemporary civilization. Do you have any works standing up on this land, tell us that.<sup>393</sup>

Defined predominantly as an overarching ideal of material progress, Atatürk's ideal becomes an empty signifier of a 'great Turkey' and it can even coexist with (and subsume) Necip Fazıl Kısakürek's imagination about a national regeneration. Talking at a conference in commemoration of the Islamist intellectual, at a time while the government was expecting to hear from EU a date to start negotiations, Erdoğan stated that it was Kısakürek who provided them with their vision. After reciting the verse "You have long crawled facedown, now it is

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<sup>391</sup> Erdoğan, speech made at a meeting in Istanbul Chamber of Commerce, June 5, 2004, [http://web.akparti.org.tr/istanbul-sanayi-forumu-basbakan-erdogan-turkiye-bugun-3\\_1732.html](http://web.akparti.org.tr/istanbul-sanayi-forumu-basbakan-erdogan-turkiye-bugun-3_1732.html).

<sup>392</sup> Erdoğan, speech made at party's provincial congress in İzmir on May 28, 2006, <http://www.tumgazeteler.com/?a=1521139>.

<sup>393</sup> Erdoğan, speech made at a meeting in Sakarya on July 14, 2007, [http://web.akparti.org.tr/ak-parti-sakarya-mitingi\\_4297.html](http://web.akparti.org.tr/ak-parti-sakarya-mitingi_4297.html).

time to stand up Sakarya!” he said: “Thank God we are now seeing a Sakarya which had long crawled facedown but finally stood up.”<sup>394</sup>

The image of a Turkey standing up, taking off, and finally fulfilling the expectations of ‘greatness’ generated by its historical heritage fills a central place in the discourse.

Erdoğan: “We are at the brink of a big take-off. From the moment when the wheels leave the ground and we take off it won’t be possible to halt Turkey ever again.”<sup>395</sup> Abdullah Gül:

Turkey has regained its self-confidence and inspiration. Turkey has entered to a period of take-off once again. Turkey had entered to take-off a few times before, during Adnan Menderes, Turgut Özal and Demirel’s times. [In those cases] the plane could not ascend high enough and fly in the blue skies for long. This time Turkey is reformed, there are fundamental changes.<sup>396</sup>

The Rostovian scenario is also the ultimate justification of all that is done, and the reason for any sacrifices that may be required. Until Turkey achieves a take-off – the finish line of which is never visible, deliberation on questions like distribution should be postponed, and everybody should work hard to achieve Turkey’s march to progress as a national unit, measured in terms of an aggregate value: GDP growth.<sup>397</sup> Remember how this populist discourse of concertation betrays a “fatalism of neoliberal ideology,” as Armony calls it.

Similarly, any numerical value that displays increasing magnitudes serves as a symbol of a Turkey growing ‘bigger,’ becoming ‘great.’ Disregarding any thoughts about how a (over?)valued national currency effects the terms of trade and handicaps the export sector, Erdoğan declares: “We have long been complaining about devaluation of currency. It is

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<sup>394</sup> Erdoğan, speech made at a conference in Atatürk Center of Culture , İstanbul on June 19, 2004, [http://web.akparti.org.tr/dogumunun-100-yilinda-necip-fazil-yili-basbakan-er\\_3822.html](http://web.akparti.org.tr/dogumunun-100-yilinda-necip-fazil-yili-basbakan-er_3822.html).

<sup>395</sup> Erdoğan, press conference held at AK Parti Headquarters on August 15, 2007, [http://web.akparti.org.tr/ak-parti-myk-toplantisi\\_5218.html](http://web.akparti.org.tr/ak-parti-myk-toplantisi_5218.html).

<sup>396</sup> Abdullah Gül, speech made at İzmir Organized Industrial Site on March 15, 2004, [http://web.akparti.org.tr/disisleri-bakani-gul-hukümetimiz-sanayi-ve-sanayiciye-dest\\_2957.html](http://web.akparti.org.tr/disisleri-bakani-gul-hukümetimiz-sanayi-ve-sanayiciye-dest_2957.html).

<sup>397</sup> Or else, if one prefers to talk about distribution of income he should take GDP growth per capita as the measure, preferably. This is what AKP leaders sometimes do, while, of course, GDP per capita can tell nothing about distribution of income.

wrong to complain about evaluation of currency. I am proud of the currency to be valuable.”<sup>398</sup> In another instance, the increase in the amount of foreign capital in circulation becomes an indicator for “Turkey’s external enlargement and march. The vanguard of this march is the people. And it is the people who will arrive at the target.”<sup>399</sup> For Erdoğan what they did “for 6 years” was “working day and night to make Turkey a great country, the country of those who think big.”<sup>400</sup> A fetishism of great numbers (buttressed by the images of a more ambitiously extravert foreign policy) is there to put the question of individual destinies of the citizens to the background and amplify the story of Turkey, the mother, reasserting her dignity thanks to sacrifices by her sons.

Marx taught us how division of labor brings about a contradiction between the interests of the community (*bürgerliche gesellschaft*) as an increasingly productive social unit and the interests of individuals partaking in the production. “Out of this very contradiction between the interests of the individual and that of the community the latter takes an independent form as the State divorced from the real interests of individual and community, and at the same time as an illusory communal life.”<sup>401</sup> In the due course, “every common interest [is] straightway severed from society, counterposed to it as a higher, general interest, snatched from the activity of society’s members themselves and made an object of government.”<sup>402</sup> Previously we have seen that AKP has offers that sought to compensate for the citizens’ material losses to the neoliberal economy. We have also noticed that AKP promises to recognize the disdained citizens at a level of dignity within society that nobody

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<sup>398</sup> “Erdoğan: Kriz En Az Bizi Etkiler,” NTVMSNBC website, October 4, 2008, <http://arsiv.ntvmsnbc.com/news/461078.asp>.

<sup>399</sup> Erdoğan, speech made at the party’s parliamentary group meeting on May 30, 2006, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-tbmm-grup-konu\\_2692.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-tbmm-grup-konu_2692.html).

<sup>400</sup> Erdoğan, speech made at a meeting in Sivas on March 5, 2009, [http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-sivas-mitingin\\_5969.html](http://web.akparti.org.tr/ak-parti-genel-baskani-ve-basbakan-erdoganin-sivas-mitingin_5969.html).

<sup>401</sup> Marx, “German Ideology,” p. 185.

<sup>402</sup> Marx, *The 18<sup>th</sup> Brumaire of Louis Bonaparte*, (New York, NY.: International Publishers, 2004), p. 122.

else did before. Now, above all these, at the point where AKP claims to embody the progress of the nation more strongly than ever with a reformed, more efficient State and raise it “above the level of contemporary civilization,” it is offering you, at the last instance, the chance of partaking in a great project; to undertake a big, unprecedented enterprise; to embody the communal life. It is offering the irresistible pleasure of realizing the higher idea. It is promising the heavenly taste of serving the general interest.

In other words, AKP is not just addressing particularistic interests in a clientelistic manner. It is subsuming these interests under the question of what Turkey can and should achieve as a collectivity – which happens to require Turkey to emerge as a more free market in order to outline among ‘emerging markets.’ Ignoring this side to AKP’s politics, one cannot grasp the strength of the psychic affiliation that Erdoğan has created in a relatively short time among a coalition of heterogeneous interests. Despite the critical framing of the state appearing from the neoliberal economics that AKP proposes, and side by side with the particular anti-state establishment attitude displayed by the party, Erdoğan did not forget to arouse “fantasies for the state” in the collective non-consciousness of his addressee, giving the state an afterlife with a reconstituted image. Navarro-Yashin, following Žižek and Aretxaga, invited attention to the domain of fantasy as regards to what regenerates state power in the context of 1990’s Turkey: “[S]imultaneous practices of reproduction, regeneration, and reification keep re-dressing ‘the state’ in a variety of garbs ... the very people who critique the state also reproduce it through their ‘fantasies’ for the state.” She argued that “[t]he work of fantasy generates unconscious psychic attachments to the very object that has been deconstructed in the domains of consciousness.”<sup>403</sup> Indeed, as Erdoğan stripped the Kemalist authoritarian pretensions off the state (in its concrete, empirical form) to show its present weakness, he wore avatars of efficiency and effectiveness to promise an envisioned strength

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<sup>403</sup> Yael Navarro-Yashin, *Faces of the State: Secularism and Public Life in Turkey*, (Princeton and Oxford: Princeton University Press, 2002), p.4.

for the State (the idea of transcendent power). In this way he tried to make himself a locus of fantasies about the state, an object of desire for overarching power. He alluded to the deconstruction of state establishment in one form but offered the idea of a smaller yet more efficient state, which would therefore become stronger.

All in all, AKP posited market capitalism as the imperative of a number of axes of confrontation and concertation and try to ‘instruct’ the people about its virtues. Let me conclude this section by sharing a suggestive observation about what effect AKP’s instructions might have had on the constituency it addressed. Previously we have touched on the indeterminate picture on income distribution. I argue that from the point of view of the average AKP voter, it should not seem to be worse than what existed before, or what could exist if AKP was not in power, or else it is not really the most importing thing about economic development. Probably, as long as he saw his real income improving, as long as he could buy more with his valuable liras, and plus, as long as he could benefit a new variety of provisional mechanisms that practically solved his immediate real life problems (like those about healthcare or housing), he would not care whether his employer actually sapped a greater share of the surplus of his labor and earned more: Surprisingly, while AKP has consistently received votes from the poorer segments of the society, surveys report that the proportion of AKP voters who expressed a need to decrease income inequality is below the country average. AKP voters also agreed less with the suggestion “the government should take more responsibility to ensure that everyone is provided for” than the average voter did. It is interesting to note that on these scores Turkish people in average expressed less egalitarian and less statist views in 2007 than they did in the crisis year of 2001. Finally, the good old Smithian idea that “wealth can grow for everybody without making some worse-off” finds more believers among AKP voters than the average.<sup>404</sup>

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<sup>404</sup> See entries for Turkey in World Values Survey, Online Data Analysis section at <http://www.worldvaluessurvey.org/>. Cross-tabulating the variables V116 (income inequality), V121 (wealth

The shift is remarkable. Is the data simply invalid or coincidental, or is there something that justifies my suggestion about a persuasion into a new equilibrium? Situating the case in the wider context, it seems to me that there is enough reason to think that the reason of the market colonized the reason of the man in the street more convincingly during AKP period. The situation induces right-wing liberals to celebrate that the people no longer want equality, they just want to be on the winning side: “The question for the people is not defending one’s class but to change class ... The people do not want anything like social democracy, they want wild capitalism, because they believe that there is more bread and butter there.”<sup>405</sup> Indeed, the paradigm of global capitalism has made strong inroads to the daily lives of the masses so that it is now more informative to the horizon of their expectations. The new order prevailing after the crisis of 2000-2001 seems to many irreversible; and given the inevitability of what should be done; Erdoğan’s cadres with all their vigor, efficiency and hard work appear as the most able candidates to manage the job.

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inequality), V118 (government responsibility) with V231 (which party would you vote for: first choice) for the “WVS 2005-2008” survey would give this picture. To compare between 2001 and 2007, check V116 and V118 between the above mentioned WVS 2005-2008 and “Four Wave Aggregate of the Values Studies.”

<sup>405</sup> Engin Ardiç, “Ağzına Sağlık Hüseyin Ergün,” *Sabah*, June 17, 2009.



## CHAPTER V

### CONCLUSION

It is time to summarize my findings so far, amplify their theoretical implications, draw limits to the current argument and point directions for further exploration.

I paid a good deal of effort to engage in a political economic analysis of the AKP period. This was not so much an attempt to sketch a “political economy of AKP” in the sense of a delimitation of the economic factors that explained AKP’s motives, acts or success as to understand what political economic dynamics AKP’s policies in government set into motion or perpetuated. I hope this acquits me some of the criticism that this thesis may provoke on grounds of economic reductionism. Furthermore there are relevant reasons why I chose to pay this much attention to what exactly happened in the economy and exhibited a series of quantitative indicators of the transformation – may be to an extent too far fetched for an analysis primarily interested in a political science question – and these reasons go beyond the motive of buttressing the story with ‘hardcore’ evidence to make it more convincing.

First, quantitative indicators of growth, change, transformation were among the very idioms, and indeed important idioms, of the language AKP developed to communicate its policies, and its vision of what is good for Turkey. In an age of semiotic economics where projective expectations for market prospects are *derived* from ‘derivative markets;’ numerical avatars of impersonal economic forces form an integral and prioritized part of the very social reality that the individual subject of political action face. Any ‘false consciousness’ this fetishism of indicators might imply is I think beyond the simple question of ignorance, political aloofness or parochialism alleged to AKP voters. On the contrary, such ‘false’ consciousness may demand a greater interest in the national agenda. The current author, during an election campaign, approached a pro-AKP cook that sells meatballs in a 4 m<sup>2</sup> shop,

and tried to be critical of the government's record. What else than awe can you feel for him – a *köfteci* who sticks papers full of statistics (showing improvements in economic indicators during AKP's term, which he updates *every week*) on top of his stall and, pointing to them, reply you: "It's the economy, *hocam!*" Hence, the story of AKP's economic success deserved an elaborate account on its own term due to our interest in the party's discourse and style of politics.

Secondly came the aim of setting the parameters of what goes in most critical political science accounts simply as neoliberalism in a word, in more careful terms. My motive was to go beyond the somewhat crude, oft-repeated and now self-perpetuating account of neoliberalism as a 'bad, bad thing.' This is a problem not because neoliberalism is actually good, but because such a simplification may obscure the interesting story of how neoliberal economic transformations can be crafted in a way to address the expectations of wide societal segments, and work in unexpectedly popular ways. Let me give Deniz Yıldırım's otherwise brilliant discussion of AKP's neoliberal populism as an example. In a nutshell; Yıldırım tries to understand how, *given* that neoliberalism is bad for lower classes, AKP commands such a strong popularity among the lower strata; and without discussing why and how exactly neoliberalism is bad as such, she goes on to explore the populist techniques of government and instruments of patronage that made the party popular *despite* the existence of a neoliberal economics on the one hand. She does not pay enough attention to how this new populism interrelates with the neoliberal economics it serves to install. I argue instead that it might be from inside the very mechanics of neoliberal market-formation itself arise some of the new opportunities for popular politics. Roberts' warning that "populist tendencies could arise *within* – rather than *against* – a neoliberal project"<sup>406</sup> makes more sense in this context. Overlooking this, one might repeat the mistake of techno-economic experts in seeing market

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<sup>406</sup> See footnote 52.

economy as an ideal benchmark hovering above us, something as against which the practice of policy making should be evaluated and adjusted. Actually, if neoliberalism is to have any meaning as something with wide scale and profound effects on our societies, amounting, may be, to a shift in the regime of capital accumulation as Harvey argues, it should be taken as a comprehensive political project that goes beyond the technical recommendations of market experts – recommendations which, most ‘neoliberal’ governments fail (or cannot afford) to follow in an exact manner.

Hence, in Chapter II, I tried to show that the popularity of AKP’s economic record has a basis. Tafolar explained part of Özal’s popularity with the fact that “[a]s in the Latin American context, the impacts of the previous economic crisis were so adverse that the masses tolerated the draconian measures which paved the way for the deterioration in their living conditions and purchasing power and swallowed the harder pills which they believed would avert a total economic collapse and catastrophe.” In AKP case, too, the destruction brought by the instability of 1990s and the crisis of 2000-2001 definitely played a big role in readjusting citizens’ expectations about the working of the economy and making them ready to embrace incremental improvements with gratitude. But going beyond that, the combination of a number of factors put AKP’s incipience at the beginning of an expansionary phase of Turkish and world economies in general; and enabled it to generate an unprecedented wealth in the country with its policies of trade and financial liberalization. Evaluation of the national currency enabled all Turkish citizens to consume more as Turkey could import more cheaply, and the defeat of chronic inflation provided a further stability to the ability of the fixed income lower-middle classes to do so. In this way, even though inequalities might have been perpetuated during this period, it is doubtful whether the living conditions and the purchasing power of the “masses,” more specifically the lower classes, have necessarily deteriorated – at least until the coming of a global crisis, which falls out of the scope of the current study. The

“bigger cake pleases everybody” story has a point in the sense that during this time of capital inflow and credit boom, with all the unprecedented amount of money in circulation, the wheels turned even for the losers and they found cushions of safety more easily. Risking a future collapse of the overboomed market, AKP’s economic policies actually saved the day, and in this way they themselves were populist *and* (not necessarily *despite* being) neoliberal. To some, they signed that popular welfare can be taken care of without investing much in *bureaucracy*.

There were, nonetheless, absolute losers too. Some segments of the export-oriented industries did have a hard time. Among these, who lost ground was determined by a question of scale and field of activity: You would have little chance if your business was small, and was in textiles, clothing, leather, shoes. This may mark an end to a certain pattern of “easy” capital accumulation set in 1980s, whereby buying in a constantly devaluating national currency and exporting in dollars gave one a competitive edge despite a lack of sophistication. In effect, it may contribute to elimination of segments of a class of self-employed petit bourgeoisie. Within the confines of this study I failed to address the question where exactly the fledgling *Anadolu kaplanları*, an alleged conservative Anatolian bourgeoisie falls within this picture. However, our findings suggested that the real basis of this myth might be weaker than what it is generally thought (or wished) to be.

Workers employed in the private sector saw their real incomes rising from where they fell during the previous crisis, but their gains were nothing much compared to the profits accruing to the capitalist class. Also, they witnessed the organizational bases of their class strength further crippled with AKP’s policies on strikes and labour unions. As any other populist party, AKP tried to give the feeling that the workers are well-fed while undermining the basis of an independent articulation of their interests.

Among the losers, farmers left everybody else behind. AKP followed up the previous government's reform of the agricultural sector apart from making some adjustments of feasibility so that the product support system was de-installed to a great extent. As a result, its term in the government saw a continuation of a rapid move out of agriculture, as small family-run farms were consolidated into bigger units rented to capitalist farmers. This development, insofar as it uproots a peasantry off the countryside, paves way for important social problems which, if perpetuated by the effects of a prolonging of the global crisis, might form the biggest cause for a breakdown of AKP's neoliberal-populist deal in the near future.

Again, the market reforms enacted by AKP also provided it with some instruments of compensation for the social risks of the class differentiation they brought about. As the state grew smaller and the public sector borrowing requirement fell down, the declining share of interest payments enabled the government to keep up expenditures on education, health and social transfers. That is how AKP could make 'populist spending' without giving up budget austerity. And that is why Erdoğan could boast about spending more on education than on defense, or diverting resources from a domestic rentier class to the people themselves. However, there is another price of this policy, which reveals its future limits. Without the record-breaking privatization frenzy, the budget could hardly achieve a balance. A number of privatizations, made with the pretext of rationalizing the economy, liquidated the accumulated public wealth of the 'people' and gave them *a share*, if it did not give them *their share*. Of course, the privatizations also served as mechanisms to keep a business clientele happy: Not only 'Islamic capital' but corporations like OYAK and Koç found themselves doing very profitable business with the former Islamists in office. When privatizations were not enough AKP resorted to the unpopular practice of levying new, mostly indirect taxes. In the future, insofar as a constriction of global liquidity coincides with lower prospects for Turkey as a market (and the two things correlate so much in the context of current policy choices, they are

more or less bound to coincide), privatization would cease to be a source of revenue, and AKP will no longer be able to have its cake and eat it too.

However, macro balances were hardly the only determinant of AKP's chances of engaging in material patronage. As we saw in Chapter III, AKP's singularity emerged in a) its ability to mobilize former *Milli Görüş* cadres' experience in forming communal networks of solidarity for the establishment of a proxy welfare web woven by a number of official and private actors summoning around the party, and b) its innovations in making use of a centralized, autonomous executive administration driven by the Prime Minister himself to craft effective policies for specific purposes – to avoid *bureaucracy*.

The first element displayed itself in the extensive anti-poverty aid orchestrated by AKP-run local municipalities. It was made possible both by increased amounts of funds they received from the budget thanks to AKP's policy of more autonomy in local governance; and by the private charity they mobilized. As such, they served as nodes of "charity brokerage" with Buğra and Keyder's terms. By substituting for a welfare regime, AKP municipalities probably earned the appreciation of a significant number of the poor. I think it probable that for the greater part of these people, which have never been covered by the malfunctioning and non-inclusive social security system, AKP is not a party that spares incremental aid while deinstalling social security; but one which responds to the urgent needs of the downtrodden in a more effective way than the others did. This would not mean that people are necessarily grateful, or 'happy' to be dependent on AKP's aids, but it would mean that they will be less likely to think AKP as responsible for their dependence (this suggestion, of course, has to be verified by a research on the perception of these people). The maintenance of such an image, of course, requires communicative skills going beyond the material resources mobilized; and a shared religious/social-conservative array of idioms and symbols shared by AKP cadres and their target groups was more than helpful in providing a communicative loop. The same

applies for a number of independent charity organizations that stood ideologically close to the government, contributing to a sense of a Muslim conservative network of solidarity taking care of the poor, with AKP at its center.

Not only the municipalities but SYDTF also constituted an important source of social provisioning – which brings us to the second element. The fact that SYDTF is an extra-budgetary fund which does not require Parliamentary initiative for its renewal and administered by a Board with the Prime Minister's approval gives an autonomy in determining the scale of aids being mobilized and where. Together with TOKİ, they emerge as the bastions of Prime Minister's ambitions at directing material patronage to selected constituencies. The use of SYDTF for purposes other than social aid has been thus far unheard; and there has been no need to exploit it to cover budgetary deficits. TOKİ's finances have been more innovative. Emerged as Prime Minister Erdoğan's own initiative and remaining responsible to him, this bizarre institutional body managed to secure a position to itself as one of the biggest grantor of public contracts with virtually no funds, and supply a tenth of the national housing market. AKP's populism was well pronounced in equipping TOKİ with extraordinary powers and enabling it to bypass rival institutional and legal authorities in the name of effective policymaking; while the mode of operation helped much by neoliberal forms of local governance established since 1980s onwards. The new non-inflationary economic environment brought about by AKP's economic policies was also what made TOKİ's mortgage system workable. I argue that TOKİ as an initiative of governmental patronage has been successful in the Machiavellian sense: Without putting any pressure on the government's budgetary priorities, it catered to several classes at the same time, making the price being paid in not easily discernable ways (liquidization of common wealth deposited in public land and emergence of disharmonized, asocial living spaces) or by not easily identifiable societal segments (future generations and socially excluded squatter-dwellers).

Erdoğan evaded from addressing the problems TOKİ created in terms of a social “right to the city” (a la Lefebvre) and he turned a deaf ear to the legal or procedural problems entangled with TOKİ’s operations, while he espoused its works as the chief indicator of his party’s social credentials.

AKP’s most strategic skills were exhibited in the party leadership’s efforts at narrating a pedagogical language of reform and helping their constituency to socialize into market capitalism. I told in the beginning that indicators, numbers, numerical signs relating to an epistemological object called the economy may gain a more concrete reality than what they are supposed to ‘show,’ and become agents in shaping individuals’ orientations. Nonetheless, this is in no ways automatic; they are not readable to everybody, and making them intelligible requires what Laclau calls a “radical investment” in the symbolical value of these agents. In simpler terms, what is needed is a pedagogical activity whereby subjects of politics learn and socialize into the world of meanings these signs imply. A political party that aims to facilitate economic reform has to undertake such an enterprise if it cares for being popular. This was what AKP was best at. As we saw in Chapter IV, with its discursive operations at constructing a popular reading of ‘the economy,’ the party served as the Machiavellian Prince of Gramsci in hegemonically leading a cross-class coalition into a new horizon defined by the parameters of market capitalism. It did so with a perfectly populist logic, whereby the people was constructed as a morally strong yet materially deprived political actor against an institutional establishment staffed by a culturally distant elite. In its discourse AKP located this people in a geography of neglect and disdain from where it should save itself and raise to a higher level of recognition. And an economic reform to construct a great Turkey was in offer to help her. In this offer, of course, directly populist policies like social transfers, anti-poverty aids or TOKİ projects were cherished with more amplification. Nevertheless, AKP’s all policies, including



those regarded as unpopular too, found their special places in this well-structured narrative to give a coherent, comprehensive, convincing idea of what we can and cannot have.

To amplify the theoretical implications of our findings on AKP's discourse: The market is constructed as the object of several imperatives. Firstly, it is an articulation of collective will and a deposit of the people's wisdom where individuals learn how to take care of themselves better. The simplified short-cut to the logical conclusion of this would be: "If the market teaches the manner in which we should guide our own conduct, then the way in which we gain access to guidance regarding our conduct will be through the construction of markets."<sup>407</sup> In this, the market emerges as a superior cultural form to *the bureaucracy*. Secondly, it appears as an esoteric object with its own mechanics which can be understood through a special epistemology of the economy. If its mechanics is disturbed, the people's prosperity will be lost. While left-wing populists once told the people "the economy works because you do," now AKP preached the otherwise: You work because it does, and if you want to be able to work, you'd better take care of it well. Lastly, it is offered as the path for Turkey's quest to greatness. Yes, AKP tapped into cultural prejudices, addressed cravings for recognition and alluded to special gifts for selected constituencies, but it also suggested a higher idea of national regeneration through market reform as a collective ideal. In this way the market addressed the non-egoistic motivations of the citizenry too and replaced *the bureaucracy* as the "illusory common interest" in the Marxian sense.

Due to a matter of scope, I evaded from touching the more micro mechanics involved in the party's pedagogical communication with its constituency. I prioritized the *word* over *practice* and pretended that the speeches made by the leadership were the only elements of the party's discourse, whereas appellations at the grass-roots level also deserve an equally careful examination if we are to make something like an exhaustive critique of AKP's discourse. I

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<sup>407</sup> Mitchell Dean, *Governmentality*, (London, Thousand Oaks, New Delhi: Sage Publications, 2001); p. 160.

believe that this deficiency is counterpoised by the fact that the charismatic leader's individual persona does play a disproportionately big role in the making of AKP's charm. But certainly, I would like to buttress my argument with other kind of manifestations of the party's discourse if only I had more skill, time and resources.

The pedagogy in question is also an interactive process, whereby the expectations of voters and the ideational commitments of party cadres join each other in building a shared language. In this work, I totally left aside the question how the electorate relates to the party. Apart from taking the ballot singularly as an autistic, dummy sign of approval, and mentioning in various contexts certain surveys about the public reception of the party; I sentenced the electorate itself to silence, to a passive, receptive position. This was a deliberate methodological choice in my effort at isolating the party's strategies as my object of observation. This was also a strategic choice insofar as I did this to emphasize the active, vanguard role the party played in adjusting the expectations of its conservative electorate to a new equilibrium. But I would like the reader to note that is not a theoretical choice that promotes a one-sided reading of the process of political participation. Evidently, a study of AKP electorate's political orientations, preferably employing more ethnographical methods, would complement this study in answering the question in what ways the party's popularity relates to its economic vision and policies.

A question about packaging neoliberalism is not only an academic question but also the objective of a political enterprise. That is why the answer is probably a moving target, a project to be constructed interactively by the actors that have a stake in its fulfillment. I tried to locate some of AKP's strategies towards engendering popular consent for a neoliberal program. I think in the end I managed to approach to a region where the grammar of my *dolmuş* driver's discourse on *the bureaucracy* is crafted. I took some steps to deconstruct the grammar to understand its conditions of possibility. I would like to be in a position to offer a

way to remove these conditions. All I can say at this point is: The mainstream reception of the AKP case among its students has thus far failed to contribute to such a project. By over-prioritizing the question of compatibility between religious motivations and liberal democratic pretensions, not only we underachieve in understanding the implications of a question of compatibility between neoliberal policies and popular mandate; but also we contribute to the very hegemonic project for de-problematizing neoliberal capitalism. Regardless of whether or not the party is genuinely secularized, as an academic question it definitely is yet to be secularized. I hope my work contributed to this.

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